

CITY COUNCIL PROCEEDINGS

April 8, 2009

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 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on April 2nd, 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 Dana Trowbridge, Council members Bill Scribner, Gary Smith, Nick Hein, Mike Rogers, Gary Kroesing, and Bill Yindrick, City Administrator Joe Johnson, City Attorney Jim Egr, and City Clerk-Treasurer Joan Kovar.

(It was administratively decided that I am no longer to list those in attendance.)

The meeting opened with the Pledge of Allegiance.

Mayor Trowbridge informed the public of the "Open Meetings Act" posted on the east wall of the meeting room and Resolution No. 2-2008 establishing rules and procedures for public participation at city council meetings.

The minutes of the March 11th meeting of the Mayor and City Council were approved upon a motion by Council member Yindrick and seconded by Council member Hein. Voting AYE: Council members Rogers, Scribner, Kroesing, Smith, Hein, and Yindrick. Voting NAY: None. The motion carried.

Mayor Trowbridge asked for Petitions, Communications, and Citizens' Concerns in addition to those contained in the Agenda packets. There were none.

Mayor Trowbridge asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims. Council member Scribner seconded the motion. Voting AYE: Council members Hein, Yindrick, Rogers, Kroesing, Scribner, and Smith. Voting NAY: None. The motion carried.

Mayor Trowbridge called for Committee and Officers' Reports in addition to those written reports contained in the Agenda packet. There were no additional reports.

Mayor Trowbridge noted the following:

- The Library report stated that if sufficient memorial funds are received in memory of library employee Ruth Everding who passed away on March 19th, a park bench will be purchased for the front vestibule area.
- The street department handled the snow fall well; the Sanders house is demolished and the property is pretty well cleaned up.
- The police department is increasing the enforcement of the speed limit on the highway. The Dog Clinic is scheduled for May 9th from 1:00 p.m. - 4:00 p.m.

- The electric crews should be congratulated for restoring power due to the snow and high winds on Saturday & Sunday, April 4th & 5th. Mayor Trowbridge was able to observe them as a tree limb knocked out power in his block. The employees work well together and are very efficient.

Council member Hein made a motion to accept the Committee and Officer Reports as presented. Council member Rogers seconded the motion. Voting AYE: Council members Scribner, Yindrick, Kroesing, Smith, Rogers, and Hein. Voting NAY: None. The motion carried.

Council member Hein made a motion to advance to agenda item #15 - Consideration of selecting a group health insurance, group life AD&D Insurance, group long term disability, and voluntary group dental insurance broker/agent to serve the City of David City and it's employees. Council member Yindrick seconded the motion. Voting AYE: Council members Kroesing, Rogers, Hein, Scribner, Smith, and Yindrick. The motion carried.

John McQuaid and Steve Schneider, representing Benefit Concepts Group, presented an Employee Benefit Plans review for Group Medical Insurance, Group Life AD&D Insurance, Group Long Term Disability Insurance, and Group Voluntary Dental Insurance. John and Steve explained the differences between the City's current coverage, renewal coverage, alternate renewal coverage, and proposed coverage by: Silverstone - Coventry HealthCare of Nebraska, and Agency One Insurance & Benefits Management - Coventry HealthCare of Nebraska. They also explained the Group Term Life AD&D Insurance with our current coverage through Lincoln Financial Group and proposed coverage with Hartford. There would be an approximate savings of \$576.77 with Harford. The Group Long Term Disability Insurance is currently through UNUM and compared to Hartford there would be an estimated savings of \$2,768.44. They also explained a Group Voluntary Dental "Discover" Plan which would totally be the employees' expense. At the end of the summary they suggested the following carrier selection:

Medical Insurance:

Medical rates were provided from several carries by all brokers
Benefit Concepts Group selected "Coventry"

- Offered best rates from what they consider "A" carriers
- Coventry has a large block of business leading to better rate stability
- Coventry has own provider network leading to better discounting of services
- Actual benefit plan selection between selected broker and City of David City

Life AD&D Insurance:

Life AD&D rates were provided from several carriers by all brokers
Hartford selected

- Offered best rates; provided savings to current plan
- Matched current benefit design
- Ease of administration when combined with Long Term Disability coverage

Long Term Disability Insurance

Long Term Disability rates were provided from several carriers by all brokers
Hartford selected

- Offered best rates; provided savings to current plan
- Matched current benefit design with added benefits
- Ease of Administration when combined with Life AD&D

Voluntary Dental Insurance

Voluntary Dental rates were provided from several carriers by all brokers
Delta Dental was selected

- Affordable rates
- Services immediately available with NO waiting periods
- Orthodontics available with minimum enrollment
- Use of any dentist

Council member Kroesing made a motion to appoint Agency One Insurance and Benefit Management to provide Group Health Insurance, Group Life AD&D Insurance, Group Long Term Disability, and Voluntary Group Dental Insurance to serve the City of David City and its employees. Council member Rogers seconded the motion. Voting AYE: Council members Yindrick, Scribner, Smith, Hein, Rogers, and Kroesing. Voting NAY: None. The motion carried.

Mayor Trowbridge read the following Proclamation:

ARBOR DAY PROCLAMATION

WHEREAS, In 1872 J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and is now observed throughout the nation and the world, and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife, and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires, and countless other wood products, and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

WHEREAS, Nebraska is the worldwide home of Arbor Day,

NOW, THEREFORE, I, Dana "Skip" Trowbridge, Mayor of the City of David City, Nebraska, do hereby proclaim Friday, April 24, 2009, as

ARBOR DAY

and urge all citizens to celebrate Arbor Day, support efforts to protect our trees and woodlands, and plant trees to gladden the heart and promote the well-being of this and future generations.

Dated this 8th day of April, 2009.

Mayor Dana Trowbridge

Council member Hein made a motion to appoint Janis Cameron to serve a three year term as a member of the Planning Commission. Council member Yindrick seconded the motion. Voting AYE: Council members Scribner, Smith, Kroesing, Rogers, Yindrick, and Hein. Voting NAY: None. The motion carried.

Council member Hein made a motion to appoint Todd DeWispelare to serve a three year term as an alternate member of the Planning Commission. Council member Kroesing seconded the motion. Voting AYE: Council members Rogers, Yindrick, Smith, Scribner, Kroesing, and Hein. Voting NAY: None. The motion carried.

Council member Hein introduced Resolution No. 10 - 2009 and moved for its passage and adoption. Council member Yindrick seconded the motion. This is for the design/bidding of the Development of the Municipal Airport. Voting AYE: Council members Scribner, Rogers, Smith, Kroesing, Yindrick, and Hein. Voting NAY: None. The motion carried and Resolution No. 10 - 2009 was passed and approved as follows:

RESOLUTION NO. 10 - 2009

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF A STATE GRANT AGREEMENT FOR PROJECT NO. 3-31-0025-04-2008, TO BE SUBMITTED TO THE DEPARTMENT OF AERONAUTICS OF THE STATE OF NEBRASKA TO OBTAIN STATE FINANCIAL AID IN THE DEVELOPMENT OF THE MUNICIPAL 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 a State Grant Agreement with the Nebraska Department of Aeronautics for Project No. 3-31-0025-04-2008 for the purpose of obtaining state financial aid in the development of the Municipal Airport and that such agreement shall be as set forth hereinbelow.
2. The Mayor of the City of David City is hereby authorized and directed to execute said State Grant Agreement on behalf of the City, and the City Clerk is hereby authorized and directed to attest said execution.
3. The said agreement referred to herein above is inserted in full and attached herewith, and made a part hereof as Exhibit "O".

PASSED AND APPROVED this 8th day of April, 2009.

Mayor Dana Trowbridge

ATTEST:

City Clerk Joan E. Kovar

STATE GRANT AGREEMENT
PROJECT NO. 3-31-0025-04-2008

EXHIBIT "C"

This is an agreement by and between the Nebraska Department of Aeronautics, hereinafter referred to as the "Department" and the City of David City, Nebraska, hereinafter referred to as the "Sponsor."

RECITALS

The Sponsor has title to or control of the David City Municipal Airport and wants to develop or improve it. The Department agrees to help the Sponsor with the following development:

Extend Runway - 14/32 (by 575' to 3,675'); Rehabilitate Runway -14/32 (including sealcoat of runway, taxiway, apron and widening runway from 50' to 60'); Rehabilitate Runway Lighting 14/32 (including MIRL and MITL); Design/Bidding.

A summary of eligible project costs is attached to this agreement for reference as Exhibit B.

AGREEMENT

In consideration of these facts and the mutual covenants contained herein, the Department and Sponsor agree as follows:

The Sponsor agrees that all developments listed above will be completed and will comply with the approved airport layout plan and the approved construction plans and specifications, as applicable. No development item shall be omitted or added without specific approval from the Department. If the work is contracted by the Sponsor, bids shall be taken as required by law, and submitted to the Department for review prior to contract award.

The Department agrees to reimburse the Sponsor for two (2) percent of the actual eligible costs incurred to complete this development, up to a maximum of \$1,210 in state funds. "Eligible Costs" are defined as those necessary for this development and approved by the Department.

In the reimbursement to the Sponsor for work performed and material furnished, the Department agrees to honor approved progress estimates processed during the course of the construction. Upon presentation of the final billings and estimates for the work completed by the Sponsor to the satisfaction of the Department, the Department agrees to reimburse the Sponsor in an amount based upon the actual incurred eligible costs of the improvements set forth in the above noted scope of development, the attached Exhibit B, the approved plans and any approved change orders. The total reimbursement shall not exceed the amount set forth above.

If applicable, the Grant Agreement entered into by and between the Federal Aviation Administration (FAA) and the Sponsor on April 30, 2008 is hereby incorporated into and made a part of this Agreement and all of the elements, paragraphs, clauses, and obligations in said Agreement are made a part hereof as if fully set forth in this Agreement. In the event that any provisions in the FAA Grant Agreement conflict with provisions in this agreement, the provisions in this agreement are controlling.

CONDITIONS

The terms and conditions of this agreement shall remain in effect for twenty (20) years from the date of execution by the Sponsor. If the development is land or easement acquisition, then the terms and conditions shall remain in effect for as long as the Sponsor owns this land or easement. The Sponsor will not sell, lease, encumber or otherwise dispose of airport real property, acquired with grant money from the Department, without the Department's approval.

1. The Sponsor will comply with the Department's State Aid Program (current version on date of execution) and all applicable laws and regulations.
2. The Sponsor will complete the project without undue delay. The project shall be subject to the Department's inspection.
3. The Sponsor will operate and maintain the airport as a public use facility in a safe and serviceable condition, and will not permit any activity thereon that would interfere with its use for aeronautical purposes. The sponsor is not required to operate the airport during temporary periods when snow, flood or other climatic conditions interfere. The Sponsor will comply with the minimum standards of maintenance and operation set by the Department and the Federal Aviation Administration.
4. The Sponsor will make this airport available as a public use airport on fair and reasonable terms and without unjust discrimination, to all types, kinds and classes of aeronautical uses. In its operation of the airport, the Sponsor or any person or organization occupying space or facilities thereon will not discriminate against any person or class of persons because of race, color, religion, national origin, sex, handicap or age and will not discriminate against any employee or applicant for employment based on race, color, religion, sex, age or otherwise qualified handicapped status.
5. The Sponsor will insert and enforce provisions in any contract or other arrangement that grants a right or privilege to any person, firm or corporation to engage in any activity for furnishing services to the public at the airport. These provisions will require the contractor to:
 - a. Furnish said service on a fair, equal and not unjustly discriminatory basis to all users thereof, and,

- b. Charge fair, reasonable, and not unjustly discriminatory prices for each unit or service. However, it is allowable for the contractor to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
6. The Sponsor will not grant or permit any person, firm or corporation an exclusive right:
 - a. to use the airport to provide aeronautical services to the public; nor
 - b. to conduct any aeronautical activities, including but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, or any other aeronautical activity.

However, the Sponsor may grant or exercise an exclusive right for furnishing non-aviation products and supplies or any non-aeronautical service.

7. The Sponsor will submit all leases, permits, and agreements for the airport to the Department upon request. The Department may withhold 20% of payments due the Sponsor until all leases, permits and agreements are acceptable to the Department.
8. The Sponsor will provide a drug-free workplace at the site of work specified in this agreement.
9. The Sponsor will take appropriate action to ensure that the airspace required for airport operations will be adequately cleared and protected. The Sponsor agrees, to the best of its ability, to prevent construction, erection, alteration or growth of any object within or outside the boundaries of the airport which would create a hazard to aircraft operating at or near the airport or otherwise limit the usefulness of the airport. Appropriate actions may include removing, lowering, relocating, marking, lighting or otherwise mitigating existing airport hazards and preventing the establishment or creation of future airport hazards. The Sponsor will, to the best of its ability, arrange for flight restriction zoning of the area around the airport as allowed under Nebraska Statutes.
10. The Sponsor will keep a current airport layout plan that has the approval of the Department or the Federal Aviation Administration. The Sponsor will ensure that future development on the airport conforms to this plan.
11. The Sponsor will not enter into any transaction that would operate to deprive it, or any legal successor, of the rights and powers necessary to comply with any or all of the covenants made herein.

12. During the term of these covenants, the Sponsor will maintain a current system of airport accounts and records, using a system of its own choice sufficient to provide annual statements of income and expense. It will furnish the Department with such annual or special airport financial and operational reports as may be reasonably requested.
13. If this airport ceases to be a public-use airport before the applicable time period has expired, or if any other covenants of this agreement are substantially violated without the Department's approval, the Sponsor will reimburse the Department as follows:
 - a. For any monies granted under this contract for any purpose other than land acquisition, the amount due the Department shall be:
$$\frac{\text{Years remaining}}{10 \text{ or } 20 \text{ years, as appropriate}} \times \text{Amount of Dept.'s money granted.}$$
 - b. For any monies granted for land acquisition under this contract, the amount due the Department shall be:
$$\text{Market value of the land} \times \text{Percent of reimbursement listed on page one of this contract.}$$
14. The Sponsor agrees to reimburse the Department for its cost of furnishing services for this project. This includes but is not limited to the services listed on the attached Exhibit A, "Services" and "Schedule of Unit Charges." This Exhibit A is subject to change upon notification in writing by the Department to the Sponsor.

IN WITNESS WHEREOF, the Department and Sponsor have authorized these presents to be executed by their proper officials, as of the dates shown below.

Executed by the Nebraska Department of Aeronautics this 30th day of March, 2009.

RESOLUTION
DO NOT SIGN

Witness

RESOLUTION
DO NOT SIGN

Director

Executed by the City of David City this 8th day of April, 2009.

RESOLUTION
DO NOT SIGN

City Clerk

RESOLUTION
DO NOT SIGN

Mayor

EXHIBIT A

STATE GRANT AGREEMENT

SERVICES

1. Review, prepare and/or assist with grant applications.
2. Attend airport site and design (plan-in-hand) inspections, as appropriate.
3. Review consultant agreements, technical reports, plans, and contract documents.
4. Review and process award of contracts, change orders, construction reports, supplemental agreements, force account agreements, and/or other agreements.
5. Attend design, preconstruction, and/or other conferences, as appropriate.
6. Review progress estimates, invoices and other evidence of project costs.
7. Conduct periodic and/or final inspections, if deemed necessary.

SCHEDULE OF UNIT CHARGES

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

Engineer VI	Engineer 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 performed in accordance with OMB Circular A87, "Cost Principles for State, Local and Indian Tribal Governments".

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

- B. Living Costs and Outside Expenses. Actual.

Charges will be meals, lodging, telephone calls, etc., normally paid by the Department.

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

Charges will be made in accordance with invoices, billings, contracts or agreements.

- D. Transportation. Actual. Charges will be those established by Department policy for all users for operating a state automobile and using a state aircraft.

Exhibit A

EXHIBIT B

DAVID CITY MUNICIPAL AIRPORT

PROJECT NO. 3-31-0025-04-2008

SUMMARY OF PROJECT COSTS

MARCH 30, 2009

Engineering	
Design	\$49,033.00
Bidding	\$5,990.00
Geotech-Design	<u>\$1,540.80</u>
Subtotal	\$56,563.80
Administration	
NDA	<u>\$3,936.20</u>
Subtotal	\$3,936.20
Total	\$60,500.00

SUMMARY OF FUNDS

<u>STATE</u>	<u>LOCAL</u>	<u>FEDERAL</u>	<u>TOTAL</u>
\$1,210	\$1,815	\$57,475	\$60,500
(2%)	(3%)	(95%)	
(\$1,210 max.)		(04 federal grant=\$56,500)	

Council member Yindrick introduced Resolution No. 11 - 2009 and moved for its passage and adoption. Council member Smith seconded the motion. Voting AYE: Council members Scribner, Rogers, Kroesing, Hein, Smith, and Yindrick. Voting NAY: None. The motion carried and Resolution No. 11 - 2009 was passed and approved as follows:

RESOLUTION NO. 11 - 2009

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF A STATE GRANT AGREEMENT FOR PROJECT NO. 3-31-0025-06-2009, TO BE SUBMITTED TO THE DEPARTMENT OF AERONAUTICS OF THE STATE OF NEBRASKA TO OBTAIN STATE FINANCIAL AID IN THE DEVELOPMENT OF THE MUNICIPAL 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 a State Grant Agreement with the Nebraska Department of Aeronautics for Project No. 3-31-0025-06-2009 for the purpose of obtaining state financial aid in the development of the Municipal Airport and that such agreement shall be as set forth hereinbelow.
2. The Mayor of the City of David City is hereby authorized and directed to execute said State Grant Agreement on behalf of the City, and the City Clerk is hereby authorized and directed to attest said execution.
3. The said agreement referred to herein above is inserted in full and attached herewith, and made a part hereof as Exhibit "O".

PASSED AND APPROVED this 8th day of April, 2009.

Mayor Dana Trowbridge

ATTEST:

City Clerk Joan E. Kovar

STATE GRANT AGREEMENT
PROJECT NO. 3-31-0025-06-2009

EXHIBIT "C"

This is an agreement by and between the Nebraska Department of Aeronautics, hereinafter referred to as the "Department" and the City of David City, Nebraska, hereinafter referred to as the "Sponsor."

RECITALS

The Sponsor has title to or control of the David City Municipal Airport and wants to develop or improve it. The Department agrees to help the Sponsor with the following development:

Extend Runway - 14/32 (by 575' to 3,675'); Rehabilitate Runway -14/32 (including sealcoat of runway, taxiway, apron and widening runway from 50' to 60'); Rehabilitate Runway Lighting - 14/32 (including MIRL and MIFL).

A summary of eligible project costs is attached to this agreement for reference as Exhibit B.

AGREEMENT

In consideration of these facts and the mutual covenants contained herein, the Department and Sponsor agree as follows:

The Sponsor agrees that all developments listed above will be completed and will comply with the approved airport layout plan and the approved construction plans and specifications, as applicable. No development item shall be omitted or added without specific approval from the Department. If the work is contracted by the Sponsor, bids shall be taken as required by law, and submitted to the Department for review prior to contract award.

The Department agrees to reimburse the Sponsor for two (2) percent of the actual eligible costs incurred to complete this development, up to a maximum of \$22,199 in state funds. "Eligible Costs" are defined as those necessary for this development and approved by the Department.

In the reimbursement to the Sponsor for work performed and material furnished, the Department agrees to honor approved progress estimates processed during the course of the construction. Upon presentation of the final billings and estimates for the work completed by the Sponsor to the satisfaction of the Department, the Department agrees to reimburse the Sponsor in an amount based upon the actual incurred eligible costs of the improvements set forth in the above noted scope of development, the attached Exhibit B, the approved plans and any approved change orders. The total reimbursement shall not exceed the amount set forth above.

If applicable, the Grant Agreement entered into by and between the Federal Aviation Administration (FAA) and the Sponsor on January 14, 2009 is hereby incorporated into and made a part of this Agreement and all of the elements, paragraphs, clauses, and obligations in said Agreement are made a part hereof as if fully set forth in this Agreement. In the event that any provisions in the FAA Grant Agreement conflict with provisions in this agreement, the provisions in this agreement are controlling.

CONDITIONS

The terms and conditions of this agreement shall remain in effect for twenty (20) years from the date of execution by the Sponsor. If the development is land or easement acquisition, then the terms and conditions shall remain in effect for as long as the Sponsor owns this land or easement. The Sponsor will not sell, lease, encumber or otherwise dispose of airport real property, acquired with grant money from the Department, without the Department's approval.

1. The Sponsor will comply with the Department's State Aid Program (current version on date of execution) and all applicable laws and regulations.
2. The Sponsor will complete the project without undue delay. The project shall be subject to the Department's inspection.
3. The Sponsor will operate and maintain the airport as a public use facility in a safe and serviceable condition, and will not permit any activity thereon that would interfere with its use for aeronautical purposes. The sponsor is not required to operate the airport during temporary periods when snow, flood or other climatic conditions interfere. The Sponsor will comply with the minimum standards of maintenance and operation set by the Department and the Federal Aviation Administration.
4. The Sponsor will make this airport available as a public use airport on fair and reasonable terms and without unjust discrimination, to all types, kinds and classes of aeronautical users. In its operation of the airport, the Sponsor or any person or organization occupying space or facilities thereon will not discriminate against any person or class of persons because of race, color, religion, national origin, sex, handicap or age and will not discriminate against any employee or applicant for employment based on race, color, religion, sex, age or otherwise qualified handicapped status.
5. The Sponsor will insert and enforce provisions in any contract or other arrangement that grants a right or privilege to any person, firm or corporation to engage in any activity for furnishing services to the public at the airport. These provisions will require the contractor to:
 - a. Furnish said service on a fair, equal and not unjustly discriminatory basis to all users thereof, and,

- b. Charge fair, reasonable, and not unjustly discriminatory prices for each unit or service. However, it is allowable for the contractor to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
6. The Sponsor will not grant or permit any person, firm or corporation an exclusive right:
 - a. to use the airport to provide aeronautical services to the public; nor
 - b. to conduct any aeronautical activities, including but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, or any other aeronautical activity.

However, the Sponsor may grant or exercise an exclusive right for furnishing non-aviation products and supplies or any non-aeronautical service.

7. The Sponsor will submit all leases, permits, and agreements for the airport to the Department upon request. The Department may withhold 20% of payments due the Sponsor until all leases, permits and agreements are acceptable to the Department.
8. The Sponsor will provide a drug-free workplace at the site of work specified in this agreement.
9. The Sponsor will take appropriate action to ensure that the airspace required for airport operations will be adequately cleared and protected. The Sponsor agrees, to the best of its ability, to prevent construction, erection, alteration or growth of any object within or outside the boundaries of the airport which would create a hazard to aircraft operating at or near the airport or otherwise limit the usefulness of the airport. Appropriate actions may include removing, lowering, relocating, marking, lighting or otherwise mitigating existing airport hazards and preventing the establishment or creation of future airport hazards. The Sponsor will, to the best of its ability, arrange for height restriction zoning of the area around the airport as allowed under Nebraska Statutes.
10. The Sponsor will keep a current airport layout plan that has the approval of the Department or the Federal Aviation Administration. The Sponsor will ensure that future development on the airport conforms to this plan.
11. The Sponsor will not enter into any transaction that would operate to deprive it, or any legal successor, of the rights and powers necessary to comply with any or all of the covenants made herein.

12. During the term of these covenants, the Sponsor will maintain a current system of airport accounts and records, using a system of its own choice sufficient to provide annual statements of income and expense. It will furnish the Department with such annual or special airport financial and operational reports as may be reasonably requested.
13. If this airport ceases to be a public-use airport before the applicable time period has expired, or if any other covenants of this agreement are substantially violated without the Department's approval, the Sponsor will reimburse the Department as follows:
 - a. For any monies granted under this contract for any purpose other than land acquisition, the amount due the Department shall be:
$$\frac{\text{Years remaining}}{10 \text{ or } 20 \text{ years, as appropriate}} \times \text{Amount of Dept.'s money granted.}$$
 - b. For any monies granted for land acquisition under this contract, the amount due the Department shall be:
$$\text{Market value of the land} \times \text{Percent of reimbursement listed on page one of this contract.}$$
14. The Sponsor agrees to reimburse the Department for its cost of furnishing services for this project. This includes but is not limited to the services listed on the attached Exhibit A, "Services" and "Schedule of Unit Charges." This Exhibit A is subject to change upon notification in writing by the Department to the Sponsor.

IN WITNESS WHEREOF, the Department and Sponsor have authorized these presents to be executed by their proper officials, as of the dates shown below.

Executed by the Nebraska Department of Aeronautics this 30th day of March, 2009.

**RESOLUTION
DO NOT SIGN**

Witness

**RESOLUTION
DO NOT SIGN**

Director

Executed by the City of David City this 8th day of April, 2009.

**RESOLUTION
DO NOT SIGN**

City Clerk

**RESOLUTION
DO NOT SIGN**

Mayor

EXHIBIT A

STATE GRANT AGREEMENT

SERVICES

1. Review, prepare and/or assist with grant applications.
2. Attend airport site and design (plan-in-hand) inspections, as appropriate.
3. Review consultant agreements, technical reports, plans, and contract documents.
4. Review and process award of contracts, change orders, construction reports, supplemental agreements, force account agreements, and/or other agreements.
5. Attend design, preconstruction, and/or other conferences, as appropriate.
6. Review progress estimates, invoices and other evidence of project costs.
7. Conduct periodic and/or final inspections, if deemed necessary.

SCHEDULE OF UNIT CHARGES

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

Engineer VI	Engineer 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 performed in accordance with OMB Circular A87, "Cost Principles for State, Local and Indian Tribal Governments".

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

- B. Living Costs and Outside Expenses. Actual.

Charges will be meals, lodging, telephone calls, etc., normally paid by the Department.

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

Charges will be made in accordance with invoices, billings, contracts or agreements.

- D. Transportation. Actual. Charges will be those established by Department policy for all users for operating a state automobile and using a state aircraft.

EXHIBIT B

DAVID CITY MUNICIPAL AIRPORT

PROJECT NO. 3-31-0025-06-2009

SUMMARY OF PROJECT COSTS

MARCH 30, 2009

Construction	
Constructors Inc.	\$714,687.65
Engineering	
Construction Services	\$50,935.00
Special Services	\$18,892.80
Obstruction Survey	<u>\$9,928.00</u>
Subtotal	\$79,755.80
Administration	
NDA	\$10,056.55
Publication/Legal	\$1,000.00
Audit	<u>\$4,500.00</u>
Subtotal	\$15,556.55
Total	\$810,000.00

SUMMARY OF FUNDS

<u>STATE</u>	<u>LOCAL</u>	<u>FEDERAL</u>	<u>TOTAL</u>
\$16,200 (2%) (\$22,199 max.)	\$24,300 (3%)	\$769,500 (95%)	\$810,000

Exhibit B

City Administrator Joe Johnson presented a David City Cost Analysis for alternatives to Wheeling Charges from Butler Public Power District and a copy of the Subtransmission Service Agreement between Butler County Rural Public Power District and the City of David City. The Subtransmission Service Agreement states "this contract shall become effective on the date of its execution above, and shall continue in full force and effect for an initial term of five (5) years, after which the subtransmission service provided shall continue, subject to other provisions of this Agreement, until terminated by not less than one (1) year written notice of termination by either Party. Individual Exhibits may be terminated or revised as outlined in Section 2.02."

The City of Omaha (MUD) currently has six (6) Caterpillar generators running off of methane gas. There is a surplus of methane gas at the landfill, and they say that methane gas is produced up to 60 years after a cell is closed. Methane will remain constant and the City will earn carbon credits by using methane gas. Joe estimates a projected savings over forty (40) years of \$1,141,933 by using methane gas. The City would need to employ Olsson Associates to investigate this further. Joe also presented a copy of the Public Utility Regulatory Policies Act of 1978 (PURPA) which states: "A U.S. federal law enacted in 1978 which was intended to encourage more energy-efficient and environmentally friendly commercial energy production. PURPA defined a new class of energy producer called a "qualifying facility." QFs are either small-scale producers of commercial energy who normally self-generate energy for their own needs but may have occasional or frequent surplus energy, or incidental producers who happen to generate usable electric energy as a byproduct of other activities. When a facility of this type meets the Federal Energy Regulatory Commission's requirements for ownership, size and efficiency, **utility companies are obliged to purchase energy from these facilities based on a pricing structure referred to as avoided cost rates.** These rates tend to be highly favorable to the producer; and are intended to encourage more production of this type of energy as a means of reducing emissions and dependence on other sources of energy."

Council member Scribner made a motion to hire Olsson Associates, at a cost not to exceed \$30,000, for professional consulting services and to conduct a feasibility study for subtransmission, transformation, and generation improvements for the David City Electric Systems that provide cost efficient results for electric customers of David City. Council member Rogers seconded the motion. Voting AYE: Council members Yindrick, Smith, Hein, Rogers, and Scribner. Voting NAY: None. Council member Kroesing abstained. The motion carried.

Council member Kroesing made a motion to purchase an aluminum aerator for use at the David City Water Treatment Plant from Siemens Water Technologies Corp., 600 Arrasmith Trail, Ames, Iowa 50010, at a cost of \$27,862 for parts, labor, installation, and training. Council member Scribner seconded the motion. Voting AYE: Council members Smith, Hein, Yindrick, Rogers, Scribner, and Kroesing. Voting NAY: None. The motion carried.

The second, of three Mayor and City Council training sessions with Bill Podraza, was cancelled and needs to be rescheduled. After discussion Mayor Trowbridge and the Council members selected Monday, April 27th for their second training session.

Council member Hein introduced Resolution No. 12 - 2009 adopting the Identity Theft Prevention Program for the City and moved for its passage and adoption. Council member Yindrick seconded the motion. Voting AYE: Council members Scribner, Rogers, Kroesing, Smith, Yindrick, and Hein. Voting NAY: None. The motion carried and Resolution No. 12 - 2009 was passed and approved as follows:

RESOLUTION NO. 12 - 2009

A RESOLUTION OF THE CITY OF DAVID CITY, NEBRASKA ADOPTING THE IDENTITY THEFT PREVENTION PROGRAM FOR THE CITY OF DAVID CITY AND DAVID CITY UTILITIES, REPEALING ALL POLICIES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Federal Trade Commission released the final version of an amendment to the Fair and Accurate Credit Transaction Act (Identity Theft Red Flag Rule), and

WHEREAS, the City of David City / David City Utilities in order to comply with the Act have prepared an Identity Theft Prevention Program, and

WHEREAS, a report will be prepared annually and submitted to the Mayor and City Council to include matters related to the program, the effectiveness of the policies and procedures, a summary of any identify theft incidents and the response to the incident, and recommendations for substantial changes to the program, if any.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that the Identity Theft Prevention Program for the City of David City / David City Utilities is hereby adopted in its entirety, as attached hereto.

PASSED AND APPROVED this 8th day of April, 2009.

Mayor Dana Trowbridge

ATTEST:

City Clerk Joan E. Kovar

Identity Theft Prevention Program

For

The City of David City and David City Utilities

P. O. Box 191

557 N. 4th Street

David City, NE 68632

Phone: 402-367-3135

City of David City / David City Utilities

Identity Theft Prevention Program

I. INTRODUCTION.

The City of David City / David City Utilities (electric, water, and sewer) developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's ("FTC") Red Flag Rule, which implements Section 114 of the Fair and Accurate Credit Transaction Act of 2003. 16 C.F.R. §681.2. This program is

designed to detect, prevent, and mitigate Identity Theft in connection with the opening and maintenance of certain utility accounts. For purposes of this Program, "Identity Theft" is considered to be "fraud committed using the identifying information of another person." The accounts addressed by the Program, (the "Accounts"), are defined as:

1. An account the Utility offers or maintains primarily for personal, family, or household purposes, that involves multiple payments or transactions; and
2. Any other account the Utility offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the Utility from Identity Theft.

Risk Assessment

This program is intended to identify red flags that will alert our employees when new or existing accounts are opened using false information, protect against the establishment of false accounts, methods to ensure existing accounts were not opened using false information, and measures to respond to such events.

The City of David City has conducted an internal risk assessment to evaluate how the current procedures are at allowing customers to create a fraudulent account and evaluate if current and existing accounts are being manipulated. The risk assessment evaluated how new accounts were opened and the methods used to access the account information. Using this information the utility was able to identify red flags that were appropriate to prevent identity theft.

- New accounts are opened in Person
- New customers must complete an application form on which they must provide the following personal information:
 - Name
 - Service Address and Mailing Address
 - Phone Number: (home) and (work)
 - Driver's License Number
 - Date of Birth
 - Social Security Number
- Account information is accessed in person or via Telephone

II. IDENTIFICATION OF RED FLAGS.

A "Red Flag" is a pattern, practice, or specific activity that indicates the possible existence of Identity Theft. In order to identify Red Flags, the City of David City/David City Utilities considered the types of Accounts that it offers and maintains, the methods it provides to open its Accounts, the methods it provides to access its Accounts, and its previous experiences with Identity Theft.

Detection

The City of David City / David City Utilities adopts the following red flags to detect potential fraud. These are not intended to be all-inclusive and other suspicious activity may be investigated as necessary.

- Identification documents appear to be altered
- Other information is inconsistent with information provided by applicant
- Other information provided by applicant is inconsistent with information on file.
- Application appears altered or destroyed and reassembled
- Information provided is associated with know fraudulent activity (e.g. address or phone number provided is the same as that of a fraudulent application)
- Information commonly associated with fraudulent activity is provided by applicant (e.g. address that is a mail drop or prison, non-working phone number, or associated with answering service/pager)
- Address, or telephone number is the same as that of another customer with the utility
- The Social Security number is the same as customers opening other accounts
- Customer fails to provide all information requested
- Personal information provided is inconsistent with information on file for the customer
- Applicant cannot provide information requested beyond what could commonly be found in a purse or wallet
- Identity theft is reported or discovered
- Existing account with a stable history shows irregularities. (A house that is supposedly empty suddenly shows a large utility usage).
- Mail sent to customer is repeatedly returned
- Customer notifies utility that they are not receiving their bill
- Change of billing address followed by request for adding additional properties to the account (or shortly following the notification of a change in address, the utility receives a request for the addition of authorized users on the account.

Response

Any employee that may suspect fraud or detect a red flag will implement the following response as applicable. All detections or suspicious red flags shall be reported to the senior management official.

- Ask applicant for additional documentation
- Notify Internal Manager: Any utility employee who becomes aware of a suspected or actual fraudulent use of a customer or potential customers identity must notify Joan Kovar, City Clerk/Treasurer.
- Notify law enforcement: The utility will notify Police Chief Stephen Sunday in David City, Nebraska, of any attempted or actual identity theft.
- Do not open the account
- Close the account
- Do not attempt to collect against the account but notify authorities.

Personal Information Security Procedures

The City of David City adopts the following security procedures.

1. Visitors who must enter areas where sensitive files are kept must be escorted by an employee of the utility.
2. No visitor will be given any entry codes or allowed unescorted access to the office.
3. Screen savers will be used on employee computers after a period of inactivity so information is not able to be viewed by the general public.
4. Computer passwords will be required.
5. User names and passwords will not be posted near workstations.
6. The use of laptops is restricted to those employees who need them to perform their jobs.
7. Access to customer's personal identity information is limited to employees with a "need to know".
8. Employees who violate security policies are subject to discipline, up to, and including, dismissal.

9. Paper records will be shredded before being placed into the trash.
10. Any data storage media will be disposed of by shredding or incineration.
11. No records that meet the statutory definitions in Neb. Rev. Statute #84 - 712.05 and sections 43 - 512.06 and 70-101 will be released to the public.

Identity Theft Prevention Program Review and Approval

The Program was developed after consideration of the size and complexity of the City's and Utility's operations and Account systems, and the nature and scope of the activities.

The City Council determined that this Program was appropriate for the City of David City / David City Utilities, and therefore approved the Program on April 8, 2009. Appropriate employees have been trained on the contents and procedures of this Identity Theft Prevention Program.

Mayor Dana Trowbridge

City Clerk Joan Kovar

There being no further business to come before the Council, Council member Scribner made a motion to adjourn. Council member Rogers seconded the motion. Voting AYE: Council members Kroesing, Smith, Hein, Yindrick, Rogers, and Scribner. Voting NAY: None. The motion carried and Mayor Trowbridge declared the meeting adjourned at 8:25 p.m.

Mayor Dana Trowbridge

City Clerk Joan E. Kovar



CERTIFICATION OF MINUTES
April 8, 2009

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 April 8, 2009; 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.

Joan E. Kovar, City Clerk