

**ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING  
OF THE MAYOR AND CITY COUNCIL OF  
THE CITY OF DAVID CITY, NEBRASKA**

The undersigned members of the governing body of the City of David City, Nebraska, hereby acknowledge receipt of advance notice of a regular meeting of said body and the agenda for such meeting to be held at 7:00 o'clock p.m. on the **9<sup>th</sup> day of September, 2015**, in the meeting room of the City Office, 557 N 4<sup>th</sup> Street, David City, Nebraska.

This agenda is available for public inspection in the office of the City Clerk and may be modified up to twenty-four hours prior to the opening of the meeting.

Dated this 3<sup>rd</sup> day of September, 2015.

**AGENDA AS FOLLOWS:**

- |                                                                                                                                                                                                                            |                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 1. Roll Call;                                                                                                                                                                                                              | <hr/> Mayor Alan Zavodny                                                     |
| 2. Pledge of Allegiance;                                                                                                                                                                                                   | <hr/>                                                                        |
| 3. Inform the Public about the location of the Open Meetings Act and the Citizens Participation Rules;                                                                                                                     | Council President Gary L. Kroesing<br><hr/> Council member Michael E. Rogers |
| 4. Minutes of the August 12 <sup>th</sup> , 2015, meeting of the Mayor and City Council;                                                                                                                                   | <hr/>                                                                        |
| 5. Consideration of Claims;                                                                                                                                                                                                | <hr/> Council member Thomas J. Kobus                                         |
| 6. Committee and Officer Reports;                                                                                                                                                                                          | <hr/>                                                                        |
| 7. Update by Dawn Danley & Al Hottovy of Leo A. Daly concerning the Downtown Redevelopment Project;                                                                                                                        | <hr/> Council member Kevin N. Hotovy                                         |
| 8. Consideration of applying for a TAP Grant (Transportation Enhancement Program) which is an 80/20 grant for sidewalks;                                                                                                   | <hr/>                                                                        |
| 9. Consideration of the proposal for a Wage Comparability Study by Paul Essman of Capital City Concepts, LLC;                                                                                                              | Council member Gary D. Smith<br><hr/>                                        |
| 10. <u>PUBLIC HEARING</u> : Budget Hearing and Budget Summary for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the proposed budget Fiscal Year 2015 – 2016; | Council member John P. Vandenberg<br><hr/>                                   |
| 11. Consideration of Ordinance No. 1235 adopting the budget statement to be termed the Annual Appropriation Bill to appropriate the budget for the 2015 – 2016 fiscal year;                                                | <hr/> City Clerk Joan E. Kovar                                               |
| 12. <u>PUBLIC HEARING</u> to consider setting the final tax request at a different amount than the prior year tax request;                                                                                                 | <hr/>                                                                        |

13. Consideration of Resolution No. 15 – 2015 approving an additional one percent (1%) increase in restricted funds;
14. Consideration of Resolution No. 16 – 2015 setting the property tax request;
15. Consideration of Resolution No. 17 – 2015 carrying forward the unused budget authority;
16. Consideration of a storage building at the Sewer Lagoon to house shooting range equipment, that the B.C. Sheriff's Office will pay for, and deciding if it should be vinyl or tin siding;
17. Consideration of the bids received for tables and chairs at the City Auditorium;
18. Consideration of authorizing Mayor Zavodny to sign Change Order No. 1 concerning the water main improvements and replacement on "I" - 5<sup>th</sup> to 8<sup>th</sup> and 7<sup>th</sup> – "I" to "J";
19. Consideration of authorizing Mayor Zavodny to execute the grant for the David City Municipal Airport (6-Place T-Hangar and Taxi lanes);
20. Consideration of promoting Kevin Betzen to the Wastewater Supervisor position and determining the pay step. (Step 5 = \$22.67 ?)
21. Consideration of steps located on the south side of the building located on the Northwest corner of 4<sup>th</sup> & "E" Street;
22. Consideration of allowing the Bicycle Riders Across Nebraska (BRAN) to utilize the City Park on June 7, 2016;
23. Consideration of selecting an emergency notification system for the City/Utilities;
24. Adjourn.

## CITY COUNCIL PROCEEDINGS

September 9, 2015

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4<sup>th</sup> Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on September 3<sup>rd</sup>, and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Alan Zavodny, Council President Gary Kroesing, Council members Kevin Hotovy, Thomas Kobus, Gary Smith, and John Vandenberg. Also present were City Attorney Jim Egr, and City Clerk / Interim City Administrator Joan Kovar. Council member Mike Rogers was absent.

Also present for the meeting were: Hilary Christian, Don Hilger, Paul Perske, Paul Essman of Capital City Concepts, LLC, Sheriff Marcus Siebken, Russell Heller, Mrs. Longenecker, Jim Vandenberg, Janis Cameron, Rex Rehmer, Dawn Danley of Leo A. Daly, Banner Press Editor Larry Peirce, Electric Plant Supervisor Eric Betzen, Water Employee Kevin Betzen, Street Foreman Rodney Rech, and Park/Auditorium Supervisor Bill Buntgen.

The meeting opened with the Pledge of Allegiance.

Mayor Zavodny informed the public of the "Open Meetings Act" posted on the east wall of the meeting room.

The minutes of the August 12<sup>th</sup>, 2015 meeting of the Mayor and City Council were approved upon a motion by Council member Vandenberg and seconded by Council member Smith. Voting AYE: Council members Hotovy, Kroesing, Vandenberg, Kobus, and Smith. Voting NAY: None. Council member Rogers was absent. The motion carried.

Mayor Zavodny asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims and Council member Kobus seconded the motion. Voting AYE: Council members Vandenberg, Kroesing, Hotovy, Smith, and Kobus. Voting NAY: None. Council member Mike Rogers was absent. The motion carried.

Mayor Zavodny asked for any comments or questions concerning the Committee and Officer Reports.

Electric Plant Supervisor Eric Betzen reported that he received his "Return to work (full capacity) without restrictions" today, September 9<sup>th</sup>, from Midwest Neurosurgery & Spine Specialists. Eric will notify Chad Podolak of NPPD and schedule a time to run the plant as required in our Capacity Purchase Agreement. As long as we run the plant in September we will continue to receive our capacity purchase payments from NPPD.

Sheriff Marcus Siebken stated they are checking on abandoned vehicles. Discussion followed concerning the ordinance setting the abatement process. This will need to be reviewed as it currently states that the Board of Health must declare the problem a nuisance.

Council member Vandenberg made a motion to accept the committee and officers reports as presented. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Hotovy, Vandenberg, Kroesing, and Smith. Voting NAY: None. Council member Rogers was absent. The motion carried.

Dawn Danley, Senior Civil Project Engineer of Leo A. Daly presented the following Power Point Presentation along with an update concerning the Downtown Redevelopment Project. Dawn stated: "After the last meeting I was tasked with coming back for some different cost options to do certain phases of the project, so I will present that as we move forward. I do want to clarify a few things. After the last meeting, it was quite a mess of a meeting, and we were talking a lot of different things, and when I read the paper I wanted to make sure that moving forward things were clarified based on what was presented last week, so that what's in the paper isn't construed as we're just throwing numbers out everywhere. I want to address the two things: costs and the bricks. The numbers are very important, we need to make sure the

numbers stay straight, whether they stay at this number or they go lower, but I just wanted to make sure that we are on the same page. In November of 2014 I presented an 8 million dollar cost for 11 blocks reusing existing bricks (in parallel parking and drive lanes). In February 2015 I presented to you a \$6,900,000 cost for 11 blocks using new bricks. So, it was a \$1.1 million dollar difference between using existing and new, and two weeks ago I came back and presented an \$8,000,000 cost. It did go back up. Those were not apples to apples cost estimates, I added in sanitary sewer, and the NDR portion that is not the same when considering the \$6.9 million. So, I just want to make sure, it did go up from the \$6.9 million about \$600,000 dollars based on the apples to apples, but we need to be fair with the costs and I wanted to make sure that that was talked about, because numbers tonight are going to be thrown out and I want to make sure we're on the same page. Bricks; February we talked about not reusing the existing bricks. Two weeks ago we talked about we're not sure yet, so this is what I propose moving forward. Where ever we put bricks, if we put bricks, there will be a base bid for installing new brick, and an add alternative will be added for re-using existing brick, and we will let the contractor who you are going to pay to install it, give you the price, and then you can decide at that point, what is the most cost effective for you. Is that a fair process moving forward for now?"

Mayor Zavodny stated: "I don't have a problem with that."

Dawn Danley stated: "So bricks will be bricks and we'll deal with whether they are new or re-used further down the line". Dawn continued with her Power Point Presentation.

Mayor Zavodny stated: "I've thought about this a lot since we last met and to me we've got to take care of water lines probably first. Sewer, if we touch anything down 5<sup>th</sup> Street you are stupid not to take care of the sewer. We have "D" Street started ("D" Street between 4<sup>th</sup> and the Burlington/Santa Fe Railroad) and for continuity that next block makes sense especially with our drainage issue, so if we did infrastructure and a block; you do maybe one block and that intersection then people will see what it looks like, then next time it's easier to pick up where you left off and go again. It is going to cost more down the line? Probably, but to commit money we don't have....."

Council member Hotovy stated: "What I don't like about piecing this out though, is every time a person goes to do this project we have to bid it out. You could have a different contractor every time it's bid out and that contractor will point fingers at the contractor before him that's going to point fingers at the contractor before.....to me, it's a do it all or nothing."

Council member Kobus stated: "Well I think it's a do it all one block at a time, but you have to make it right so everything's going to fit together."

Council member Kroesing asked about continuity. Discussion followed.

# CLARIFICATIONS

Clarifications from the last meeting and Banner Press article:

<u>COST</u> -	Summary of project and what Leo A Daly has presented:
November 2014	\$8,000,000 11 blocks – reusing <b>existing</b> bricks in parallel parking and drive lanes.
February 2015	\$6,900,000 11 blocks – using <b>new</b> bricks in parallel parking and drive lanes.
August 2015	\$8,000,000 11 blocks – using <b>new</b> bricks in parallel parking and drive lanes <b>AND</b> adding in sanitary sewer reconstruction and NDOR portion (approx. \$450,000 of new scope)

(February 2015 and August 2015 costs were not apples to apples.)

BRICKS - Back in February it was discussed at a Council meeting that reusing the existing brick was not going to be considered anymore. After last meeting if reusing existing bricks is back on the table, recommend that moving forward, all design options involving brick sections, there will be a base bid for installing new brick, and an add alternative will be added for re-using existing brick. See the costs from the contractor, then decide.

# How We Got Here

Olsson prepared a Downtown Improvement Master Plan in 2008. From this plan, steering committee, and City Council at that time, thoughts and ideas were put in a master plan to use once improvement projects took place.

The next project that was done was the D Street improvement. While some of the improvement pieces were installed (decorative pavers, colored concrete, light poles), the Street was not redone in Brick which differs than what was in their master plan.

Out of the OA study, they estimated a future downtown project for \$4.1 million dollars that include the 11 blocks we have been studying for the last year+. The project included the following pieces:

- Water Main Improvements (including pavement replacement)
- Street Lighting
- Pedestrian Lighting
- Parking Apron and Storm Sewer
- Sidewalk Replacement and Hardscaping

*The Project did not include reconstruction of the brick drive lanes or brick parallel parking.*

In 2010 – City passes a 1-1/2% sales tax that was to support 3 areas:

- Northwest Drainage (\$1.25 million)
- Downtown Improvement (\$4.5 million)
- Recreation (\$1.5+/- million)

# Where We Go

Daly has been presenting a project in the \$6.9 to \$8 million range since November 2014. We have had conversations about doing a Preliminary Engineering Study to analyze what were the best options to build based on the City's budget. Daly was directed to move forward and directed to design the entire 11 blocks as total reconstruction. Just because we are designing the entire area does not mean we build it all. We still propose to design the entire project as per contract and prepare Capital Improvement Plans (CIP) for your project that shows projects spread over 5 – 10 years that can be planned for financially.

From past Council planning and the passing of the sales tax, the City was prepared for a downtown project for approximately \$4.5 million dollars.

## Sales Tax Analysis:

Since Dec 2012 thru August 2015 – collected=> \$2,435,816.96 (avg. \$515,000/yr)

Currently In the Bank =>

\$ 317,352.11

Sales Tax revenue until end of term (Oct. 2020)=>  
\*Estimating \$43,750 per month (62 mo.)

\$2,712,500.00

Total potential available from Sales Tax =>

\$3,029,852.11

Remainder of NW Drainage=>

\$ (464,850.00)

**Left for Downtown Improvement & Recreation:**

**\$2,565,002.11** over term

**LEO A DAILY**

# Project Scope

What can be built for \$2.2 million? – (following costs without engineering)

Option 1: ALL 11 blocks of water line with only removing necessary infrastructure for water line => \$1,500,000

Option 2: Full reconstruction of E street (5<sup>th</sup> to 6<sup>th</sup>) & D street (5<sup>th</sup> to 6<sup>th</sup>) and only water line the remaining 9 blocks => \$2,600,000

Option 3: Full reconstruction of E street (5<sup>th</sup> to 6<sup>th</sup>), D street (5<sup>th</sup> to 6<sup>th</sup>), water line and infrastructure improvements for 9 blocks => \$3,500,000

Option 4: Full reconstruction of courthouse square, E street (5<sup>th</sup> to 6<sup>th</sup>), and D street (5<sup>th</sup> to 6<sup>th</sup>), water line and infrastructure improvements for 6 remaining blocks => \$ 4,700,000

Options 5, 6, etc.: City can add and adjust scope depending on what the bids are and what the budget is.



# Payment Options

Option 1 – Sales Tax will pay the entire amount with more left over for recreation.

Option 2 – Assume you have \$2.2 million from sales tax. Assume total cost of project is \$3 million – so you have \$600,000 to loan/bond.

Over 10 years at 4% interest, payment each year = \$72,900

Over 20 years at 4% interest, payment each year = \$43,630

Over 30 years at 4% interest, payment each year = \$34,374

Option 3 – Assume you have \$2.2 million from sales tax. Assume total cost of project is \$4 million – so you have \$1.8 million to loan/bond

Over 20 years at 4% interest, payment each year = \$130,892

Over 30 years at 4% interest, payment each year = \$103,122

Option 4+ – Assume you have \$2.2 million from sales tax. Assume total cost of project is \$5.5 million – so you have \$3.3 million to loan/bond

Over 20 years at 4% interest, payment each year = \$239,968

Over 30 years at 4% interest, payment each year = \$189,056

# Payment Options

For any project over \$2.2 million – how will the payments be made?

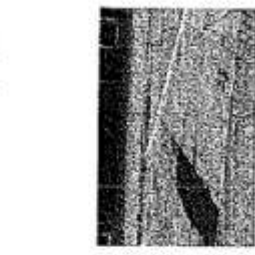
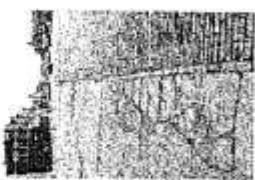
- Road taxes
- Water Revenue
- TAP Funds
- CDGB Grants (very low potential – (Lower to moderate income level needs to be above 50% - David City is at 44%)
- Pass another sales tax
  - Estimate conservatively that sales tax amount coming in at \$450,000 per year of new term will generate \$4.5 million in 10 years. Assume 85% of that is for downtown project. That adds \$3.9 ON TOP of current \$2.2 million for total project of \$6.1 million.

## Next Steps

1. The City needs to clarify the budget of the project.
2. Leo A Daly finalizes the design of all 11 blocks as per contract.
3. The minimum base bid will be for the identified project to fit within the established budget with alternatives to add back in pieces of the project if contractor costs come in better.

**E street (3rd to 4th)**

Remove and Replace entire block = \$570,000  
 Remove and Replace for water line & piling/sw = \$200,000  
 Remove and Replace for water line ONLY = \$136,000



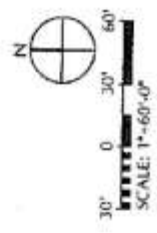
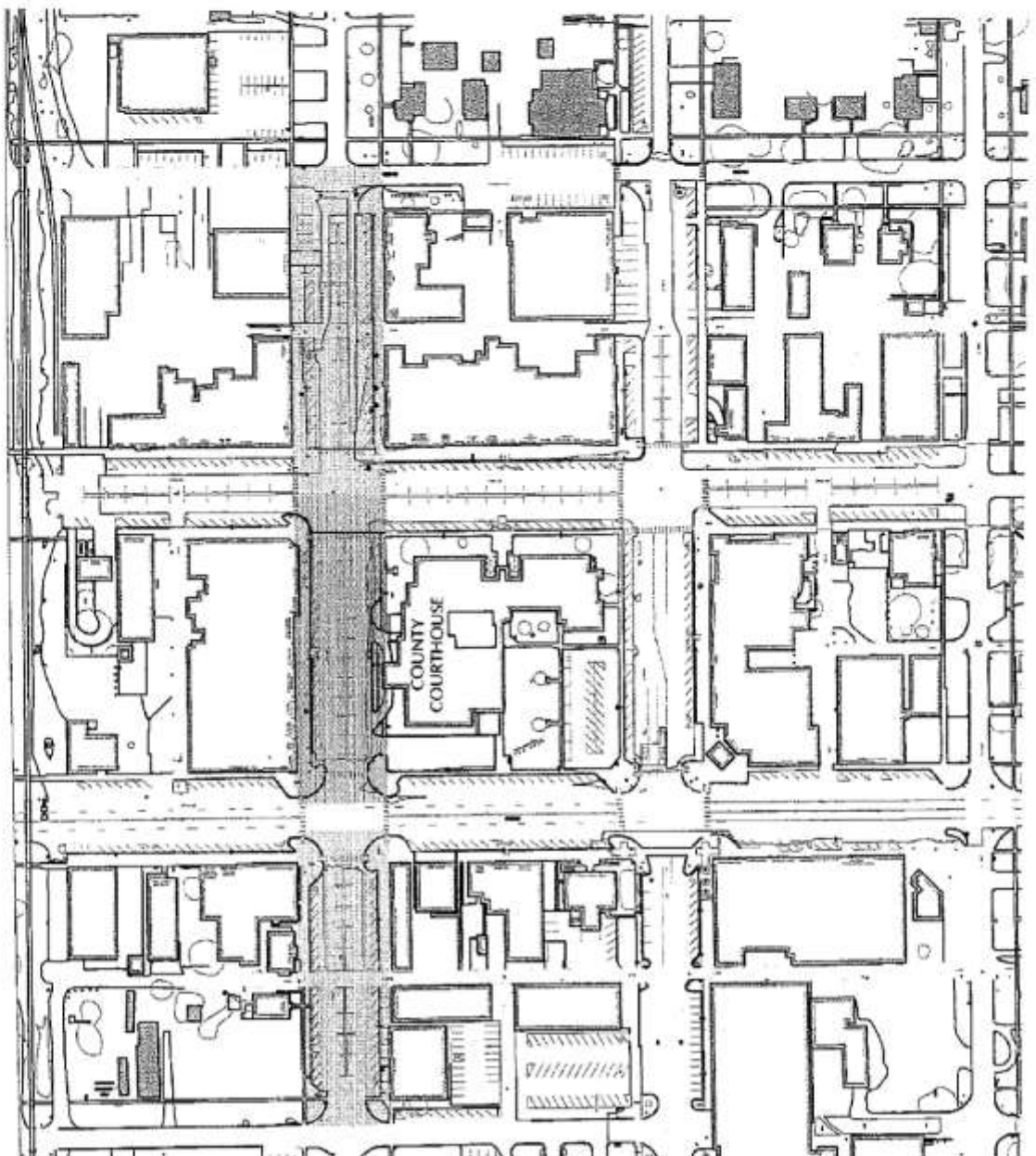
**E street (4th to 5th)**

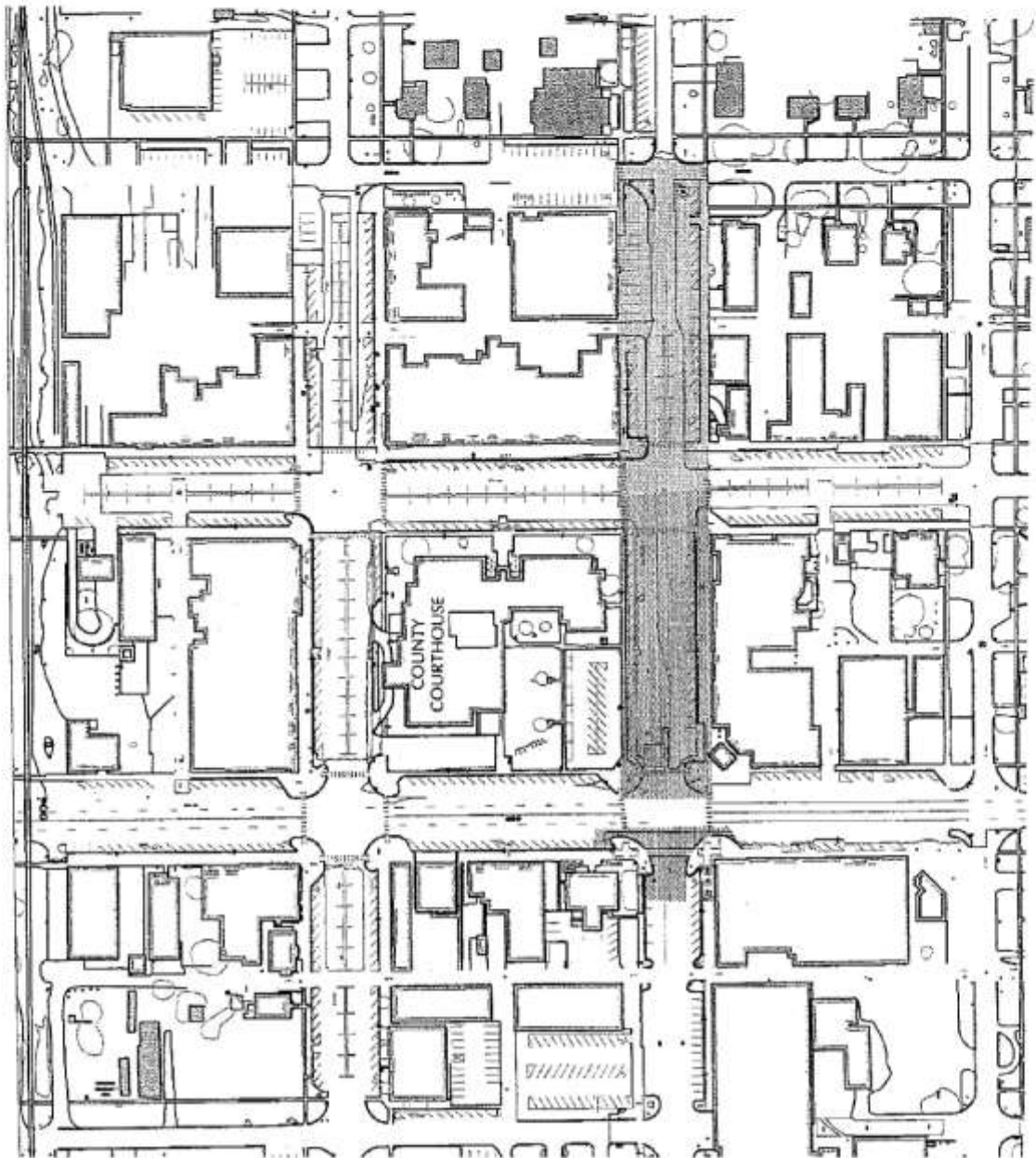
Remove and Replace entire block = \$977,000  
 Remove and Replace for water line & piling/sw = \$221,000  
 Remove and Replace for water line ONLY = \$137,500



**E street (5th to 6th)**

Remove and Replace entire block = \$756,000  
 Remove and Replace for water line & piling/sw = \$293,000  
 Remove and Replace for water line ONLY = \$136,000





**D street (4th to 5th)**

Remove and Replace entire block =

\$800,000

Remove and Replace for water line & piping/sw =

\$150,000

Remove and Replace water line ONLY =

\$133,000



**D street (5th to 6th)**

Remove and Replace entire block =

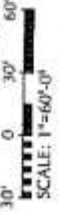
\$676,000

Remove and Replace for water line & piping/sw =

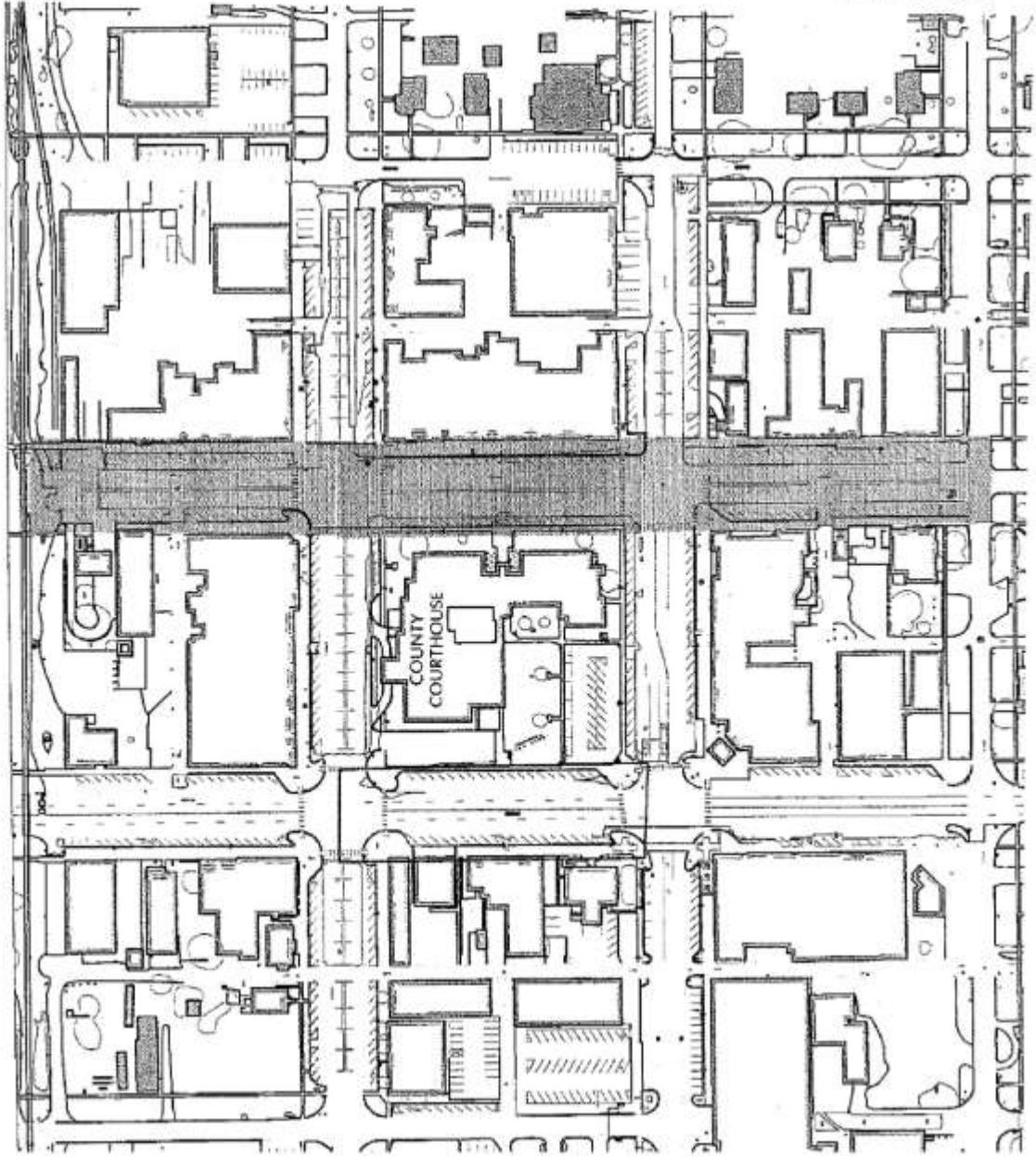
\$230,000

Remove and Replace water line ONLY =

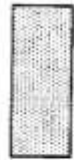
\$129,000







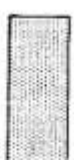
**5th street (E Street to BR)**  
 Remove and Replace entire block = \$747,000  
 Remove and Replace for water line & piling/sw = \$278,000  
 Remove and Replace water line ONLY = \$124,000

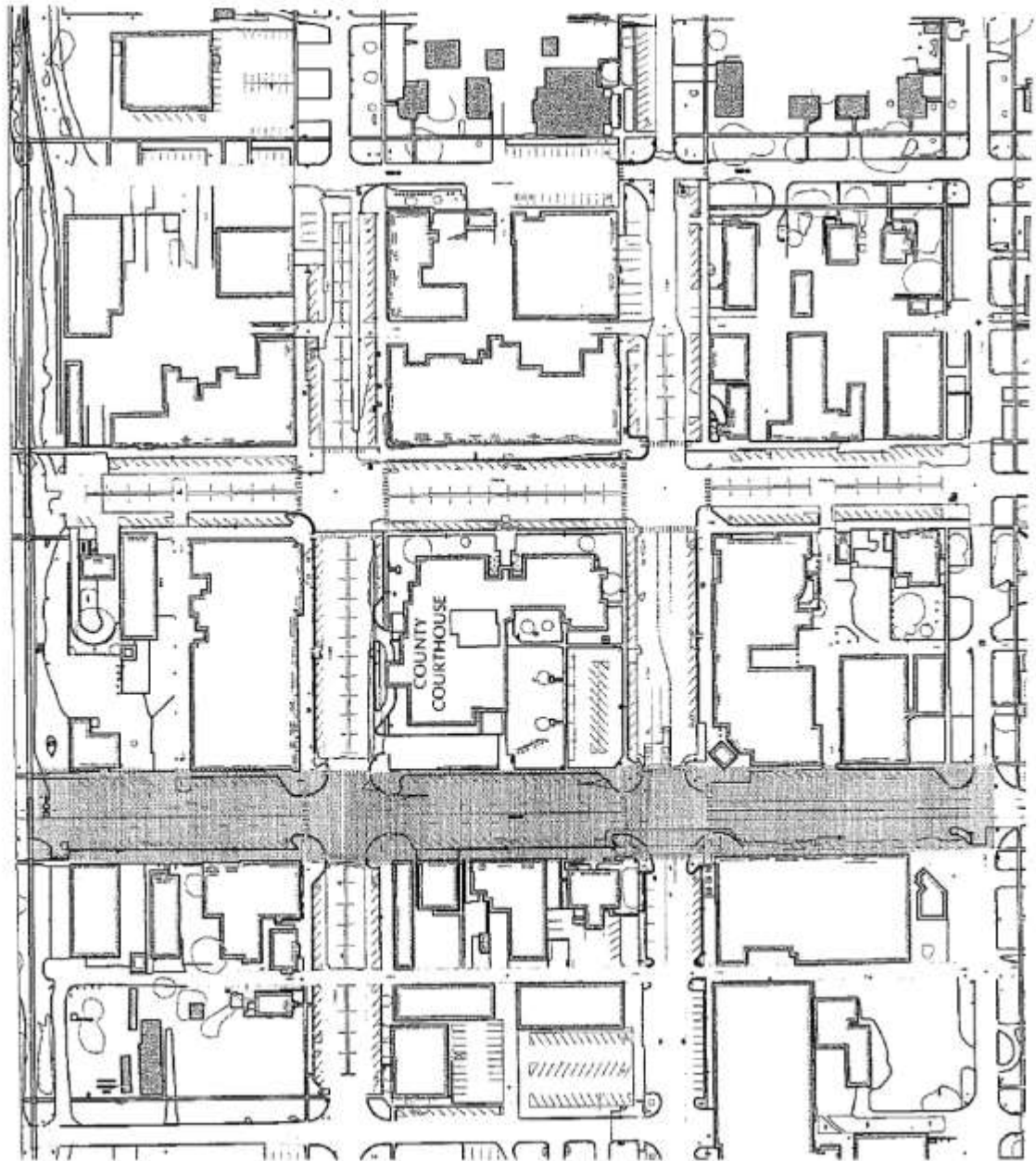


**5th street (D Street on E Street)**  
 Remove and Replace entire block = \$814,000  
 Remove and Replace for water line & piling/sw = \$224,000  
 Remove and Replace water line ONLY = \$124,000



**5th street (C Street on D Street)**  
 Remove and Replace entire block = \$673,000  
 Remove and Replace for water line & piling/sw = \$194,000  
 Remove and Replace water line ONLY = \$130,000





**4th street (E Street to RR)**

Remove and Replace entire block = \$516,000  
 Remove and Replace for water line & piling/sw = \$266,000  
 Remove and replace for water line ONLY = \$133,000



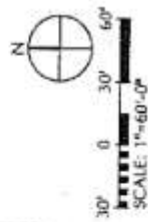
**4th street (D Street at E Street)**

Remove and Replace entire block = \$513,000  
 Remove and Replace for water line & piling/sw = \$265,000  
 Remove and Replace for water line ONLY = \$133,000



**4th street (C Street at D Street)**

Remove and Replace entire block = \$487,000  
 Remove and Replace for water line & piling/sw = \$221,000  
 Remove and Replace for water line ONLY = \$133,000



Butler County Chamber of Commerce President Hilary Christian had distributed the following notice:

**David City Downtown Business Owners:**

Your presence is requested! We want your input on the future of David City Downtown area!

Please consider attending this meeting to discuss potential decisions that will be made by the City Council regarding the downtown renovation project. The next City Council meeting will be on September 9<sup>th</sup> at 7pm.

**What: David City Downtown Renovation Informational Meeting**

**When: Tuesday, September 8<sup>th</sup>**

11:45am- grab lunch from Runza or bring your own lunch

**12pm- 1pm** Meeting with other downtown business owners, Butler County Chamber of Commerce Board of Directors, & Dawn Danley

**Where:** Runza Party Room in David City

Hilary Christian stated: "I invited every one of the Downtown Area Businesses to a meeting to talk about what they want and bring their ideas. There was a bunch of people there so I am going to bring to you notes that I have from that meeting. There has been a lot of talk about assessments to our businesses; that was the #1 worrisome thing for the business owners. "What's our assessment?" and we don't know that. You guys will not know that, until she (Dawn) knows that, until you know budget, until you know money, so that could be anywhere from \$100 a linear foot to \$15 a linear foot depending on funding, or not, depending on your project scale, so that was one issue. It was brought up also that they would like to see, like these type of options that Dawn has shown you, in the scale of what it would cost us. You know, I have 150' of sidewalk, how much is that going to cost me for you to replace that? They want to see that a little more personal. Another thing that was brought is that if an assessment was made, most of that assessment in the whole project scheme of things for the business person was that it's from the water and sewer lines going in because it effects our sidewalks, our driveways, and our paving in the front. If you only do that, like she mentioned, that's all you do and the money was all there, maybe it'd be a fair assumption that the assessments would be very small. You know, if you have the whole \$2 million to do a project maybe you wouldn't assess the business owners. We agreed it would be nice to fix up the Downtown; that would be nice. There was concern that if the current tax expired, and nothing had been done at that point in time, there was no way we're going to vote in another tax because they haven't seen anything from the old one, they're not going to vote in a new one. That was a concern somebody shared. Main Street is a non-profit organization that the Chamber DCD has partnered with as far as getting ideas for what our downtown wants to look like, it's not a renovation project, it does not take her place, and we work with her. I brought that up to bring business people together.



That's kind of a side note. Trying to improve the people traffic to David City, trying to improve the store fronts, they can find the different fundings, things like that. Trying to bring us, as business people, a little more together so we have a vision that we can share with you also on what we want this town to look like. Alternate funding, are there other options and ideas? Grants, talking about doing the highway and the State paying for 80% of it. We've got Mary Plettner from NPPD, we've got the Main Street, maybe even the Butler County Development maybe getting in on this, I don't know just suggestions that we had. Another suggestion we had was the City Council designating maybe two members to be a committee of the Downtown Renovation. I also heard that it was silly not to do the highway at this time if we can get an 80/20 split. That was kind of all over the place but these are the main points about what we all talked about the other day."

Dawn Danley stated: Jumping on the highway piece, I talked to Thomas Goodbarn the NDOR Rep and they're not in any hurry. So if we prioritize and 4<sup>th</sup> Street is in pretty good shape, if we don't do 4<sup>th</sup> Street until....as long as it can be planned before they want to come in here and do the overlay that offer would still be on the table as far as he was concerned, so there's not a real rush that you'll lose that if you don't use it. He said he's not in any hurry, quote unquote."

Business owner Rex Rehmer stated: "The Think Tank got together with the downtown business owners and the underlying theme was infrastructure; that was the #1. Infrastructure was most important to those people. So I think you're going to go down the right path in looking at that first. The other consideration that I haven't heard yet....when we start tearing into these projects, if we do an all at once, that's "one time" I've got my business disrupted for whatever time period it's going to be. If you're starting to do it in phases, or half a street and half a street, that can mess with me more than once, and that's going to be a consideration you have to look at for business owners."

Much discussion followed. Mayor Zavodny stated that a special meeting will be scheduled for Wednesday, September 23, 2015 at 7:00 p.m. at the Hruska Memorial Public Library to discuss the Downtown Redevelopment Project. This meeting will follow the Committee of the Whole meeting.

Mayor Zavodny asked Dawn Danley about the TAP grant and Dawn stated: "I don't want to submit something that we don't know what we are doing. I'd rather make sure we know what we are doing."

Therefore, Council member Vandenberg made a motion to table consideration of applying for a TAP Grant (Transportation Enhancement Program) which is an 80/20 grant for sidewalks. Council member Smith seconded the motion. Voting AYE: Council members Hotovy, Kroesing, Smith, Kobus, and Vandenberg. Voting NAY: None. Council member Mike Rogers was absent. The motion carried.

Paul W. Essman, Capital City Concepts L.L.C., stated that he has been doing comparability studies for about 30 years. The comparability study can be approached in two ways: a Market study or a CIR study as follows:

Market Study: data collection with each proximate array member, gathering wage data and obtaining specific job match information, while making detailed comparisons of benefit packages at the various locations (as well as future cost projection). The fee for this study would be \$10,000 plus expenses.

CIR Study: data collection with each array member (Would exclude the MSA cities, per statute), gathering wage data and obtaining specific job match information, while making detailed comparisons of benefit packages at the various locations (as well as future cost projection). The fee for this study would be \$12,000 plus expenses.

Paul W. Essman stated: "The Market Study we could compare your public employees to the City of Seward, Wahoo, St. Paul, we can even do an REA for electric employees. We can make different comparisons closer to home – 60 miles or so. The CIR Study (Commission of Industrial Relations) would be cities no more than double, less than half your size, but they couldn't be in an MSA. The number of cities that you would compare to closer in are now part of the Grand Island MSA, that would be Central City, St. Paul, Aurora, Seward, Wahoo....none of those cities would be available for you to compare to, so it would send you out a farther distance so that's kind of the difference on the price as we would have to travel to those locations to collect some data to do the comparisons. The other part, I believe you wanted an expense stoppage; I am happy to do that; we can work out an easy number for that."

Mayor Zavodny asked: "Given what we're looking for, is there really any compelling reason to go the CIR route?"

Paul W. Essman stated: "You don't have any unions so I would go with the Market Study and get more of a reading on what your local labor market is. Also, when the numbers come in you aren't compelled by any comparability to pay those numbers. It's more of a market look at what your wages and benefits are. I am open to whatever you want to do, but if you went that direction I could set the expenses at \$500; do not exceed."

Council member Hotovy made a motion to accept the proposal by Paul W. Essman, Capital City Concepts, LLC, for a Market Study (comparability study) at a cost of \$10,000 plus expenses not to exceed \$500. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Kroesing, Vandenberg, Smith, and Hotovy. Voting NAY: None. Council member Rogers was absent. The motion carried.

Paul W. Essman stated the he would wait until after October 1<sup>st</sup> to start the comparability study and he would be done sometime in December.

At 8:14 p.m. Mayor Zavodny opened the Public Hearing on the Budget Hearing and Budget Summary for the purpose of hearing support, opposition, criticism, suggestions, or observations of taxpayers relating to the proposed budget fiscal year 2015 – 2016.

Citizen Paul Perske stated: "A couple of things that I am seeing or noticing, and this is statistical information that anybody can gather, but as I hear you talk about doing the Downtown

Project, and yes granted, it would be nice to spend eight million dollars and do the whole project but you can't spend what you do not have. But I see the water rates and the sewer rates increasing and we know we are converting those funds into the general account to pay for things it is foolish to assume that the other things are that possible. As I was looking at water and sewer rates and comparing them to cities around the area, we are starting to get rather high, and I know if we are doing it obviously because we have a retail sales tax shortfall, that's not going to probably change anytime in the foreseeable future. The last time Butler County had an increase in its population was between 1890 and 1900. For the last 120 years it's had a negative growth so to assume that sales tax revenue is going to go up is probably not going to happen. So when we are developing these budgets, and deciding what we're doing, that's a pretty safe assumption we aren't going to see more. In regards to water and sewer rates, the one thing I looked at because it effects low income, retirees, and fixed income. I don't know what in town most people make but if you looked at an average; two wage earners making \$12/hr. that's roughly \$49,000/yr. You take an average water/sewer bill or utility bill, \$300 which is probably pretty common, I think it's about 80% of their income just to pay that. We're getting to the point where that's pretty high and to think that 5 years from now, or 3 years from now, a budget crunch again and we raise the rates. You can only do that so many times, you can only come back and raise those rates so many times. So, in thinking about the budget, that's something I guess that needs to be thought through pretty clearly because I don't think sales tax revenues are going to go up or we are going to have more than we estimate we are ever going to, and obviously when you raise sales tax people who are buying big equipment tend to buy elsewhere to save money, so it cuts you kind of both ways there. There are a lot of different things that that negatively effects even though we don't want to admit that it does. So then it comes down to, how do we gain revenue? That might be new housing, subdivisions, or whatever it happens to be, but just look at things that we have in town that we could support better. I think bringing tourism into town is a high one and obviously I've sat on the Bone Creek Board and we've come and presented things in front of the Board and I've never had a city council member ever after that meeting come and say "Is there anything I can do to help?" because that is ultimately bringing people to town that are buying food, gas, maybe lodging, whatever, spending money here, and the same thing, everybody wants the Thorpe Building torn down, but again it's one of those things if it is done right can bring people to town to spend money. If we think in town money is going to increase we are kidding ourselves. If you're looking at statistical data alone, it isn't. I want people to think about that when we go to budget these items. The days of money rolling in are probably about inferred; it's going to be pretty consistent. I'm not trying to be a negative person, I'd like to be positive, but I also want to be realistic. We shouldn't be jumping into things that we have absolutely no idea how we're going to pay for other than to divert money from other things into the general fund."

There being no other comments from the public, Mayor Zavodny declared the Public Hearing closed at 8:22 p.m.

Council member Kroesing introduced Ordinance No. 1235 adopting the proposed Budget Statement to be termed the Annual Appropriation Bill to appropriate the budget for the 2015 – 2016 Fiscal Year. Mayor Zavodny read Ordinance No. 1235 by title. Council member Kroesing made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Smith seconded the motion. Voting AYE: Council

members Kobus, Hotovy, Smith, Kroesing, and Vandenberg. Voting NAY: None. Council member Rogers was absent. The motion carried.

Council member Kroesing made a motion to pass and adopt Ordinance No. 1235 on the third and final reading. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Hotovy, Vandenberg, Kroesing, and Smith. Voting NAY: None. Council member Rogers was absent. The motion carried and Ordinance No. 1235 was passed on 3<sup>rd</sup> and final reading as follows:

**ORDINANCE NO. 1235**  
**THE ANNUAL APPROPRIATION BILL**

AN ORDINANCE OF THE CITY OF DAVID CITY, NEBRASKA, ADOPTING THE BUDGET STATEMENT TO BE TERMED THE ANNUAL APPROPRIATION BILL; TO APPROPRIATE SUMS FOR NECESSARY EXPENSES AND LIABILITIES; TO PROVIDE FOR THE REPEAL OF ANY ORDINANCE OR RESOLUTION IN CONFLICT THEREWITH; TO PROVIDE FOR AN EFFECTIVE DATE THEREOF; AND TO AUTHORIZE PUBLICATION IN PAMPHLET FORM.

WHEREAS, Nebraska Revised Statute 17-706 provides that a city council of the second class shall adopt a budget statement pursuant to the Nebraska Budget Act, to be termed "The Annual Appropriation Bill", in which corporate authorities may appropriate such sums of money as may be deemed necessary to defray all necessary expenses and liabilities of the city.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, BUTLER COUNTY, NEBRASKA, AS FOLLOWS:

SECTION 1. That after complying with all procedures required by law, the budget presented and set forth in the budget statement is hereby approved as the Annual Appropriation Bill for the fiscal year beginning October 1, 2015, through September 30, 2016. All sums of money contained in the budget statement are hereby appropriate for the necessary expenses and liabilities of the City of David City, Nebraska. A copy of all completed State of Nebraska Budget Forms shall be forwarded as provided by law to the Auditor of Public Accounts, State Capital, Lincoln, Nebraska, and to the County Clerk of Butler County, Nebraska, for use by the levying authority.

SECTION 2. That any ordinance or section of any ordinance passed and approved prior to or subsequent to the passage, approval, and publication or posting of this ordinance and in conflict with its provisions, is hereby appealed.

SECTION 3. This ordinance shall be published in pamphlet form and shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED this 9th day of September, 2015.

\_\_\_\_\_  
Mayor Alan Zavodny

\_\_\_\_\_  
City Clerk Joan Kovar

Mayor Zavodny opened the Public Hearing at 8:23 p.m. to consider setting the final tax request at a different amount than the prior year tax request. As there were no comments Mayor Zavodny once again stated that the Public Hearing was open to consider setting the final tax request. There still being no comments, Mayor Zavodny closed the Public Hearing at 8:24 p.m.

Council member Kroesing introduced Resolution No. 15 – 2015 and moved for its passage and adoption. Council member Hotovy seconded the motion. Voting AYE: Council members Vandenberg, Smith, Kobus, Hotovy, and Kroesing. Voting NAY: None. Council member Rogers was absent. The motion carried and Resolution No. 15 - 2015 was passed and adopted as follows:

**RESOLUTION NO. 15 - 2015**

A RESOLUTION OF THE CITY OF DAVID CITY TO APPROVE AN ADDITIONAL ONE PERCENT (1%) INCREASE IN RESTRICTED FUNDS.

WHEREAS, Nebraska Revised Statute 13-519.02 provides that a governmental unit may exceed its restricted funds limit for a fiscal year by up to an additional one percent upon the affirmative vote of at least seventy-five percent of the governing body.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that:

1. An additional one percent (1%) increase in restricted funds for the 2015 - 2016 budget is approved.

PASSED AND APPROVED this 9th day of September, 2015.

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Mayor Alan Zavodny

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City Clerk Joan Kovar

Council member Smith introduced Resolution No. 16 – 2015 setting the Property Tax Request. Council member Kobus seconded the motion. Voting AYE: Council members Kroesing, Vandenberg, Hotovy, Smith, and Kobus. Voting NAY: None. Council member Rogers was absent. The motion carried and Resolution No. 16 - 2015 was passed and adopted as follows:

**RESOLUTION NO. 16 - 2015**

RESOLUTION OF THE CITY OF DAVID CITY  
SETTING THE PROPERTY TAX REQUEST.

WHEREAS, Nebraska Revised Statute 77-1601.02 provides that the property tax request for the prior year shall be the property tax request for the current year for purpose of the levy set by the County Board of Equalization unless the Governing Body of the City of David City passes by a majority vote, resolution of ordinance setting the tax request at a different amount; and,

WHEREAS, a special public hearing was held as required by law to hear and consider comments concerning the property tax request; and,

WHEREAS, it is in the best interest of the City of David City that the property tax request for the current year be a different amount than the property tax request for the prior year.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that:

1. The 2015 - 2016 property tax request be set at \$637,606.94.
2. A copy of this resolution be certified and forwarded to the Butler County Clerk prior to September 20, 2015.

PASSED AND APPROVED this 9th day of September, 2015.

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Mayor Alan Zavodny

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City Clerk Joan Kovar

Council member Smith introduced Resolution No. 17 – 2015 carrying forward the unused budget authority. Council member Kobus seconded the motion. Voting AYE: Council members Vandenberg, Hotovy, Kroesing, Smith, and Kobus. Voting NAY: None. Council member Rogers was absent. The motion carried and Resolution No. 17 - 2015 was passed and adopted as follows:

**RESOLUTION NO. 17 - 2015**

**A RESOLUTION OF THE CITY OF DAVID CITY  
TO CARRY FORWARD THE UNUSED BUDGET AUTHORITY**

WHEREAS, Nebraska Revised Statute 13-521 provides that a governmental unit may choose not to increase its total of restricted funds by the full amount by law in a particular year. In such cases, the governmental unit may carry forward to future budget years the amount of unused restricted funds authority.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that:

1. The unused budget authority of \$1,757,451.25 from the 2014 - 2015 budget shall be carried forward to the 2015 - 2016 budget of the City of David City, Nebraska.

PASSED AND APPROVED this 9th day of September, 2015.

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Mayor Alan Zavodny

ATTEST:

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City Clerk Joan Kovar

Council member Smith made a motion to authorize a storage building, that the Butler County Sheriff's Office will raise money to pay for, on the sewer lagoon property to house shooting range equipment and authorized Sheriff Marcus Siebken to determine what kind of siding to be used, vinyl or tin. Council member Kobus seconded the motion. Voting AYE: Council members Hotovy, Kroesing, Vandenberg, Kobus, and Smith. Voting NAY: None. Council member Rogers was absent. The motion carried.

Park/Auditorium Supervisor Bill Buntgen provided the following bids for tables and chairs at the City Auditorium:

CHAIRS:

Office Net:	100 for \$1,836.75
Eakes Office Equipment:	96 for \$2,244.00

TABLES:

Office Net:	12 for \$2,388.00
Eakes Office Equipment:	12 for \$1,542.24

It was questioned as to why tables and chairs were needed. Park Superintendent Bill Buntgen stated that they had been repairing several of them but it is now time to replace some of them. It was noted that we have about 200 old chairs that could be sold.

Council member Smith made a motion to authorize Park/Auditorium Supervisor Bill Buntgen to purchase a combination of tables and chairs, spending up to \$4,000 (\$2,000 from current budget and \$2,000 from new budget). Council member Kobus seconded the motion. Voting AYE: Council members Hotovy, Kroesing, Kobus, Vandenberg, and Smith. Voting NAY: None. Council member Rogers was absent. The motion carried.

The next agenda item was consideration of authorizing Mayor Zavodny to sign change order No. 1 concerning the water main improvements and replacements on "I" - 5<sup>th</sup> to 8<sup>th</sup>, and 7<sup>th</sup> - "I" to "J" and paying the contractor, Obrist and Company, Inc., accordingly.

Mayor Zavodny stated: "I was approached by a community member who said that Olsson's messed up a little bit on this. Is that true?"

Water/Sewer employee Kevin Betzen stated: "We're talking about the cross right? My thoughts on that were, the cross, it was unknown what was north and what was south on that cross and we don't know if that thing was 15, 20 years old, how old it was, and so it was already in the plans, the whole time, for putting a new cross in that intersection and we went with a true 8 x 8 x 8 x 8 cross for future expansion. So, I don't know what was told between the two of them. The one side said "I apologize but I don't remember telling you that and meeting with you, so....."

Mayor Zavodny asked: "Did Olsson's mess up or not in your opinion?"

Water/Sewer employee Kevin Betzen stated: "No, because they had it in the plans the whole time to replace that whole cross. The whole cross was planned from day one to put in a true 8 x 8 x 8 x 8 for future expansions."

Mayor Zavodny stated: "You were comfortable with that approach? (Kevin said "yes") OK, that's good enough for me."

Council member Smith made a motion to authorize Mayor Zavodny to sign change order No. 1 concerning the water main improvements and replacements on "I" - 5<sup>th</sup> to 8<sup>th</sup>, and 7<sup>th</sup> - "I" to "J" and paying the contractor, Obrist and Company, Inc., accordingly. Council member Kobus seconded the motion. Voting AYE: Council members Hotovy, Kroesing, Vandenberg, Kobus, and Smith. Voting NAY: None. Council member Rogers was absent. The motion carried.



Date of Notice to Proceed March 30, 2015

Date: September 3, 2015

Project: Water Main Improvements and Replacement, David City, Nebraska	Owner: City of David City, PO Box 191, 557 4 <sup>th</sup> Street, David City, Nebraska 68632-0191
Contract: Base Bid	Date of Contract: March 24, 2015
Contractor: Obrist and Company, Inc., 5020 Howard Blvd, Columbus, Nebraska 68601	Engineer's Project No.: 014-2473

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description: Adjust final project cost for actual quantity installed, see the attached tabulation.

(TOTAL DEDUCT) (\$24,376.50)

Attachments: Final Project Quantity tabulation spreadsheet

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price:  \$226,366.75	Original <input type="checkbox"/> Working <input checked="" type="checkbox"/> Calendar days Substantial completion (days or date): August 14, 2015 Ready for final payment (days or date): September 18, 2015
Increase / Decrease from previously approved Change Orders No. ___ to No. ___:  \$0.00	Increase / Decrease from previously approved Change Orders No. ___ to No. ___: Substantial completion (days): 0 Days Ready for final payment (days): 0 Days
Contract Price prior to this Change Order:  \$226,366.75	Contract Times prior to this Change Order: Substantial completion (days or date): August 14, 2015 Ready for final payment (days or date): September 18, 2015
Decrease of this Change Order:  \$24,376.50	Increase / Decrease of this Change Order: Substantial completion (days or date): 0 Days Ready for final payment (days or date): 0 Days
Contract Price incorporating this Change Order:  \$201,990.25	Contract Times with all approved Change Orders: Substantial completion (days or date): August 14, 2015 Ready for final payment (days or date): September 18, 2015

RECOMMENDED:

ACCEPTED:

ACCEPTED:

By: [Signature]  
Engineer (Authorized Signature)

By: [Signature]  
Owner (Authorized Signature)

By: [Signature]  
Contractor (Authorized Signature)

Date: 9/4/2015

Date: 9-9-2015

Date: 9/4/15

cc: City of David City-Owner  
Obrist and Company, Inc.-Contractor  
OA-File (Blue/Green) - O

F:\Projects\014-2473\Field Services\Contract Modifications\Change Order\Change Order 001 014-2473.doc

Item No.	ITEM	UNIT	ORIGINAL QTY.	Unit Price	ORIGINAL Extension	UNIT	CO#1 QTY.	Unit Price	FINAL Extension	PRICE DIFFERENCE	Notes
<b>Bid Section 1</b>											
1	Mobilization/Demobilization/Bonds/Ins	LS	1	\$7,500.00	\$7,500.00	LS	1	\$7,500.00	\$7,500.00	\$0.00	
2	8" C900 PVC and RJ Water Main	LF	1,610	\$24.25	\$39,042.50	LF	1,610	\$24.25	\$39,042.50	\$0.00	
3	6" C900 PVC and RJ Water Main	LF	432	\$22.00	\$9,504.00	LF	432	\$22.00	\$9,504.00	\$0.00	
4	4" C900 PVC and RJ Water Main	LF	8	\$15.00	\$120.00	LF	8	\$15.00	\$120.00	\$0.00	
5	8" Water Main HDD or Bored w/Casing	LF	870	\$43.25	\$37,627.50	LF	870	\$43.25	\$37,627.50	\$0.00	
6	6" Water Main HDD or Bored w/Casing	LF	50	\$37.50	\$1,875.00	LF	50	\$37.50	\$1,875.00	\$0.00	
7	8" Gate Valve w/Box, MJ	EA	6	\$1,510.00	\$9,060.00	EA	6	\$1,510.00	\$9,060.00	\$0.00	
8	6" Gate Valve w/Box, MJ	EA	2	\$1,100.00	\$2,200.00	EA	2	\$1,100.00	\$2,200.00	\$0.00	
9	4" Gate Valve w/Box, MJ	EA	1	\$810.00	\$810.00	EA	1	\$810.00	\$810.00	\$0.00	
10	2" Service Line	LF	8	\$18.25	\$146.00	LF	8	\$18.25	\$146.00	\$0.00	
11	1 1/2" Service Line	LF	10	\$15.00	\$150.00	LF	2	\$15.00	\$30.00	-\$120.00	
12	1" Service Line	LF	198	\$12.00	\$1,740.00	LF	75	\$12.00	\$900.00	-\$866.00	
13	3/4" Service Line	LF	145	\$12.00	\$1,740.00	LF	212	\$12.00	\$2,544.00	\$804.00	
14	Bore 2" Service Line	LF	50	\$11.00	\$550.00	LF	0	\$11.00	\$0.00	-\$550.00	
15	Bore 1 1/2" Service Line	LF	50	\$11.00	\$550.00	LF	0	\$11.00	\$0.00	-\$550.00	
16	Bore 1" Service Line	LF	50	\$11.00	\$550.00	LF	0	\$11.00	\$0.00	-\$550.00	
17	Bore 3/4" Service Line	LF	224	\$11.00	\$2,464.00	LF	68	\$11.00	\$748.00	-\$1,716.00	
18	2" Tapping Saddle, Corp/Curb Stop & Connection	EA	2	\$925.00	\$1,850.00	EA	1	\$925.00	\$925.00	-\$925.00	
19	1 1/2" Tapping Saddle, Corp/Curb Stop & Connection	EA	1	\$850.00	\$850.00	EA	1	\$850.00	\$850.00	\$0.00	
20	1" Tapping Saddle, Corp/Curb Stop & Connection	EA	1	\$425.00	\$425.00	EA	6	\$425.00	\$2,550.00	\$2,125.00	
21	3/4" Tapping Saddle, Corp/Curb Stop & Connection	EA	22	\$400.00	\$8,800.00	EA	17	\$400.00	\$6,800.00	-\$2,000.00	
22	Install Fire Hydrant Assembly	EA	4	\$3,650.00	\$14,600.00	EA	4	\$3,650.00	\$14,600.00	\$0.00	
23	8" Direct Tap Sleeve Saddle/TEE & Valve, MJ w/ Thrust Block	EA	1	\$1,800.00	\$1,800.00	EA	0	\$1,800.00	\$0.00	-\$1,800.00	
24	6" Direct Tap Sleeve Saddle/TEE & Valve, MJ w/ Thrust Block	EA	1	\$1,600.00	\$1,600.00	EA	0	\$1,600.00	\$0.00	-\$1,600.00	
25	4" Direct Tap Sleeve Saddle/TEE & Valve, MJ w/ Thrust Block	LB	2	\$1,500.00	\$3,000.00	LB	2	\$1,500.00	\$3,000.00	\$0.00	
26	Abandon Water Main	EA	3	\$650.00	\$1,950.00	EA	3	\$650.00	\$1,950.00	\$0.00	
27	Ductile Iron Fittings, M.J.	LB	2,100	\$5.00	\$10,500.00	LB	2,100	\$5.00	\$10,500.00	\$0.00	
28	Wet Cut-In	EA	4	\$650.00	\$2,600.00	EA	4	\$650.00	\$2,600.00	\$0.00	
29	Connect to Existing Water Main/Large (4" or 6" Service)	EA	11	\$1,100.00	\$12,100.00	EA	11	\$1,100.00	\$12,100.00	\$0.00	
30	Repair Existing Sewer Service Connection	EA	3	\$320.00	\$960.00	EA	1	\$320.00	\$320.00	-\$640.00	
31	Remove Existing Curb Stop and Box	EA	24	\$450.00	\$10,800.00	EA	24	\$450.00	\$10,800.00	\$0.00	
32	Remove Existing Fire Hydrant Assembly	EA	2	\$650.00	\$1,300.00	EA	2	\$650.00	\$1,300.00	\$0.00	
33	Remove Existing Valve and Box	EA	3	\$500.00	\$1,500.00	EA	3	\$500.00	\$1,500.00	\$0.00	
34	Remove and Salvage Existing Fittings	EA	4	\$225.00	\$900.00	EA	4	\$225.00	\$900.00	\$0.00	
35	Saw Cut, Remove and Replace 4" Sidewalk	SY	30.5	\$53.50	\$1,631.75	SY	36.5	\$53.50	\$2,069.75	\$428.00	
36	Saw Cut, Remove and Replace 6" Driveway	SY	50	\$58.00	\$2,900.00	SY	0	\$58.00	\$0.00	-\$2,900.00	
37	Saw Cut, Remove and Replace 12" Concrete Pavement	SY	50	\$75.00	\$3,750.00	SY	0	\$75.00	\$0.00	-\$3,750.00	
38	Saw Cut, Remove and Replace 8" Concrete Pavement	SY	168	\$59.00	\$9,928.00	SY	0	\$59.00	\$0.00	-\$9,928.00	
39	Saw Cut, Remove and Replace 8" Concrete Pavement	SY	50	\$60.00	\$3,000.00	SY	0	\$60.00	\$0.00	-\$3,000.00	
40	Saw Cut, Remove and Replace 6" Asphalt Pavement	LF	50	\$55.00	\$2,750.00	LF	0	\$55.00	\$0.00	-\$2,750.00	
41	Saw Cut, Remove and Replace Curb & Gutter	EA	61	\$48.00	\$2,928.00	EA	61	\$48.00	\$2,928.00	\$0.00	
42	Aggregate Roadway Surfacing	TN	42.5	\$30.00	\$1,275.00	TN	42.5	\$30.00	\$1,275.00	\$0.00	
43	Remove and Reset 18" CMP	LF	16	\$35.00	\$560.00	LF	16	\$35.00	\$560.00	\$0.00	
44	Remove and Reset 12" CMP	LF	48	\$35.00	\$1,680.00	LF	48	\$35.00	\$1,680.00	\$0.00	
45	Seeding and Mulching	LS	1	\$2,750.00	\$2,750.00	LS	1	\$2,750.00	\$2,750.00	\$0.00	
46	Erosion Control	LS	1	\$2,500.00	\$2,500.00	LS	0	\$2,500.00	\$0.00	-\$2,500.00	
<b>TOTAL BASE BID:</b>										<b>\$226,366.75</b>	





Council member Hotovy made a motion to authorize Mayor Zavodny to execute the grant for the David City Municipal Airport (6-Place T-Hangar and Taxi Lanes). Council member Smith seconded the motion. Voting AYE: Council members Vandenberg, Kobus, Smith, Kroesing, and Hotovy. Voting NAY: None. Council member Rogers was absent. The motion carried.



U.S. Department  
of Transportation  
Federal Aviation  
Administration

RECEIVED

AUG 25 2015

GRANT AGREEMENT

DEPT. OF AERONAUTICS

PART I – OFFER

Date of Offer	<u>AUG 21 2015</u>
Airport/Planning Area	<u>David City Municipal</u>
AIP Grant Number	<u>3-31-0025-010-2015</u>
DUNS Number	<u>144 829 392</u>

TO: **City of David City, Nebraska**  
(herein called the "Sponsor")

FROM: **The United States of America**  
(acting through the Federal Aviation Administration, herein called the "FAA")

**WHEREAS**, the Sponsor has submitted to the FAA a Project Application dated March 13, 2015, for a grant of Federal funds for a project at or associated with the David City Municipal Airport, which is included as part of this Grant Agreement; and

**WHEREAS**, the FAA has approved a project for the David City Municipal Airport (herein called the "Project") consisting of the following:

**Construct Building (6-Place T-Hangar)**

which is more fully described in the Project Application.

**NOW THEREFORE**, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. 47101, et seq., (herein the AAIA grant statute is referred to as "the Act"), the representations contained in the Project Application, and in consideration of (a) the Sponsor's adoption and ratification of the Grant Assurances dated April 2015, and the Sponsor's acceptance of this Offer, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided,

**THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES** to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

#### CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is **\$821,840**.  
The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):
  - \$-0- for planning
  - \$821,840** for airport development or noise program implementation
  - \$-0- for land acquisition.The source of this Grant may include funding from the Small Airport Fund.
2. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
3. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
4. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.
5. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
6. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before **September 11, 2015**, or such subsequent date as may be prescribed in writing by the FAA.
7. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
8. **United States Not Liable for Damage or Injury.** The United States is not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.



9. **System for Award Management (SAM) Registration And Universal Identifier.**

A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).

B. Requirement for Data Universal Numbering System (DUNS) Numbers

1. The Sponsor must notify potential subrecipient that it cannot receive a contract unless it has provided its DUNS number to the Sponsor. A subrecipient means a consultant, contractor, or other entity that enters into an agreement with the Sponsor to provide services or other work to further this project, and is accountable to the Sponsor for the use of the Federal funds provided by the agreement, which may be provided through any legal agreement, including a contract.
2. The Sponsor may not make an award to a subrecipient unless the subrecipient has provided its DUNS number to the Sponsor.
3. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-492-0280) or the Internet (currently at <http://fedgov.dnb.com/webform>).

10. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

11. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter to the Sponsor unilaterally reducing the maximum obligation. The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. If the FAA determines that a change in the grant description is advantageous and in the best interests of the United States, the FAA can issue a letter to the Sponsor amending the grant description.

By issuing an Informal Letter Amendment, the FAA has changed the grant amount or grant description to the amount or description in the letter.

12. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this grant.

13. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

14. **Buy American.** Unless otherwise approved in advance by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this grant. The Sponsor will include a provision implementing Buy American in every contract.

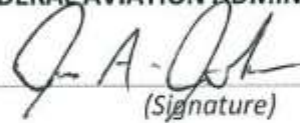
- 15. Maximum Obligation Increase For Nonprimary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
- A. May not be increased for a planning project;
  - B. May be increased by not more than 15 percent for development projects;
  - C. May be increased by not more than 15 percent or by an amount not to exceed 25 percent of the total increase in allowable costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding.
- 16. Audits for Public Sponsors.** The Sponsor must provide for a Single Audit in accordance with 2 CFR Part 200. The Sponsor must submit the Single Audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. The Sponsor must also provide one copy of the completed 2 CFR Part 200 audit to the Airports District Office.
- 17. Suspension or Debarment.** The Sponsor must inform the FAA when the Sponsor suspends or debars a contractor, person, or entity.
- 18. Ban on Texting While Driving.**
- A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
    - 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
    - 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
      - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
      - b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
  - B. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts and subcontracts.
- 19. Trafficking in Persons.**
- A. Prohibitions: The prohibitions against trafficking in persons (Prohibitions) that apply to any entity other than a State, local government, Indian tribe, or foreign public entity. This includes private Sponsors, public Sponsor employees, subrecipients of private or public Sponsors (private entity) are:
    - 1. Engaging in severe forms of trafficking in persons during the period of time that the agreement is in effect;
    - 2. Procuring a commercial sex act during the period of time that the agreement is in effect; or
    - 3. Using forced labor in the performance of the agreement, including subcontracts or subagreements under the agreement.



- B. In addition to all other remedies for noncompliance that are available to the FAA, Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), allows the FAA to unilaterally terminate this agreement, without penalty, if a private entity –
1. Is determined to have violated the Prohibitions; or
  2. Has an employee who the FAA determines has violated the Prohibitions through conduct that is either:
    - a. Associated with performance under this agreement; or
    - b. Imputed to the Sponsor or subrecipient using 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 49 CFR Part 29.
20. **Exhibit "A" Property Map.** The Exhibit "A" Property Map dated June 01, 2005, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.
21. **Plans and Specifications Approval Based Upon Certification.** The FAA and the Sponsor agree that the FAA approval of the Sponsor's Plans and Specification is based primarily upon the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor understands that:
- A. The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to any AIP standards or to notify the FAA of any limitations to competition within the project;
  - B. The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements;
  - C. If the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under AIP.
22. **Revenue Producing Project.** The Sponsor agrees and understands that the Sponsor has certified to the FAA that it has made adequate provisions for financing its airside needs. Further, the Sponsor agrees it will not seek AIP discretionary grant funds for the airside needs of the airport for the three fiscal years following the fiscal year in which this grant is issued. All revenue generated by this project must be used for the operation and maintenance of the Airport in accordance with the grant assurances.
23. **Corrective Action Plan – 0% Reimbursement Until Acceptable Corrective Action Plan Submitted:** It is understood and agreed by and between the parties hereto, that the United States shall not make, nor be obligated to make, any grant payment hereunder until the Sponsor has submitted an acceptable corrective action plan to bring the Sponsor into compliance with all grant assurances and until said corrective action plan is found satisfactory by the FAA. The corrective action plan shall be submitted no later than December 31, 2015.
24. **AGENCY AGREEMENT:** The FAA in tendering this offer on behalf of the United States recognizes the existence of an agency relationship between the City of David City, Nebraska, as principal, and the Nebraska Department of Aeronautics, as agent, created by the Agency Agreement entered into on March 13, 2015. The Sponsor agrees that it will not amend, modify or terminate said Agency Agreement without prior approval in writing of the FAA.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**



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*(Signature)*

**Jim A. Johnson**

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*(Typed Name)*

**Manager, Airports Division**

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*(Title)*



**PART II - ACCEPTANCE**

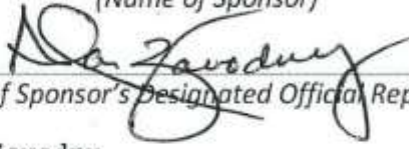
The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.<sup>1</sup>

Executed this 9th day of September, 2015.

City of David City, Nebraska

*(Name of Sponsor)*



*(Signature of Sponsor's Designated Official Representative)*

By: Alan Zavodny

*(Typed Name of Sponsor's Designated Official Representative)*

Title: Mayor

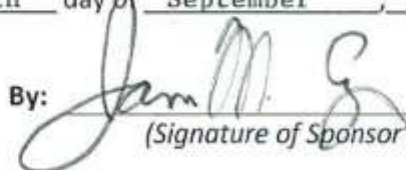
*(Title of Sponsor's Designated Official Representative)*

**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, James M. Egr, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Nebraska. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at David City, NE (location) this 9th day of September, 2015.



By: *(Signature of Sponsor's Attorney)*

<sup>1</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

Council member Kroesing made a motion to promote Kevin Betzen to the Wastewater Supervisor position at \$22.67/hr. - pay step 5. Council member Smith seconded the motion. Voting AYE: Council members Hotovy, Vandenberg, Kobus, Smith, and Kroesing. Voting NAY: None. Council member Rogers was absent. The motion carried.

Architect Mark Champion of Champion Olson Architects had contacted City Clerk Joan Kovar that they plan to renovate the Wolfe Building at 517 North 4<sup>th</sup> Street and had questions concerning the outside steps on the south side of the building that appear to be on City property.

Following discussion, it was determined that Mark Champion should be invited to the October Council meeting to discuss this issue.

Council member Hotovy made a motion to allow the Bicycle Riders Across Nebraska (BRAN) to utilize the City Park on June 10, 2016. Council member Vandenberg seconded the motion. The City will provide 8 – 10 porta potties plus restrooms at the following locations will be available: Auditorium – upper and lower levels, Concession stand, Swimming Pool, and Park. Voting AYE: Council members Kroesing, Smith, Kobus, Vandenberg, and Hotovy. Voting NAY: None. Council member Rogers was absent. The motion carried.

City Clerk Kovar presented the following information:

Emergency Notification Software

Company

Nisle	\$3,000 Annually Up to 10,000 citizens Unlimited use	\$250 One Time Installation * (* could possibly waive)
Iris	\$1 per user per year Unlimited use	No set up charges
Blackboard	\$1.92 / recipient / yr. Unlimited use	\$957.13 License Fee Annually

Mayor Zavodny stated: “An Emergency Notification System is important but I don’t really want to tackle it at this juncture. I think having this down the road will be a huge benefit.

Council member Vandenberg made a motion to table consideration of selecting an emergency notification system for the City/Utilities. Council member Kobus seconded the motion. Voting AYE: Council members Smith, Kobus, Vandenberg, Hotovy, and Kroesing. Voting NAY: None. Council member Rogers was absent. The motion carried.

Council member Hotovy made a motion to allow the Chamber Ambassadors to utilize the Schweser House in the City Park on approximately 3 Thursdays in December for “Santa’s House”. Council member Smith stated: “I’ll second that under one condition, that we put

Christmas lights on the two big trees down in front". Council member Hotovy amended his motion to allow the Chamber Ambassadors to utilize the Schweser House in the City Park on approximately 3 Thursdays in December for "Santa's House" and that the appropriate City employees will put Christmas lights on the two big trees by the front of the Schweser House. Council member Smith seconded the motion. Voting AYE: Council members Kobus, Smith, Vandenberg, Hotovy, and Kroesing. Voting NAY: None. Council member Rogers was absent. The motion carried.

There being no further business to come before the Council, Council member Vandenberg made a motion to adjourn. Council member Hotovy seconded the motion. Voting AYE: Council members Kobus, Smith, Kroesing, Hotovy, and Vandenberg. Voting NAY: None. Council member Rogers was absent. The motion carried and Mayor Zavodny declared the meeting adjourned at 9:01 p.m.



CERTIFICATION OF MINUTES  
September 9, 2015

I, Joan E. Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of September 9<sup>th</sup>, 2015; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

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Joan E. Kovar, City Clerk