

MINUTES OF THE REGULAR MEETING OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PAWNEE CITY, HELD ON MONDAY, AUGUST 26, 2024, AT 7:00 P.M. AT THE CORNERSTONE BUILDING, 601 G STREET, ALL IN PAWNEE CITY, PAWNEE COUNTY, NEBRASKA.

Notice of this meeting was given in advance thereof by advertising in the Pawnee Republican, a designated method for giving notice as shown by the Affidavit of Publishing on file in the office of the City Clerk. Notice of this meeting was given to the Mayor and City Council and a copy of their acknowledgment of receipt of the notice and the Agenda are on file in the office of the City Clerk. The availability of the agenda was communicated in advance and in the notice to the Mayor and Council of this meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

Present: Mayor Charles Hatfield, Council Members Vickie Zelenka, Donnie Fisher and Susan Eisenhauer; Kellie Wiers, Deputy City Clerk and Tamela Curtis, City Clerk/Treasurer; Foreman Spencer Cumley. **Absent:** None.

Mayor Charlie Hatfield called the meeting to order at 7:00 p.m. informing all those present of the Posters stating the Open Meeting Law Changes on the West meeting room wall, next to the storage closet, accessible to the public. At this time, all those present stood to recite the Pledge of Allegiance.

Council Member Zelenka moved to accept the August 12, 2024, regular meeting minutes. Council Member Eisenhauer seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

The Treasurer submitted the following claims for consideration: **8/27/24 Payroll:** \$12,518.24; **Union Bank & Trust**, FWH 3620.86; **NE Dept. of Rev**, SWH 545.12; **John Hancock**, retirement 1731.52; **Allstate**, cancer/accid 218.06; **Ameritas**, vision 92.40, **Madison National Life**, employee life insurance 53.57; **United Health Care**, health ins. 7099.70; **BHE**, gas service 231.42; **Spectrum**, internet/ph @ shop 184.97; **Pawnee City Dev. Corp.**, May 2024 sales tax 7823.43; **SA**, July 2024 garb serv, dumpsters @ pool & pond, city wide clean up 7142.09; **Windstream**, phone @ swr plant 63.59; **NPPD**, electric service 4013.52; **Access Systems**, IT services 931.60; **SEND** gen & housing member dues 1835.00; **Binder Bros.**, concrete 7489.97; **HealthFirst Pharmacy**, pool concessions 343.00; **Pawnee True Value**, repair supplies 277.93; **Amazon Capital Services**, office supplies 101.53; **Gyhra Construction**, rep. D. North road 5435.00; **Mahoney Concrete**, sidewalks, parking lot 18,016.00; **Martin Marietta**, rock for streets 1616.31; **Quill Corp.**, library supplies 602.15; **Sargent Drilling**, test well 35,472.88; **Schendel Pest Control** pest control @ swr plant 70.00; **Stallbaumer Lumber**, wafer board 20.26; **Wilson Electric**, electrical work, pool, shop & Van Horne Park 6358.23; **Samuelson Law Office** 1,000.00; **Capital Bus. Syst**, Elevate ph syst 192.77; **Eakes Office Solutions**, library copier 51.74; **Immense Impact**, website subscr 665.00; **Julie D. Bauman**, present draft budget & budget workshop, 1962.50; **Nebr. Public Health Envir. Lab**, wtr sample test 15.00; **Protex**, fire extinguisher inspect 275.00; **U.S. Cellular**, emergency cell ph 48.38; **Verizon Wireless**, home connect & jetpack 64.82; **OPPD**, electric @ wells 330.56, whereupon motion carried. Council Member Eisenhauer moved to approve the claims as submitted. Council

Member Fisher seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Mayor Hatfield to make recommendation to fill the Council Member vacancy: Mayor Hatfield explained there were three good applicants to fill the Council Member vacancy, Ric Helms, Jordan Lang and Pat Hatfield. Mayor Hatfield nominated Pat Hatfield to fill the vacancy on City Council left by Laura Poskochil. It was stated that Mayor Hatfield and Pat Hatfield are not related. Council Member Eisenhauer moved to accept the nomination of Pat Hatfield to fill the vacant council member position on City Council. Council Member Fisher seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried. **Swear In the Newly Appointed Council Member:** New Council Member Hatfield read the Official Oath and signed it.

Review Treasurer's Report of Fund Budgets as of 8/26/2024 & All Bank Acct. Balances as of 8/23/2024: Council reviewed the Treasurer's Report. All the funds are in good shape and City Auditor Julie Bauman recommended the City not make any more capital purchases in this budget year. Council Member Eisenhauer requested Foreman Cumley purchase pool chemicals for next year out of what is left in this year's pool budget.

Julie Bauman, Present Final Draft of Budget Document and Levy: Julie Bauman presented the final draft of the 2024/2025 budget to the Council. Pawnee City continues to build reserve accounts and continues to be fiscally responsible. Total property values came in at \$36,031,979, an increase from last year. The Total Tax Request for the new budget is \$230,059.06 which includes \$180,059.06 for general property taxes that will be used for general government operations and \$50,000.00 for bond payments. The City's cash reserve is at 25%, which is a little low because the amount of debt has increased due to current projects. Cities are limited on their tax levy because of valuations and can only levy up to 45 cents. The City has been very conservative on their levy. The sewer and water bonds have both been refinanced. When you develop a budget, you want to have a true picture of fiscal costs, current costs, fixed costs to see what it takes to run the City. In a budget, you cannot have more than 50 % in reserves, or you are out of compliance, but the City's cash reserve percentage is 25%. The State limits the revenue that you bring in and your capital outlay by proving how you are going to spend your revenue and that gives you the "unrestricted authority" that's left over. The 1% allowable growth doesn't increase the tax levy but it's increasing your authority which means if you ever need to amend the budget to include more property tax, then this is where you are limited on that, so you always want to do the 1% but it doesn't increase the levy. You are trying to accumulate an increase in the unused restricted funds authority so you can amend your budget to handle an unforeseen expense. The total proposed 2024-2025 budget adds up to \$4,088,716.48.00 which includes total expenditures, equipment, and also two grants. The 2023-2024 actual/estimated budget added up to \$3,627,654.76.

Valuation: Vote on additional 1% allowable growth: Council Member Eisenhauer moved to approve the additional 1% allowable growth for next year's budget. Council Member Zelenka seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Review JEO's Opinions of Cost Analysis and the Notice of Public Hearing on the CDBG Grant Application for a total of \$615,000: Since the grant amount is so large, Kelly Gentrup requested an Opinion of Cost Analysis for the street grant. The City had planned for a match of \$65,000 but the projected cost of the project is a lot more than expected so the City is expected to provide a \$135,000 match. Foreman Cumley explained the opinion was higher because it showed a greater need for street work and there are items listed that the City has planned to do themselves. Also, there are three mobilization fees listed but Constructors will not charge all of these fees since the streets are located near each other and the City will not need traffic control for these streets as listed in the analysis. There are also charges listed for seed and mulch but it should not cost as much as what is listed. Evan Wickersham explained to Clerk Curtis and Foreman Cumley that it looks better for the grant to list all of these expenses to show that the expenses are covered for the large project. Even if the expenses don't total \$615,000, the City will still have to provide a \$135,000 match. Kelly G explained to Clerk Curtis the City could submit an Environmental Review for more streets and show they are listed on the 1 & 6-yr plan. These streets could be "bid out" as alternate streets. Since the City would have to come up with more money, Clerk Curtis contacted City Auditor, Julie Bauman, to discuss where she had taken the funds from which is out of the street reserve account. ARPA funds could not be used for the street project because they have to be used by December 31, 2024. The drainage issue on this project will be fixed now out of this year's budget and ARPA funds. Recently, the City Crew has been working on street patches around town to improve the streets.

Review Nebraska Rural Water Association's current Water Rates to the New Water Rate Study; Randy Hellbusch completed a rate study and found Pawnee City is not making enough money to cover current water expenses and recommends increasing the monthly water base fees. **Changes made over a 3-year period suggested the Water Rates just meet our current average expenses:** Randy Hellbusch recommends increasing the monthly base fees from \$32.75 to \$40.25, an increase of \$7.50, over a three-year period. **Review suggested additional water rate increases to allow City to do any of the top three water projects—New Well, G Street Waterline Replacement and Radio Read Meter Switch out:** The City would need to add an additional charge on top of the suggested base rate fees to be able to complete any new water project as the City would have to borrow money to install a new well, replace the water main on G Street or replace old radio read water meters. Tyler from JEO plans to be here to explain the water PER (Preliminary Engineering Report) at the Sept. 23rd council meeting. Even if rates are increased over a 3-yr period, this will still put the City three years behind in starting any new water projects. Foreman Cumley had suggested checking the casing and pulling the screen in well #1 to clean it and this may possibly be enough to get us by instead of digging a new well. Foreman Cumley stated if water meters were updated with more efficient meters, the City will probably gain more revenue since they would be more accurate but this would cost an additional \$2.67 per account per month. There has been a rate increase every year for the past three years so another year with a rate increase would be doable. The Council will have to make a decision at the Sept. 23rd meeting. Discussion was had about using the suggested 2nd rate of \$37.50 and add half of the \$2.67 for the meter replacement project this year and half next year. That way it would take less than three years to break even plus be able to afford the meter replacement project. Old meters would be replaced with radio read meters so the crew members will no longer have to "walk" meters and they can be read remotely. Therefore, the new base rate would be \$38.83 and next year the base rate would increase to \$41.59. This is a similar concept of the

money put into the water tower reserve fund to cover annual maintenance on the water tower. Clerk Curtis will contact Randy Hellbusch and disregard the suggested rate #1 and start with the suggested rate #2 and add the \$1.33. Then, add \$1.34 to the suggested rate #3 and raise rates to \$41.59 to be effective October 1st. It was suggested to add a note to the next water bill that there will be a rate increase. Council will vote on the increase in the water base rate at the next meeting, Sept. 9th.

Report and update from Foreman Cumley: Items for discussion are: *Review/Approve Quote for Culvert Project along 17th Street for FY 2024-25:* The City may be able to save a little bit more money on this quote since the City is tax exempt. If the Council approves the quote, Foreman Cumley will contact Ace-Eaton Metals to order the tube directly and then pay Gyhras to remove the old pipe and install the new pipe. Council Member Eisenhauer moved to approve the quote from Gyhra Construction for \$23,909.90 to replace the culvert on 17th & E streets by using ARPA funds. Council Member Fisher seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried. Foreman Cumley explained the concrete wall on that bridge was hit sometime during the Pawnee County Fair and it fell into the creek. The same thing is happening to the culvert crossing at 9th & the Trail. That wall is cracked. Discussion was had to use ARPA funds to repair this area. Foreman Cumley will have Gyhra Construction look at this spot and see how it should be repaired. ***Review/Approve Quote on Goose Neck Dump Trailer for FY 2024-25:*** The City could purchase this trailer and then get rid of the old dump truck with air brakes (therefore, city crew members would not be required to have a CDL license) and use this trailer to haul the mini excavator. It would cost another \$350 to add a solar charger for the battery so that it can charge when it isn't plugged in. Council Member Eisenhauer moved to approve the quote from Tredz Central for a gooseneck dump trailer with a solar battery charger for \$22,550.00 split between five funds (general, street, water, sewer and park). Council Member Fisher seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried. ***Discuss updates to Road Patch Projects around town:*** Foreman Cumley explained the list of road patches around town are now finished. He asked Council to please let him know about other places around town that need repaired and they do plan to repair the spot on I street by the hospital. There are also two water taps north of town the crew will be working on.

Review PCAL July Board Notes from Caralyn & Meeting Minutes: Council reviewed the PCAL Board minutes and notes submitted by Caralyn Friedly. Mayor Hatfield explained PCAL does not own the property across the street from the assisted living that has been transformed into a park with a walking path and park bench. Mayor Hatfield spoke with PCAL attorney Joe Stehlik and his daughter, Jennifer, about this issue. John Wissler donated the land to PCDC (Pawnee City Development Corporation) who then donated the land to the City because PCAL was not able to own any property. No lease has been written on this property and the City still owns it. Joe and Jennifer agreed there should be a lease on this property because of liability and they plan to look into this.

Review Correspondence from: Council reviewed the spreadsheet on June 2024 Sales tax of \$17,883.73 with ½% Street Repairs Sales Tax totaling \$5,215.62 and \$3,774.20 being Motor Vehicle Sales Tax. Council reviewed the \$0 bill from JEO for assistance with the RCRP grant budget information. A second letter had been sent to Senator Julie Slama supporting an

amendment to LB34. Council reviewed the legislative bulletin on the 2024 special session and the article “10 Things Every Municipality should know about the open Meetings Act” from the League Magazine. The 2024 Annual League Conference will be held in Lincoln from Oct. 2nd – 4th.

Council Member Zelenka moved to adjourn the meeting. Council Member Fisher seconded the motion. Roll Call vote indicated all in favor of the motion and meeting adjourned at 8:55 p.m.

ATTEST: Kellie A. Wiers, Deputy City Clerk

Charlie Hatfield, Mayor