

CITY COUNCIL PROCEEDINGS

March 10, 2021

The City Council of the City of David City, Nebraska, met in open public session at 7:00 p.m. in the lower level of the David City Auditorium at 699 Kansas Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on March 4, 2021, 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 on the City's website. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting. The meeting was held at the City Auditorium due to the COVID-19 pandemic so as to incorporate social distancing strategies. [It is recommended that individuals be kept at least 6 feet apart.]

Present for the meeting were: Mayor Alan Zavodny, Council members Kevin Hotovy, Tom Kobus, Jessica Miller, Bruce Meysenburg, City Attorney Jim Egr, City Administrator Clayton Keller and City Clerk Tami Comte. Council member Pat Meysenburg and John Vandenberg were absent.

Also present for the meeting were Interim Water Supervisor Aaron Gustin, Dylan Tegtmeier, Mary Ann Long, Special Projects Coordinator Dana Trowbridge, Park/Auditorium employee Nathan Styskal, Banner-Press reporter Molly Hunter and Sheriff Tom Dion. Attending via Zoom were Deputy Clerk Lori Matchett, Pam Kabourek, and Janis Cameron.

The meeting opened with the Pledge of Allegiance.

Mayor Zavodny informed the public of the "Open Meetings Act" posted on the north wall of the meeting room asked those present to please silence their cell phones.

Council member Kevin Hotovy made a motion to approve the February 24, 2021 minutes as presented. Council Member Tom Kobus seconded the motion. The motion carried. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Tom Kobus made a motion to approve the claims as presented. Council Member Kevin Hotovy seconded the motion. The motion carried. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent Yea: 4, Nay: 0, Absent: 2

Mayor Zavodny stated that the next agenda item was committee and officer's reports.

Mayor Zavodny stated that the Sheriff's Office had an issue with their phone system and an IRIS alert was sent out to notify the public of the issue. Mayor Zavodny stated that the IRIS system was a great decision because it has been very useful to communicate with the public.

Mayor Zavodny said, "Over the past couple of weeks I've had people asking me, who are confused about what is going on, and asking me if I'm still the mayor. The only thing that

I'm going to say about it is that I intend to discharge the duties of this office until I'm not. That's all people need to worry about at this point. I'm just going to keep doing the job."

Council member Tom Kobus made a motion to approve the committee and officer's reports as presented. Council Member Jessica Miller seconded the motion. The motion carried. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Bruce Meysenburg made a motion to temporarily recess as the City Council. Council Member Tom Kobus seconded the motion. The motion carried. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Board President Alan Zavodny called the meeting of the David City Community Redevelopment Authority to order at 7:03 p.m. and asked for roll call.

Present for the meeting were: Board President Alan Zavodny, David City Community Redevelopment Authority members: Kevin Hotovy, Jessica Miller, Tom Kobus, and Bruce Meysenburg. CRA Secretary Tami Comte, City Administrator Clayton Keller and City Attorney Jim Egr were also present. David City Community Redevelopment Authority members Pat Meysenburg and John Vandenberg were absent.

Board President Alan Zavodny informed the public of the "Open Meetings Act" posted on the north wall of the meeting room.

Board President Zavodny opened the public hearing at 7:04 p.m. to award the winning respondent to the request for proposals regarding the Chauncey S. Taylor house located at 715 N. 4th Street (Original Town, Block 5, Lots 8 & 9) and consider selling the same to the winning respondent.

City Administrator Clayton Keller said, "So, the City went through the sealed bid process. We had one respondent, Tegtmeier Investments, LLC, headed by Mr. Dylan Tegtmeier here. His proposal was just to take the property that the house is on. I know that we were selling two different parcels here and he wants just the lot with the house on it. He wants to remodel it, renovate it and turn around and sell it. His bid price was \$56,000. The committee and I met and discussed it. We felt that this was a good fit and we liked Mr. Tegtmeier and the experience that he had with this kind of project. He's done things like this before in our region and has experience with it."

Chair Zavodny said, "Dylan, I'd like to give you the opportunity if there's something that you would like to say."

Dylan Tegtmeier said, "First of all, I'd like to just thank you guys for allowing me to be a part of this. I've always had my eye on that house because it's right there on the main stretch. I actually grew up over in Milford. Now, we live near Prague. I'm really excited to be bringing David City a really pretty, cozy home for some happy home buyers and I hope that it gets some buyers that will love it and cherish it for a long, long time. My plan is to do that after it is all renovated and ready for the market. I plan to list it at not a top dollar price, something that is more favorable that will attract a lot of buyers and I'd also like to get media attention with it. I

know the Banner-Press has done a couple of articles on it in the past and I think that it would be cool to get them excited about the renovation of this house. I know that from looking at it on Facebook that there is a lot of people that want to see this house really nice and new again. I'm sure there's a lot of people that would like to take some pride in living in that house. So, in my mind, the more people that we can get excited about this project, the more potential buyers that we'll have and the more potential buyers that we have, the better chance that we can pick a good one and get some people in there that will take care of it. That's my plan and I'd be happy to talk to anyone afterwards on any specifics of it."

Board member Bruce Meysenburg asked Tegtmeier, "Are you doing the garage, too?"

Dylan Tegtmeier said, "Yes. Both the house and the garage."

Board President Zavodny said, "From my part, I'm encouraged that we have someone who has the skill to tackle it and give it what it needs. I think that once it is in good condition with the elbow grease that you're going to put into it, I think that there will be a lot of interest. I think the potential of that property is pretty much the sky is the limit, but it needs some TLC at this point and that's obvious to you."

Board member Hotovy said, "This has been a long time coming, and hopefully this puts to rest many painstaking things that have gone on in the last handful of years. I know Jim knows, as well as Alan and an individual in the crowd, that this is a great thing. I think that I can appreciate the amount of work that this is going to take and I'm glad that it's finally going to happen."

Special Project Coordinator Dana Trowbridge said, "As Councilman Hotovy mentioned, this has been a long time coming, somewhere in the area of eleven years and I'm proud of this particular City Council that have the intestinal fortitude to follow this to conclusion. Because we've had Councils in the past who didn't wish to do that and all it did was cause more grief and cost more money and embarrass this community for a longer period of time. So, to the group around this table, thank you. To the gentleman that is buying it, we wish you well and we look forward to the majesty that that old property had at one time. Thank you for doing what you're doing."

Board President Zavodny said, "Thank you. Thank you, Dylan, again. I want you to be nothing but ridiculously successful. So, good luck and thank you."

Hearing no further comment, Board President Zavodny declared the public hearing closed at 7:10 p.m.

Board member Kevin Hotovy made a motion to pass and adopt Resolution No. 1-2021 CRA authorizing the sale of Lots 8 and 9 in Block 5, Original Town, David City, Butler County, Nebraska. Board Member Bruce Meysenburg seconded the motion. The motion carried. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

RESOLUTIONS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF DAVID CITY, NEBRASKA, FINDING THAT THE SALE OF CERTAIN REAL PROPERTY IS NECESSARY AND ESSENTIAL TO THE REDEVELOPMENT OF SUBSTANDARD AND

**BLIGHTED AREAS, NECESSARY FOR A REDEVELOPMENT PROJECT, AND
CONSISTENT WITH THE MASTER PLAN OF THE CITY AND AUTHORIZING THE MAYOR
AND CITY ADMINISTRATOR TO TAKE ALL STEPS NECESSARY TO EFFECTUATE
SUCH CONVEYANCE.**

RESOLUTION NO. 1-2021CRA

WHEREAS, the City of David City, Nebraska, is a municipal corporation and city of the second class ("City"); and

WHEREAS, the City has duly formed and operated a Community Redevelopment Authority ("CRA") under the Nebraska Community Development Law, Nebraska Revised Statutes sections 18-2101, et seq.; and

WHEREAS, the City and CRA have determined it to be desirable to undertake and carry out development projects in areas of the City determined by the City and CRA to be substandard and blighted and in need of redevelopment; and

WHEREAS, the City previously adopted Resolution No. 7-2019, which determined that the Redevelopment Area was substandard and blighted as defined by Nebraska Revised Statutes section 18-2103, subsections (10) and (11), in that such area meets the criteria described in subsection (10) and meets one or more of the factors set forth in subsections (i) through (iv) of subsection (11)(b); and

WHEREAS, Nebraska Revised Statutes section 18-2122 provides that the City may acquire any real property which it may deem necessary for a redevelopment project, as defined under Nebraska Revised Statutes section 18-2103; and

WHEREAS, Nebraska Revised Statutes section 18-2107 authorizes the CRA to acquire, hold and dispose of real property; and

WHEREAS, the CRA deems the disposition of the real property described herein, which is located within the Redevelopment Area, necessary for the redevelopment of the Redevelopment Area and essential to the removal of blight and substandard conditions, consistent with the City of David City's Master Plan ("Master Plan"), provided the disposition includes the following covenants binding the real property and running with the land:

The owner may not demolish or substantially alter the Property in a way that would undermine or reduce its historic character without prior written permission of the CRA;

The owner must use the Property as an owner-occupied dwelling or business; the owner may not lease the Property or allow the Property to be leased or sublet for residential purposes;

The owner shall maintain the Property in good or better condition at all times, including, but not limited to, not allowing deferred maintenance, maintaining the exterior of the building in good and waterproof condition, maintaining the grounds and adjacent sidewalks in good condition;

The owner shall comply with applicable laws at all times; and

The owner shall not remove or modify these covenants without the prior written permission of the CRA and the owner shall ensure that these covenants run with the land and bind all future owners of the Property;

and

WHEREAS, the City and CRA advertised the Property for sale and redevelopment through two separate requests for proposals ("RFP"); and

WHEREAS, the City and CRA received only one complete and appropriate response to the RFPs from Tegtmeier Investments LLC ("Respondent"); and

WHEREAS, the CRA desires to select Respondent as the successful bidder under the RFP and convey the Property to Respondent subject to the foregoing covenants.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF DAVID CITY, NEBRASKA, AS FOLLOWS:

Section 1. That the following described undeveloped vacant real property is located within the limits of the City; that said lands are a necessary part of the Redevelopment Project; are substandard and blighted as defined by Nebraska Revised Statute section 18-2103, subsection (3); are in need of redevelopment; and that such redevelopment is consistent with the Master Plan:

Lots 8 and 9 in Block 5, Original Town, David City, Butler County,
Nebraska

Section 2. That such substandard and blighted condition is beyond the remedy and control solely by regulatory process and the exercise of police power and cannot be dealt with effectively by ordinary operations of private enterprise without the aids of the Community Development Law. The elimination of said substandard and blighted condition under the authority of the Community Development Law is a public purpose and in the public interest.

Section 3. That selling the Property to the Respondent is in the best interest of the CRA and will further the goals of eliminating substandard and blighted conditions

Section 4. That the CRA desires to, and hereby authorizes the Mayor and City Administrator to, take all necessary steps to convey the Property to the Respondent pursuant to these Resolutions and the RFP as applicable.

Section 5. The purchase price for the Property shall be \$56,000, payable in a single installment at closing. Respondent and the City shall bear all other costs of the transaction as is customary, provided, however, that the City shall have no financial liability for taxes or title insurance. Closing shall be as soon as practicable at a location convenient for the City.

Section 6. That all resolutions, orders and parts thereof in conflict herewith are hereby repealed to the extent of such conflict, these Resolutions shall take effect upon approval, and the provisions of these Resolutions are separable, and invalidity of any phrase, clause or part of these Resolutions, shall not affect the validity of effectiveness of the remainder of these Resolutions.

PASSED AND APPROVED this _____ day of _____, 2021.

THE COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF DAVID
CITY

Board President

ATTEST:

Secretary

(Above Line for Recorder's Use Only)

Return to: City Administrator, City of David City, P.O. Box 191, David City, Nebraska 68632

LIMITED WARRANTY DEED AND COVENANTS

The Community Redevelopment Authority of the City of David City, Nebraska, GRANTOR, in consideration of Ten Dollars (\$10.00) received from GRANTEE, [Dylan Tegtmeier], conveys to GRANTEE, subject to the covenants herein, which shall run with the land and be binding on all of GRANTEE's successors and assigns as to the real estate, all of the following described real estate (as defined in Neb. Rev. Stat. § 76-201):

Lots 8 and 9, in Block 5, Original Town, David City, Butler County, Nebraska
(the "Property").

GRANTOR covenants with GRANTEES that GRANTOR:

1. is lawfully seized of the Property and that the Property is free from encumbrances, except easements, reservations, covenants and restrictions of record; and
2. has legal power and lawful authority to convey the Property; and

3. as part of the inducement to convey the real estate, GRANTOR conveys the real estate to GRANTEE subject to the following covenants and GRANTEE accepts the Property subject to such covenants:
 - a. GRANTEE shall not demolish or substantially alter the Property in any way that would undermine or reduce its historic character without prior written permission of GRANTOR; and
 - b. GRANTEE shall use the Property as an owner-occupied dwelling or a business or lease it for use as a business subject to these covenants; and
 - c. GRANTEE shall not lease the Property or allow the Property to be leased or sublet for residential purposes; and
 - d. GRANTEE shall not subdivide the Property; and
 - e. GRANTEE shall maintain the Property in good or better condition at all times, including, but not limited to, not allowing deferred maintenance, maintaining the exterior of the building in good and waterproof condition, maintaining the grounds and adjacent sidewalks in good condition;
 - f. GRANTEE shall comply with applicable laws in the use of the Property at all times; and
 - g. GRANTEE shall not remove or modify these covenants without the prior written permission of GRANTOR and GRANTEE shall ensure that these covenants run with the land and bind all future owners of the Property.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Executed _____, 2021

GRANTOR:

Community Redevelopment Authority
of the City of David City, Nebraska

STATE OF NEBRASKA)
) SS.
COUNTY OF BUTLER)

The foregoing Limited Warranty Deed and Covenants was acknowledged before me on the ____ day of _____, 2021, by Alan Zavodny, Mayor of the City of David City, Nebraska.

(SEAL)

Notary Public

Commission Expiration Date

There was discussion regarding Lots 7 & 10 and the bid process and a potential minimum bid.

Board member Kevin Hotovy made a motion to approve taking bids to sell lots 7 & 10, Block 5, Original Town, David City, Butler County, Nebraska with a minimum bid of \$30,000. Board Member Tom Kobus seconded the motion. The motion carried.
Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Board member Kevin Hotovy made a motion to adjourn as the Community Redevelopment Authority. Board Member Bruce Meysenburg seconded the motion. The motion carried.
Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Bruce Meysenburg made a motion to come back into session as the City Council. Council Member Tom Kobus seconded the motion. The motion carried and Mayor Zavodny declared the Council back in session at 7:17 p.m. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Kevin Hotovy made a motion to approve the appointment of James Angell to fill the unexpired term of Mary Havlovic on the Board of Zoning Adjustment. Council Member Tom Kobus seconded the motion. The motion carried. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Tom Kobus made a motion to appoint Nick Hein as an alternate member on the Board of Zoning Adjustment. Council Member Bruce Meysenburg seconded the motion. The motion carried. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Kevin Hotovy made a motion to pass and adopt Resolution No. 2-2021 allowing the airport to receive federal funds for the Airport Layout Plan. Council Member Jessica Miller seconded the motion. The motion carried. Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

AGENCY AGREEMENT

Project No. 3-31-0025-014-2021 (P01)

This is an agreement between the City of David City of David City, Nebraska, hereinafter referred to as the "Airport Sponsor" and the Nebraska Department of Transportation- Division of Aeronautics, hereinafter referred to as the "Division," made and entered into in accordance with, and for the purpose of, complying with the laws of the State of Nebraska.

The Airport Sponsor desires to develop the David City Municipal Airport and to use federal airport aid funds available for that purpose. Therefore, the Airport Sponsor hereby designates the Division as its agent in accordance with §3-124 and §3-239, Neb. Rev. Stat. (Reissue 2016), and the Division hereby accepts such designation and agrees to act as the agent of the Airport Sponsor.

It is mutually understood and agreed between the parties that the Airport Sponsor has submitted to the Division its proposed project for the development of said airport, and that such project has been approved by the Division, in accordance with §3-239, Neb. Rev. Stat. (Reissue 2016).

The Airport Sponsor hereby warrants, undertakes and agrees that if the Federal Aviation Administration makes a grant offer, and the Airport Sponsor executes a Grant Agreement, it will develop and manage said airport in the manner set forth in the Grant Agreement and abide by the conditions, rules and regulations of the Federal Aviation Administration.

The terms and conditions of this Agency Agreement and the respective duties, undertakings and agreements of the parties with respect to this Agency Agreement and with respect to the project of airport development, are as follows:

- A. The Division shall accept, receive, receipt for, and disburse all funds granted by the United States for airport aid in accordance with federal laws, rules and regulations and in accordance with §3-101 to §3-154 and §3-239, Neb. Rev. Stat. (Reissue 2016), as the agent of the Airport Sponsor.
- B. Upon receipt of such federal funds, the Division shall deposit them in the State Treasury, according to law, and shall cause disbursement to be made therefrom as follows:

FIRST: If the Division advances funds to the Airport Sponsor as the equivalent of the United States' share of allowable project cost, the Division shall reimburse itself for any such advancement out of such federal funds thereafter received.

SECOND: The Division shall cause the balance of such federal funds due the Airport Sponsor to be paid promptly to the Airport Sponsor.

- C. The Division shall maintain accurate records of all the funds received and expended by it in connection with the project. These records shall be open to inspection by the Airport Sponsor, the Federal Aviation Administration and their authorized representatives in the offices of the Division at all reasonable times.

- D. The Airport Sponsor reserves the right, power and authority to execute the Application for Federal Assistance, the federal Grant Agreement, all construction and engineering contracts, all agreements related to the purchase of land and all amendments to these items. Aside from the matters so reserved, the Division shall, as agent for the Airport Sponsor, process, execute and submit to the Federal Aviation Administration all papers, forms and documents required by that agency for the approval, carrying out and completion of the project.
- E. The Airport Sponsor agrees to reimburse the Division for its administrative costs of furnishing all services performed by it as agent of the Airport Sponsor, including, but not limited to, the services set forth in the attached Exhibit A, "Administrative Services". Division administrative costs charged to the project are considered allowable costs for federal and state participation. These costs will be charged according to the "Schedule of Fees and Charges" shown in the attached Exhibit B, which schedule shall be subject to change upon notification in writing by the Division to the Airport Sponsor.

As used herein, the following words, terms and phrases shall have the meanings herein given:

"Application for Federal Assistance" means the document prepared as the formal application submitted to the Federal Aviation Administration for a grant of federal funds.

"Develop" means to plan, construct or improve the airport as defined in the Application for Federal Assistance.

"Project" means a plan of action for the accomplishment of specific airport developments.

"Grant Agreement" means the contract between the United States of America and the Airport Sponsor in which the Federal Aviation Administration, on behalf of the United States, agrees to pay a portion of the allowable costs of the project.

Executed by the Nebraska Department of Transportation - Division of Aeronautics this 23rd day of February, 2021.

(SEAL)



Director

Executed by the City of David City, Nebraska, this ___ day of _____, _____.

Clerk

Mayor

**EXHIBIT A
AGENCY AGREEMENT
ADMINISTRATIVE SERVICES**

1. Conduct airport site inspections.
2. Review and secure federal approval of Airport Layout Plans (ALP).
3. Prepare and process CIP Data Sheets and related documents used to request an allocation of federal funds, if requested by the Sponsor.
4. Assist in the preparation and processing of Environmental Impact Statements and other environmental studies.
5. Review and process land acquisition documents, title opinions, sponsor certifications and audit reports.
6. Prepare an independent cost analysis of consultant costs, if requested by the Sponsor.
7. Prepare a Disadvantaged Business Enterprise (DBE) Program, if requested by the Sponsor and represent the Sponsor in the DBE Unified Certification Program.
8. Review, process, and secure federal approval of all contracts and agreements, change orders and amendments to these agreements.
9. Attend pre-design conferences and conduct design (plan-in-hand) inspections.
10. Review and process the plans, specifications, special provisions and contract documents.
Provide U.S. Labor Department wage rate determinations.
11. Attend pre-bid and pre-construction conferences.
12. Prepare and secure execution of Applications for Federal Assistance and associated documents.
Prepare and process program changes.
13. Process Grant Agreements and amendments.
14. Review periodic pay estimates and forward federal funds to the Airport Sponsor.
15. Prepare applications, requests, transfers or letters of credit for Grant Agreement payments.
16. Conduct or participate in periodic and final inspections.
17. Prepare and/or process other federal documents not otherwise specifically covered above.

**EXHIBIT B
AGENCY AGREEMENT
SCHEDULE OF FEES AND CHARGES**

- A. Salary Costs. Charges will be the monthly rate worked times an overhead/benefits factor for the following positions:

Engineer VI	Engineering Associate (all)*
Engineer V	Engineering Aide (all)*
Engineer IV	Accountant (all)
Engineer III	Accounting Clerk*
Engineer II*	Attorney (all)
Engineer I*	Drafter (all)*

“The overhead/benefits factor will be determined annually based on an audit using the methodology contained within Appendix VII to Part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals (formerly found in OMB A-87)”.

* Employees in these positions receive time and one half for time worked over 40 hours per week.

- B. Living Costs and Outside Expenses. Actual.

Charges will be actual expenses and shall include meals, lodging, telephone calls, etc. normally paid by Division.

- C. Materials, Supplies, & Rental Equipment. Actual.

Charges will be actual costs and shall be charged in accordance with invoices, billings, contracts or agreements.

- D. Transportation. Actual.

Charges will be those established by Division policy for all users for operating a state automobile or using a state aircraft.

Resolution No. _____

EXTRACT FROM THE MINUTES OF AN OFFICIAL MEETING OF THE CITY COUNCIL OF DAVID CITY, NEBRASKA, SPONSOR OF DAVID CITY MUNICIPAL AIRPORT, HELD ON _____, 2021.

The following resolution was introduced by _____, read in full, seconded by _____ and considered:

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF AN AGENCY AGREEMENT WITH NEBRASKA DEPARTMENT OF TRANSPORTATION, AERONAUTICS DIVISION FOR GRANT NO. 3-31-0025-014-2021 TO BE SUBMITTED BY THE DEPARTMENT TO THE FEDERAL AVIATION ADMINISTRATION TO OBTAIN FEDERAL ASSISTANCE FOR THE DEVELOPMENT OF THE AIRPORT:

Be it resolved by the Mayor and members of the City Council of David City, Nebraska, that:

1. The City of David City shall enter into an Agency Agreement with the Department of Transportation, Aeronautics Division for Grant No. 3-31-0025-014-2021 for the purpose of obtaining Federal assistance for the Airport and that such agreement shall be set forth hereinbelow.
2. The Mayor of the City of David City is hereby authorized and directed to execute said Agency Agreement on behalf of the City of David City, and the City Clerk is hereby authorized to attest said execution.
3. The said agreement, referred to hereinabove, is inserted in full and attached herewith, and made a part hereof as Exhibit "O".

Upon calling for a vote on the resolution, ___ voted yea, and ___ voted nay, and the resolution therefore was declared passed and approved on _____, 20__.

ATTEST: _____
Clerk

Mayor

EXHIBIT "0"

AGENCY AGREEMENT

Project No. 3-31-0025-014-2021 (P01)

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The Airport Sponsor desires to develop the David City Municipal Airport and to use federal airport aid funds available for that purpose. Therefore, the Airport Sponsor hereby designates the Division as its agent in accordance with §3-124 and §3-239, Neb. Rev. Stat. (Reissue 2016), and the Division hereby accepts such designation and agrees to act as the agent of the Airport Sponsor.

It is mutually understood and agreed between the parties that the Airport Sponsor has submitted to the Division its proposed project for the development of said airport, and that such project has been approved by the Division, in accordance with §3-239, Neb. Rev. Stat. (Reissue 2016).

The Airport Sponsor hereby warrants, undertakes and agrees that if the Federal Aviation Administration makes a grant offer, and the Airport Sponsor executes a Grant Agreement, it will develop and manage said airport in the manner set forth in the Grant Agreement and abide by the conditions, rules and regulations of the Federal Aviation Administration.

The terms and conditions of this Agency Agreement and the respective duties, undertakings and agreements of the parties with respect to this Agency Agreement and with respect to the project of airport development, are as follows:

- A. The Division shall accept, receive, receipt for, and disburse all funds granted by the United States for airport aid in accordance with federal laws, rules and regulations and in accordance with §3-101 to §3-154 and §3-239, Neb. Rev. Stat. (Reissue 2016), as the agent of the Airport Sponsor.
- B. Upon receipt of such federal funds, the Division shall deposit them in the State Treasury, according to law, and shall cause disbursement to be made therefrom as follows:

FIRST: If the Division advances funds to the Airport Sponsor as the equivalent of the United States' share of allowable project cost, the Division shall reimburse itself for any such advancement out of such federal funds thereafter received.

SECOND: The Division shall cause the balance of such federal funds due the Airport Sponsor to be paid promptly to the Airport Sponsor.
- C. The Division shall maintain accurate records of all the funds received and expended by it in connection with the project. These records shall be open to inspection by the Airport Sponsor, the Federal Aviation Administration and their authorized representatives in the offices of the Division at all reasonable times.

- D. The Airport Sponsor reserves the right, power and authority to execute the Application for Federal Assistance, the federal Grant Agreement, all construction and engineering contracts, all agreements related to the purchase of land and all amendments to these items. Aside from the matters so reserved, the Division shall, as agent for the Airport Sponsor, process, execute and submit to the Federal Aviation Administration all papers, forms and documents required by that agency for the approval, carrying out and completion of the project.
- E. The Airport Sponsor agrees to reimburse the Division for its administrative costs of furnishing all services performed by it as agent of the Airport Sponsor, including, but not limited to, the services set forth in the attached Exhibit A, "Administrative Services". Division administrative costs charged to the project are considered allowable costs for federal and state participation. These costs will be charged according to the "Schedule of Fees and Charges" shown in the attached Exhibit B, which schedule shall be subject to change upon notification in writing by the Division to the Airport Sponsor.

As used herein, the following words, terms and phrases shall have the meanings herein given:

"Application for Federal Assistance" means the document prepared as the formal application submitted to the Federal Aviation Administration for a grant of federal funds.

"Develop" means to plan, construct or improve the airport as defined in the Application for Federal Assistance.

"Project" means a plan of action for the accomplishment of specific airport developments.

"Grant Agreement" means the contract between the United States of America and the Airport Sponsor in which the Federal Aviation Administration, on behalf of the United States, agrees to pay a portion of the allowable costs of the project.

Executed by the Nebraska Department of Transportation - Division of Aeronautics this 23rd day of February, 2021.

(SEAL)





Director

Executed by the City of David City, Nebraska, this ___ day of _____, _____.

**RESOLUTION
DO NOT SIGN**

Clerk

**RESOLUTION
DO NOT SIGN**

Mayor

**EXHIBIT A
AGENCY AGREEMENT
ADMINISTRATIVE SERVICES**

1. Conduct airport site inspections.
2. Review and secure federal approval of Airport Layout Plans (ALP).
3. Prepare and process CIP Data Sheets and related documents used to request an allocation of federal funds, if requested by the Sponsor.
4. Assist in the preparation and processing of Environmental Impact Statements and other environmental studies.
5. Review and process land acquisition documents, title opinions, sponsor certifications and audit reports.
6. Prepare an independent cost analysis of consultant costs, if requested by the Sponsor.
7. Prepare a Disadvantaged Business Enterprise (DBE) Program, if requested by the Sponsor and represent the Sponsor in the DBE Unified Certification Program.
8. Review, process, and secure federal approval of all contracts and agreements, change orders and amendments to these agreements.
9. Attend pre-design conferences and conduct design (plan-in-hand) inspections.
10. Review and process the plans, specifications, special provisions and contract documents.
Provide U.S. Labor Department wage rate determinations.
11. Attend pre-bid and pre-construction conferences.
12. Prepare and secure execution of Applications for Federal Assistance and associated documents.
Prepare and process program changes.
13. Process Grant Agreements and amendments.
14. Review periodic pay estimates and forward federal funds to the Airport Sponsor.
15. Prepare applications, requests, transfers or letters of credit for Grant Agreement payments.
16. Conduct or participate in periodic and final inspections.
17. Prepare and/or process other federal documents not otherwise specifically covered above.

**EXHIBIT B
AGENCY AGREEMENT
SCHEDULE OF FEES AND CHARGES**

- A. Salary Costs. Charges will be the monthly rate worked times an overhead/benefits factor for the following positions:

Engineer VI	Engineering Associate (all)*
Engineer V	Engineering Aide (all)*
Engineer IV	Accountant (all)
Engineer III	Accounting Clerk*
Engineer II*	Attorney (all)
Engineer I*	Drafter (all)*

“The overhead/benefits factor will be determined annually based on an audit using the methodology contained within Appendix VII to Part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals (formerly found in OMB A-87)”.

* Employees in these positions receive time and one half for time worked over 40 hours per week.

- B. Living Costs and Outside Expenses. Actual.

Charges will be actual expenses and shall include meals, lodging, telephone calls, etc. normally paid by Division.

- C. Materials, Supplies, & Rental Equipment. Actual.

Charges will be actual costs and shall be charged in accordance with invoices, billings, contracts or agreements.

- D. Transportation. Actual.

Charges will be those established by Division policy for all users for operating a state automobile or using a state aircraft.

Council member Kevin Hotovy made a motion to pass and adopt Resolution No. 3-2021 allowing the airport to receive \$9,000 from the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act. Council Member Jessica Miller seconded the motion. The motion carried.

Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent,
Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

AGENCY AGREEMENT
CRRSA Act-Only Funded Non-Development Grant

Grant No. 3-31-0025-015-2021

This is an agreement between the City of David City of David City, Nebraska, hereinafter referred to as the "Airport Sponsor" and the Nebraska Department of Transportation, Aeronautics Division, hereinafter referred to as the "Department," made and entered into in accordance with, and for the purpose of, complying with the laws of the State of Nebraska.

WHEREAS, the Coronavirus Disease 2019 (COVID-19), has resulted in significant damage to the economy of the United States. In response, the US Congress has passed an economic rescue package called The Coronavirus Response and Relief Supplemental Appropriations Act; known as the CRRSA Act; and

WHEREAS, the Federal Aviation Administration (FAA) has received funding from the United States general fund, pursuant to the CRRSA Act, to assist airports in defraying a portion of that economic damage in the form of 100% grants to be used for any lawful purpose for which airports are currently able to use their funds; and

WHEREAS, the Airport Sponsor desires to utilize CRRSA Act funding for lawful purposes other than airport planning, development, construction, or maintenance.

THEREFORE, the Airport Sponsor hereby designates the Department as its agent in accordance with §3-124 and §3-239, Neb. Rev. Stat. (Reissue 2012, Cumulative Supp. 2018, and Supp. 2019), and the Department hereby accepts such designation and agrees to act as the agent of the Airport Sponsor.

The Airport Sponsor hereby warrants, undertakes and agrees that if the Federal Aviation Administration makes a grant offer, and the Airport Sponsor executes a Grant Agreement, it will manage said airport in the manner set forth in the Grant Agreement and abide by the conditions, rules and regulations of the Federal Aviation Administration.

The terms and conditions of this Agency Agreement and the respective duties, undertakings and agreements of the parties with respect to this Agency Agreement, and with respect to the CRRSA Act grant, are as follows:

- A. The Department shall accept, receive, receipt for, and disburse all funds granted by the United States for airport aid in accordance with federal laws, rules and regulations and in accordance with §3-101 to §3-154 and §3-239, Neb. Rev. Stat. (Reissue 2012, Cumulative Supp. 2018, and Supp. 2019), as the agent of the Airport Sponsor.
- B. Upon receipt of such federal funds, the Department shall deposit them in the State Treasury, according to law, and shall cause disbursement to be made therefrom as follows:

FIRST: If the Department advances funds to the Airport Sponsor as the equivalent of the United States' share of allowable grant costs, the Department shall reimburse itself for any such advancement out of

such federal funds thereafter received.

SECOND: The Department shall cause the balance of such federal funds due the Airport Sponsor to be paid promptly to the Airport Sponsor.

- C. The Department shall maintain accurate records of all the funds received and expended by it in connection with the grant. These records shall be open to inspection by the Airport Sponsor, the Federal Aviation Administration and their authorized representatives in the offices of the Department at all reasonable times.
- D. The Airport Sponsor reserves the right, power and authority to execute the Application for Federal Assistance, the federal Grant Agreement, all contracts and agreements arising from the Airport Sponsor's use of CRRSA Act funds, and all amendments to these items. Aside from the matters so reserved, the Department shall, as agent for the Airport Sponsor, process, execute and submit to the Federal Aviation Administration all papers, forms and documents required by that agency for the approval, carrying out and completion of the grant.
- E. The Department agrees to furnish all services performed by it as agent of the Airport Sponsor, including, but not limited to, the services set forth in the attached Exhibit A, "Administrative Services", free of charge.

As used herein, the following words, terms and phrases shall have the meanings herein given:

"Application for Federal Assistance" means the document prepared as the formal application submitted to the Federal Aviation Administration for a grant of federal funds.

"Develop" means to plan, construct or improve the airport as defined in the Application for Federal Assistance.

"Grant Agreement" means the contract between the United States of America and the Airport Sponsor in which the Federal Aviation Administration, on behalf of the United States, agrees to pay a portion of the allowable costs of the grant.

Executed by the Nebraska Department of Transportation, Aeronautics Division this 25th day of February, 2021.

(SEAL)





Director

Executed by the Airport Sponsor this ____ day of _____, 20__.

Clerk

Mayor

EXHIBIT A
AGENCY AGREEMENT
ADMINISTRATIVE SERVICES

1. Prepare and secure execution of Applications for Federal Assistance and associated documents.
2. Prepare and process program changes.
3. Process Grant Agreements and amendments.
4. Review periodic pay estimates and forward federal funds to the Airport Sponsor.
5. Prepare applications, requests, transfers or letters of credit for Grant Agreement payments.
6. Prepare and/or process other federal documents not otherwise specifically covered above.

Resolution No. _____

EXTRACT FROM THE MINUTES OF AN OFFICIAL MEETING OF THE CITY COUNCIL OF DAVID CITY, NEBRASKA, SPONSOR OF DAVID CITY MUNICIPAL AIRPORT, HELD ON THE _____, 2020.

The following resolution was introduced by _____, read in full, seconded by _____ and considered:

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF AN AGENCY AGREEMENT WITH NEBRASKA DEPARTMENT OF TRANSPORTATION, AERONAUTICS DIVISION FOR GRANT NO. 3-31-0025-015-2021 TO BE SUBMITTED BY THE DEPARTMENT TO THE FEDERAL AVIATION ADMINISTRATION TO OBTAIN FEDERAL NON-DEVELOPMENT ECONOMIC ASSISTANCE FOR THE AIRPORT UNDER THE PROVISIONS OF THE FEDERAL CRRSA ACT:

Be it resolved by the Mayor and members of the City Council of David City, Nebraska, that:

1. The City of David City shall enter into an Agency Agreement with the Department of Transportation, Aeronautics Division for Grant No. 3-31-0025-015-2021 for the purpose of obtaining Federal non-development economic assistance for the Airport and that such agreement shall be set forth hereinbelow.
2. The Mayor of the City of David City is hereby authorized and directed to execute said Agency Agreement on behalf of the City of David City, and the City Clerk is hereby authorized to attest said execution.
3. The said agreement, referred to hereinabove, is inserted in full and attached herewith, and made a part hereof as Exhibit "O".

Upon calling for a vote on the resolution, ___ voted yea, and ___ voted nay, and the resolution therefore was declared passed and approved on _____, 20__.

ATTEST: _____
Clerk

Mayor

EXHIBIT "0"

**AGENCY AGREEMENT
CRRSA Act-Only Funded Non-Development Grant**

Grant No. 3-31-0025-015-2021

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WHEREAS, the Coronavirus Disease 2019 (COVID-19), has resulted in significant damage to the economy of the United States. In response, the US Congress has passed an economic rescue package called The Coronavirus Response and Relief Supplemental Appropriations Act; known as the CRRSA Act; and

WHEREAS, the Federal Aviation Administration (FAA) has received funding from the United States general fund, pursuant to the CRRSA Act, to assist airports in defraying a portion of that economic damage in the form of 100% grants to be used for any lawful purpose for which airports are currently able to use their funds; and

WHEREAS, the Airport Sponsor desires to utilize CRRSA Act funding for lawful purposes other than airport planning, development, construction, or maintenance.

THEREFORE, the Airport Sponsor hereby designates the Department as its agent in accordance with §3-124 and §3-239, *Neb. Rev. Stat.* (Reissue 2012, Cumulative Supp. 2018, and Supp. 2019), and the Department hereby accepts such designation and agrees to act as the agent of the Airport Sponsor.

The Airport Sponsor hereby warrants, undertakes and agrees that if the Federal Aviation Administration makes a grant offer, and the Airport Sponsor executes a Grant Agreement, it will manage said airport in the manner set forth in the Grant Agreement and abide by the conditions, rules and regulations of the Federal Aviation Administration.

The terms and conditions of this Agency Agreement and the respective duties, undertakings and agreements of the parties with respect to this Agency Agreement, and with respect to the CRRSA Act grant, are as follows:

- A. The Department shall accept, receive, receipt for, and disburse all funds granted by the United States for airport aid in accordance with federal laws, rules and regulations and in accordance with §3-101 to §3-154 and §3-239, *Neb. Rev. Stat.* (Reissue 2012, Cumulative Supp. 2018, and Supp. 2019), as the agent of the Airport Sponsor.
- B. Upon receipt of such federal funds, the Department shall deposit them in the State Treasury, according to law, and shall cause disbursement to be made therefrom as follows:

FIRST: If the Department advances funds to the Airport Sponsor as the equivalent of the United States' share of allowable grant costs, the Department shall reimburse itself for any such advancement out of

such federal funds thereafter received.

SECOND: The Department shall cause the balance of such federal funds due the Airport Sponsor to be paid promptly to the Airport Sponsor.

- C. The Department shall maintain accurate records of all the funds received and expended by it in connection with the grant. These records shall be open to inspection by the Airport Sponsor, the Federal Aviation Administration and their authorized representatives in the offices of the Department at all reasonable times.
- D. The Airport Sponsor reserves the right, power and authority to execute the Application for Federal Assistance, the federal Grant Agreement, all contracts and agreements arising from the Airport Sponsor's use of CRRSA Act funds, and all amendments to these items. Aside from the matters so reserved, the Department shall, as agent for the Airport Sponsor, process, execute and submit to the Federal Aviation Administration all papers, forms and documents required by that agency for the approval, carrying out and completion of the grant.
- E. The Department agrees to furnish all services performed by it as agent of the Airport Sponsor, including, but not limited to, the services set forth in the attached Exhibit A, "Administrative Services", free of charge.

As used herein, the following words, terms and phrases shall have the meanings herein given:

"Application for Federal Assistance" means the document prepared as the formal application submitted to the Federal Aviation Administration for a grant of federal funds.

"Develop" means to plan, construct or improve the airport as defined in the Application for Federal Assistance.

"Grant Agreement" means the contract between the United States of America and the Airport Sponsor in which the Federal Aviation Administration, on behalf of the United States, agrees to pay a portion of the allowable costs of the grant.

Executed by the Nebraska Department of Transportation, Aeronautics Division this 25th day of February, 2021.

(SEAL)





Director

Executed by the Airport Sponsor this ____ day of _____, 20__.

**RESOLUTION
DO NOT SIGN**

Clerk

**RESOLUTION
DO NOT SIGN**

Mayor

**EXHIBIT A
AGENCY AGREEMENT
ADMINISTRATIVE SERVICES**

1. Prepare and secure execution of Applications for Federal Assistance and associated documents.
2. Prepare and process program changes.
3. Process Grant Agreements and amendments.
4. Review periodic pay estimates and forward federal funds to the Airport Sponsor.
5. Prepare applications, requests, transfers or letters of credit for Grant Agreement payments.
6. Prepare and/or process other federal documents not otherwise specifically covered above.

Mayor Zavodny stated that the next agenda item was consideration/discussion of the anaerobic lagoon structure.

Interim Water Supervisor Aaron Gustin said, "So, the anaerobic lagoon control station at the south end that many people have had the opportunity to see is the structure that I'm talking about. It basically looked like a small lean-to to protect the electrical components up there. It blew over. I had spoken to Craig from Olsson and Ericksen Construction. We had to get the electrician back out there. He was out there today. I was anticipating a far longer lead time from him, which means that I can turn the anaerobic lagoon back on and put it into service the way it was just a week ago and we can move forward from there. We are in a position where the electrical components are safe from the elements. I spoke with Jim Gray with Electric Pump today and he said that after the fix from the electrician that everything should be good to go, exposed to the elements. But, it's quite windy up there. I don't know if I'm comfortable with free standing electrical panels without support or a wind break. I did have the opportunity to speak with Craig and Electric Pump makes a pre-fab unit that a crane comes and drops it over. The particular scenario, though, this enclosure needs to be explosion proof, which means that your light fixtures, your electrical outlets and the air turnover needs to occur at ten air exchanges per hour, I believe, to be explosion proof. A pre-fab unit is going to have quite a large lead time and is most likely going to put us in the sixty-to-seventy-thousand-dollar range, however, an individual can build, and we have budgeted a little bit of money to finish out that building on our own and having Vandenberg meet the electrical requirements for the explosion proof and then an industrial fan built into the wall to provide us with the ten air exchanges. Just to give the Council a number, I spoke with Cole Ratkovec and he met me out there the morning after the incident and I explained what we had envisioned originally, in terms of adding on to that structure he said that he'd get me precise numbers by Friday, but roughly anywhere from ten-to-fifteen thousand dollars to build the structure to my specifications that would also meet Craig's requirements in terms of what we need to see. He had some really good ideas in terms of accessibility and I would like to know how the Council would like to proceed."

Mayor Zavodny said, "So, we're going to go over how we got to this point, first. So, what you described is an explosion proof structure and it got blown over by a puff of wind?"

Interim Water Supervisor Aaron Gustin said, "Well, they built us a kite. I want an explosion proof structure."

Council member Bruce Meysenburg asked if it was going to be block walls.

Interim Water Supervisor Aaron Gustin said, "So, the headworks building that many people have had the privilege of looking at, you can build an explosion proof structure that is stick frame with trusses. What makes it explosion proof is the electrical and the air turnover inside."

Council member Tom Kobus said, "I think you should build it out of block. It would never blow over. Isn't this covered by insurance?"

Interim Water Supervisor Aaron Gustin said, "It is under warranty for the exact replacement of that structure."

Council member Bruce Meysenburg said, "If you decide to go with something else, don't they have to give you whatever this is worth? Or will they just come in and replace the building and call it good?"

Interim Water Supervisor Aaron Gustin said, "I don't think that Eriksen would do anything above and beyond what was done before. That has been our experience with Eriksen in regard to this project."

Mayor Zavodny said, "Do we have a value of what that structure was in the contract?"

Interim Water Supervisor Aaron Gustin said, "I can get one."

Mayor Zavodny said, "The reason that I'm asking is that I'm not sure that I want them coming back and putting up the same thing anyway. That's pointless, but I would like to see the City made whole and we're supposed to have that structure that didn't last. Give us the credit that we could put toward something different."

Interim Water Supervisor Aaron Gustin said, "I agree with that."

Mayor Zavodny said, "Not that it matters as we move forward, but how did this happen? Because here's what frustrates me and you've heard this before, the designers blame the builders and the builders say it was a design flaw. How does this happen?"

Interim Water Supervisor Aaron Gustin said, "So, I took a multitude of pictures and a video and sent those off to Craig. Craig sent them off to his structural guy and they feel like the anchor bolts on the far corners of the short walls were not secured completely. What it appeared like to their structural expert was that it's been rocking for a long time and if the bolts were not secured appropriately and as it rocked it slowly unscrewed those bolts with the wind and then, I have photos of anchors that were in the concrete, literally, a quarter of an inch."

Council member Jessica Miller said, "So, Ericksen's are the ones that did this in the first place?"

Interim Water Supervisor Aaron Gustin said, "Yes."

Council member Jessica Miller said, "I'm looking at pictures and to me it doesn't look like they have proper footings."

Interim Water Supervisor Aaron Gustin said, "According to Craig, what was there, what was apparently to be there, the anchoring was all that was necessary. I'm not a professional builder. I don't have the knowledge to dispute that."

Council member Jessica Miller said, "I'm not a professional builder either, I just know the few things that I've done and been involved with but looking at this and sitting on top of a hill and we live in Nebraska where it's windy and the wind is always going to blow."

Interim Water Supervisor Aaron Gustin said, "This was brought up before the completion. I brought this up to Craig multiple times."

Council member Jessica Miller said, "Looking at it, it doesn't appear that there are proper footings."

Council member Tom Kobus said, "Don't we have engineers that check up on this stuff?"

Interim Water Supervisor Aaron Gustin said, "Yes. The individual on this project, his first name is James, he was supposed to be doing the inspections on each of these. I don't know what process they use to measure the depth of anchors after they are installed. Once they are in there, the only thing that is exposed is the top end. The contractor can basically tell you that they used a certain length and you almost have to take them at their word."

Mayor Zavodny said, "Let me bring us back to where my concern lies. This whole structure is a 'See Spot Run' structure. It's not very complicated. So, if we can't have confidence that that's done well, what about the multi-million dollars of stuff that we had done out there and who is watching out for us if something this stupid can happen? How can we have any level of confidence that the big functional things are working? Who is looking out for us, ever?"

Discussion followed regarding the anaerobic lagoon.

Mayor Zavodny said, "If we can get firm numbers from Ratkovec before the next meeting so we can approve, because sixty or seventy thousand for a pre-fab building, why spend that if we can do the same thing for fifteen?"

Interim Water Supervisor Aaron Gustin said, "There is a possibility for small electrical alterations that are there and I would have Vandenberg get us those solid numbers."

Mayor Zavodny said, "We can consider that at the next meeting."

Council member Bruce Meysenburg said, "I would like you to get a bid on a block building because that would stand the test of time and you would never have to worry about it again."

Interim Water Supervisor Aaron Gustin said, "I will get those numbers as well."

Mayor Zavodny stated that the next item on the agenda was consideration of approving the vacation of plat for Mark and Willow Holoubek and authorizing Mayor Zavodny to sign.

Council member Bruce Meysenburg asked if everything had been done to work with them to develop the property because we need additional housing in town.

Special Project Coordinator Dana Trowbridge stated that the City has tried to work with them but they don't wish to work within the rules and they want to write their own rules as they go along and that can't be allowed.

Council member Kevin Hotovy made a motion to table approving the vacation of plat for Mark and Willow Holoubek and authorizing Mayor Zavodny to sign. Council Member Jessica Miller seconded the motion. The motion carried.

Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Kevin Hotovy made a motion to appoint Council member Jessica Miller to serve on the Wellhead Protection Advisory Group. Council Member Bruce Meysenburg seconded the motion. The motion carried.

Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Kevin Hotovy made a motion to approve the appointment of Council members Jessica Miller and Tom Kobus to serve on the Comprehensive Plan Steering Committee. Council Member Bruce Meysenburg seconded the motion. The motion carried.

Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Council member Jessica Miller made a motion to approve the appointment of Council members Bruce Meysenburg and Tom Kobus to serve on the Airport Layout Plan Planning Advisory Committee. Council Member Kevin Hotovy seconded the motion. The motion carried.

Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent, Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

Mayor Zavodny stated that the next item on the agenda was consideration of an offer to purchase the former U.S. Bank building located at 490 "E" Street.

Mayor Zavodny said, "As a matter of process, here is where we are at. Tonight, I'm going to talk about the appraisals. If we decide to take the next step, we probably need to meet in executive session to consider what our offer amount would be and we also need to have a public hearing. So, that's the process moving forward. We were able to get those appraisals done and they are very long documents but they were very well done. The main bank structure is 9,732 square feet and he came up with a value there of \$245,000. The drive-through, which is 468 square feet is valued at \$119,000. So, they do exceed the asking price which is one of the important things for me to at least consider it. We also have the additional option of still selling the drive-through. I think there would be someone who would have some interest in that property. It's got a nice drive-through. Every time I turn around, I see a Scooter's Coffee or something. I think there are some options. So, the value is higher than what they are asking if you put those two together. One of the more interesting parts of the appraisals was our building that we are currently in was valued at \$125,000. So, you take the potential of selling the drive-through and the building that we are in and there have been, I think, a reasonably good interest in our building would follow through. We've got a building on the highway, and it fits what these people are looking at and so I think we've got some options there so that mitigates the cost. Now, that being said, I'm under no false belief that that building is going to take work. It's going to take many years of budgeting a little bit every year to make an improvement here and an improvement there. I've come around on this thing. The price per square foot, you can't even build a thousand square foot house right now for two hundred thousand. The price per square foot, no one can argue that's not a good business decision. I think anchoring the downtown when so many downtowns in Nebraska, I just read an article today that a clothing store is closing in Wahoo that has been there for sixty or seventy years. So, I think having the City Office down there makes some sense to me, as well. I think there are advantages to it. So, I want you to think about it. We're in a process now. There are people against it. We need to

listen to those, too, so we can make a good decision. When I do my pro/con list, the pro list is quite a bit longer than the con list.”

Council member Miller said, “Just from talking to people, the fact that we can free up a building on the highway, it gives another business that highway frontage.”

Mayor Zavodny said, “That is something that has been mentioned to me. I’ve had a few people that have said, ‘keep me in mind, we’re interested’. We have to go through the bid process again to dispose of City property. I want to open it up to discussion.”

Council member Miller said, “Just looking at the estimates that were give to us for the valuation of the property, was this all done this year? I was just questioning because it has 2020 instead of 2021.”

City Administrator Clayton Keller said, “Yes, that was done in the last four weeks.”

Council member Kobus said, “Have you gotten anyone to look at the roof?”

City Administrator Clayton Keller said, “The roofer called me last week. They were supposed to have a guy come out but he got busy with other projects, so he didn’t come out last week, but hopefully he’ll be out prior to the next Council meeting to take a look.”

Council member Bruce Meysenburg said, “What about the HVAC?”

City Administrator Clayton Keller said, “We did have the HVAC tech come out and take a look at the boiler. He said that it’s one of those old boilers that is built to last. As long as we maintain it, it should last us for a long time. It’s going to need some work up front to get it in great condition because now it’s only in working condition. I feel OK with the heating system. The air conditioning systems I’m not quite as comfortable with. He said those were much cheaper units and they have out-lived their lifespan. If we were to move forward with taking over the bank, we would need to take a look at replacing the air conditioning system in the next couple of years.”

Mayor Zavodny said, “Between now and when we make our decision what I’d like you to do is think about what you would want to prioritize, as far as work that we’d need to do there. One of the things that we talked about early on is the City Office that we have now we have the glass and the counter, and I think we probably need to do something like that again for our employees, so there would be a little construction there. Obviously, unless you have a good roof and heating system, those become priorities. You can always, slowly, replace flooring and those kinds of things. It needs updating.”

Council member Kobus said, “It’s the same way with the air conditioner. A lot of air conditioners out- live their lifespan and still go another five or ten years. People are going to tell you that. So, I’d take that with a grain of salt. The same way with the boiler, those things are built like army tanks. They go forever. The little stuff, yes, I can see that, but don’t let them tell you to replace it because it’s old.”

Special Project Coordinator Dana Trowbridge said, “If you would run the numbers very clearly and slowly, one more time, that is the conversation downtown. They are asking

\$300,000 which is \$50,000 under appraisal. Those are two numbers that are important. If we bought and could sell the drive-through for \$100,000, we are now down to \$200,000. If we could sell the existing building for \$125,000, we've made a move for \$75,000. That's a real doable deal. You have to ask the question: how would you like to have that building vacant around the city square for the next five years? Because I believe this concern would leave it vacant."

Council member Miller said, "I don't think that there's too many of us that are opposed to it. It's just that we have questions about what it's going to cost and how to renovate it, and I know that I've talked to Clayton about how I would like to repurpose those counter tops, if possible, to use for the main counter of the wall. I would, honestly, like to repurpose whatever we can to help save on costs. I don't think that any of us are opposed to it, we just have questions and have to talk it out a little bit."

Mayor Zavodny said, "We need to keep having these conversations and asking those questions so we make an informed decision. I'm a firm believer that when you are making a big decision, give me the best argument against it so we can evaluate that, and looking at the money part considering the square footage that we are increasing and our needs currently, you couldn't come close to building anything of that size no matter what you built it out of. Those are considerations and I think keeping our downtown viable is important. You know, we spent time talking in Butler County Development about store fronts downtown and some of the people are going to want to retire at some point. What are the transition plans? What should our downtown look like and I think that the City anchoring that corner isn't a terrible use of that space. Keep thinking about it. Think about the things that you don't like about it. Cory had an issue when he uses the "driveway" beside his building and a lot of time he's parked in because people come in to pay their bills and he can't get his trucks out. So, we're probably going to give him a little bit of an alleyway to drive where we take a few parking places. Those kinds of things are all considerations. There are some, I'm not ready to talk about them yet, but we could also be introducing some new business into town that that's the kind of space that they are looking for. I think we have some options there. I'm not going to guarantee anything. We shared publicly what the appraisals came in at. So, I think for tonight that's all we really can do."

There being no further business to come before the Council, Council member Bruce Meysenburg made a motion to adjourn. Council Member Jessica Miller seconded the motion. The motion carried and Mayor Zavodny declared the meeting adjourned at 8:03 p.m.
Kevin Hotovy: Yea, Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Absent,
Jessica Miller: Yea, John Vandenberg: Absent, Yea: 4, Nay: 0, Absent: 2

CERTIFICATION OF MINUTES

March 10, 2021

I, Tami Comte, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of March 10, 2021; 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.

Tami Comte, City Clerk