

**THE OFFICIAL PROCEEDINGS OF THE REGULAR MEETING OF THE GERING CITY COUNCIL,
FEBRUARY 11, 2019**

A regular meeting of the City Council of Gering, Nebraska was held in open session on February 11, 2019 at 6:00 p.m. at Gering City Hall, 1025 P Street, Gering, NE. Present were Mayor Kaufman and Councilmembers Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. Also present were City Administrator Lane Danielzuk, Administrative Secretary Carol Martin and City Attorney Matt Turman. Absent was City Clerk Kathy Welfl. Notice of the meeting was given in advance by publication in the Star-Herald, the designated method of giving notice. All proceedings hereafter were taken while the meeting was open to the attendance of the public except as otherwise indicated.

CALL TO ORDER

Mayor Kaufman called the meeting to order at 6:00 p.m. The Mayor stated that there was a quorum of the Council and City business could be conducted.

1. Recital of the Pledge of Allegiance and Prayer
2. Roll Call
3. There were no absences to excuse from the previous meeting.

OPEN MEETINGS ACT - NEB.REV.STAT. CHAPTER 84, ARTICLE 14

Mayor Kaufman stated: As required by State Law, public bodies shall make available at least one current copy of the Open Meetings Act posted in the meeting room. Agenda items may be moved up or down on the agenda at the discretion of the Mayor. As required by State Law, additions may not be made to this agenda less than 24 hours before the beginning of the meeting unless they are considered under this section of the agenda and Council determines that the matter requires emergency action.

CONSENT AGENDA:

1. Approve minutes of the January 28, 2019 regular City Council meeting
2. Approve Claims

Claims:

1-19-19 to 2-1-19

308 EMBROIDERY \$116.00 EMBROIDERY UNIFORMS, ACTION COMM INC \$71.15 IN CARD RADIO RPR'S, AHLER'S BAKING INC \$20.34 MAYOR TO MAYOR MTG DONUTS, AMAZON \$77.83 3 BOOKS, ASCAP \$357.00 MUSIC, ASFPM \$160.00 ASFP MEMBERSHIP FOLCK, B & C STEEL \$23.00 MOUNTING BRACKET FOR 32 TABLET, BAKER & ASSOC \$520.00 NORTHFIELD STORMWATER PROJECT, BALLOON FEDERATION OF \$250.00 CVB REG FOR BFA SYMPOSIUM, BAZEN ADRIANNE \$75.00 RV ROOM DEPOSIT REFUND, BENZEL PEST CONTROL \$142.20 PEST CONTROL 1035 M ST/PEST CONTROL, BLS \$138.00 ACCT CONFIRMATION FOR AUDIT, BLUFFS SANITARY SUPPLY \$354.11 RUBBER GLOVES/SCOURING PADS/BATH FRESHENERS, BOMGAARS \$199.99 GREASE GUN KIT, BORDER STATES IN DUSTRIES \$1,690.59 PHOTO CELL/CLAMP METER/NEW LIGHTS GOLF MAINT SHOP, BRANDT APPRAISAL CO INC \$1,650.00 OLD KELLEY BEAN LOT APPRAISAL, BUMPER TO BUMPER \$198.00 TOW FEES, CASEY'S GENERAL STORE #27 \$51.84 NLETC GRADUATION GAS, CEN CON LLC \$802.00 BORING, CENEX I-80 \$15.03 NLETC GRADUATION GAS, CITY OF SCOTTSBLUFF \$2,284.27 OCT 18 - DEC 18 EMERGENCY MNGT, CITY PAYROLL TRUST \$2,847.64 FSA MEDICAL 125, CNA SURETY \$40.00 NOTARY BOND WELFL, COLORADO STATE UNIVERSITY \$888.00 RMEMA METER SCHOOL SHAW & BIBB, COMPUTYPE INC \$308.57 PATRON BARCODES, CONNECTING POINT \$99.00 JAN COPIER SRV CONT, CONTRACTORS MATERIALS \$2,470.69 CONCRETE BLANKETS/LEVEL/CASE/ SEALING FOR STREET RPR'S, CREDIT BUREAU SRV INC \$217.49 GARNISHMENT, D & H ELECTRONIC SUPPLY \$9.37 SPEED TRAILER RPLCMNT PARTS, DALES TIRE AND RETREADING \$140.00 TIRE RPR ON G-11, DISCOVER BANK \$2.74 GARNISHMENT 2, DOOLEY OIL INC \$1,308.56 BRAKE CLEANER MAINT/HYD FLUID FOR BALER, DOWNHOME SOLUTIONS \$3,096.00 LOAN SOFTWARE, DUTTON - LAINSON CO \$3,052.69 METERS/ELBOWS/TAPE/CONNECTORS, ECOLAB \$234.30 PEST CONTROL AT CITY HALL/RODENT CONTROL AT WWTP/PEST CONTROL CENTRAL STORES, ENDURANCE FLAG CO \$95.00 REPLACE FLAG AT STATION, ENERGY LABORATORIES INC \$456.00 WATER LAB, ENVIRO SRV INC \$1,435.00 WATER LAB/WW LAB, ESC ENGINEERING \$65.00 U ST SUB, FAMILY DOLLAR \$9.70 CAT FOOD, FASTENAL CO \$2,094.45 GLOVES/EAR PLUGS/BATTERIES/LEVEL/TOOLS FOR CREW TRUCK/VENDING PRGRM FEE OCT 18 - OCT 19/COTTER PINS FOR CONTAINERS, FAT BOYS TIRE & AUTO \$324.24 TIRE RPR 621-223/2 NEW TIRES ON PATROL UNIT, FIRST STATE BANK \$366.73 IBEW UNION DUES, FORT DEARBORN LIFE INS CO \$113.52 FIREFIGHTER LIFE INS, FRANK PARTS CO \$730.78 OIL CHANGE BLDG INSPECTOR PU/TAPE FOR SPEED TRAILER RPR'S/AIR FILTERS/TRAILER LIGHT PLUG IN/GENERATOR RPR'S/ VECHILCE RPR'S/ RPR SULIVAN AIR COMPRESSOR/WINDSHIELD WASHER FLUID/ SLIDE HAMMER PULL, FREMONT MOTOR SCOTTSBLUFF \$4,594.07 DOOR LATCH SENSOR 2013 FORD/TAURUS RPR'S, FRESH FOODS \$100.00 RECOGNITION BRENDA/CAROL, GALE \$228.72 6 LRG PRINT BOOKS, GCSAA \$720.00 GOLF COURSE INDUSTRY SHOW 2019, GERING VALLEY PLUMBING \$1,104.00 MAINT CHECK ON GEO THERMAL, GERING VOLUNTEER FIRE DEPT \$285.00 REG FEE FOR RED CARD CLASS, GREASE N GO \$92.11 OIL CHANGE/EXPLORER MAINT, HAWKINS INC \$2,959.50 FLUORIDE FOR WATER SYSTEM, HEARTLAND TRUST CO \$250.00 GLC BOND AGENT FEES, HOA SOLUTIONS INC \$937.85 REPLACE TRANSDUCER ON 3B WWTP, HOBBY LOBBY \$42.87 SUPP FOR STORY TIME, HONEY WAGON EXPRESS \$180.00 CLEAN GREASE TRAPS, HOT ROD MAGAZINE \$29.97 1 YR SUBS, HULLINGER GLASS & LOCKS \$105.50 NEW LOCKS ON BALL MACHINE, ICMA ELECTRONIC RETIREMENT \$642.24 ICMA CITY ADMIN, IDEAL LINEN SUPPLY INC \$575.55 EXCHANGED MATS/RUG CLEANING/DUST MOPS/CLEANING SUPPLIES/MOP/ CASE TP & PT, INDOFF INC \$1,933.55 ORGANIZER / FASTENERS / CHAIR/AAG WALL

CALENDAR / SHEET PROTECTORS / OFFICE SUPPLIES/NEW OFFICE DESK/INK CARTRIDGES, INFINITY CONSTRUCTION INC \$7,000.00 LABOR MARGARET DR FOR STREET REPLACEMENT, INGERSOLL RAND CO \$344.81 ELECTRIC START BOX, INGRAM LIBRARY SRV \$850.74 16 BOOKS/23 CHILDRENS BOOKS, INTERNAL REVENUE SRV \$39,395.78 FED/FICA TAX, INTERSTATE BATTERIE/RAPID \$239.90 NEW VEHICLE BATTERY/BATTERY 93 GMC TRUCK, INTRALINKS TECHNICAL SOLUTIONS \$8,687.15 COMPUTER SUPPORT/MOUNTING BRACKET FOR 62 TABLET/IN CAR COMPUTER EQUIPMENT/FUEL PUM COMMUNICATION, JOHN HANCOCK USA \$13,238.77 JH RETIRE 6%, JOHNSON CASHWAY CO \$395.99 BATTERIES FOR FLASHLIGHTS/LADDER/PRIMER/TAPE FOR CENTRAL PLANT/PULL CORD FOR WELDER PICKUP/FURNACE FILTERS/TAPE FOR CORDS, KL WOOD & CO LLC \$82,363.07 6TH ST WATER REPLACEMENT, KAREN'S CLEANING \$425.00 JAN JANITORIAL SRV, KNEB \$639.50 ADVERTISING, KOVARIK ELLISON MATHIS \$5,727.42 EMPLOYMENT CONTRACTS/ANNEXATION-ORDINANCE HERITAGE/LEGAL GUIDANCE RECOURSE/GOONIES SPORTS BAR LB840/DAILY GRIND II LB840, LB840 MAIN FILE/MONUMENT SHADOWS CONDEMNATION/NOAH'S BURRITOS LB840/FAMILY BUILT HOMES/GERING MEMORIAL CHAPEL, LL JOHNSON DISTRIBUTING \$2,451.00 IRRIGATION HEADS, LEAGUE OF NE MUNICIPALITIES \$377.00 2019 CONF MAYOR KAUFMAN, LOAF N JUG \$37.51 GAS, LOGOZ LLC \$229.00 PORTFOLIOS/LENGTH OF SRV AWARDS, MALY MARKETING \$270.00 CVB WEB SITE HOSTING, MATHESON TRI-GAS INC \$252.31 NITROGEN GAS/WATER SRV LINE RPR/GAS FOR WELDER, MATRIX TRUST CO \$6,999.40 MG T-POLICE, MB KEM ENTERPRISE \$378.75 OVERHEAD DOOR RPR, MEAT SHOPPE \$14,719.78 CATERING COSTS/MANAGEMENT CONTRACT, MENARDS (\$12.56) WIRE CHANNEL/SOLENOID/ FUSE/CREDIT FOR CARPET, MERRICK & CO \$237.00 TERRY TOWN FIRE FLOW RWV, MIDWEST CONNECT \$305.00 POSTAGE MACHINE INK CARTRIDGE, MIDWEST MEETINGS/GUIDE \$1,000.00 CVB AD IN 2019 GUIDEBOOK, MONEYWISE OFFICE SUPP \$238.35 BINDERS/BINDERS FOR 2018 FD REPORT/USB DRIVES, MORENO EVELINA \$75.00 RV ROOM DEPOSIT REFUND, MOTOR TREND \$20.00 1 YR SUBS, MUNICIPAL ENERGY AGENCY \$338,154.27 POWER BILL, MURDOCH'S RANCH/HOME \$219.98 INSULATED COVERALLS, NATIONAL GEOGRAPHIC SOCIETY \$39.00 1 YR SUBS, NDEQ FISCAL SRV'S \$150.00 RENEW DAVIES WW OPERATORS LICENSE, NDOR LODGING \$234.68 DEC 2018 LODGING TAX, NDOR LOTTERY \$8,094.00 OCT - DEC 2018 LOTTERY TAXES, NE CHILD SUPPORT PYMT \$794.64 CHILD SUPPORT 1, NE PUBLIC POWER DISTRICT \$1,562.54 UTILITIES PHEASANT DR, NE SAFETY FIRE EQUIPMENT \$931.25 FIRE EXTINGUISHER TESTS/FIRE EXTINGUISHER INSPECTION/SPRINKLER SYSTEM RPR, NEBRASKA SALT & GRAIN CO \$7,739.01 53 TONS ICE SLICER, NETWORKFLEET INC \$40.00 GPS MOSQUITO SPRAYER/SWEEPER, NO GREATER LOVE ART \$1,319.78 PD ARTWORK CANVASES, NORTHERN TOOL \$243.99 IMPACT DRILL/MEMBERSHIP, OCLC INC \$154.85 JAN ILL & CAT SUBS, O'NEIL TRANSPORTATION \$1,918.12 CREDIT ON ACCT R48 DBL PYMT, OREGON TRAIL PLUMBING & HEATING \$5,895.00 REPLACE HEAT PUMP AT WWTP, PANHANDLE COOP ASSOC \$8,490.40 LOADER TIRE RPR'S/FUEL FOR LANDFILL, PAYROLL CHECKS \$121,169.74 PAYROLL CHECKS ON 2-1-19, PENGUIN RANDOM HOUSE LLC \$249.75 8 YA AUDIOBOOKS, PILOT #416 \$147.67 FUEL FOR G-12/DEF FOR G-12, POSTMASTER \$37.50 CERT MAIL, PRINT BROKER \$1,388.28 CVB CONV PROMOTION ITEMS, PROTEX CENTRAL INC \$216.00 WORK ALJON FUSE, PUMP & PANTRY \$63.45 NLETC GAS, RANDALL LORETTA \$75.00 RV ROOM DEPOSIT REFUND, RAY ALLEN MANUFACTURING CO \$403.96 K-9 EQUIPMENT, ROBINSON ELECTRIC \$213.23 PLUG IN ON WELDER, RON'S TOWING \$175.00 TOW SERVICE, RYAN'S WELDING LLC \$240.00 K-9 CAGE BARRIER, SAFETYLINE CONSULTANTS \$2,000.00 JAN 18 MONTHLY SAFETY TRAINING, SANDBERG IMPLEMENT INC \$165.44 CHAIN SAW CHAINS, SARCHET ENTERPRISES \$125.00 CONSULTANT SRV'S, SCI DISTRIBUTION LLC \$13,052.00 FUEL PUMP CONTROLLER, SCOTTS BLUFF CO BUILDING \$68.00 SEPTIC INSPECT BUCKBOARD, SCOTTS BLUFF CO CONSOLIDATED \$340.00 ALARM PERMIT FEE/ANNUAL EMERGENCY FEE/COMMUNICATIONS SRV'S, SCOTTS BLUFF CO COURT \$34.00 CO COURT FEES, SCOTTS BLUFF CO TREASURER \$1,912.86 TAXES FOR STORMWATER RETENTION/REGISTER OF DEEDS FEE GARCIA/MOREHEAD, SCOTTSBLUFF TENT & AWNING \$78.50 WORK ON TARP, SCOTTSBLUFF GERING UNITED \$70.75 UNITED WAY CTRB, SEVERSON COMMUNICATIONS \$344.00 RPR PHONE, SHELL \$46.41 GAS, SONNY'S TOWING \$80.00 TOWING, STAPLES CREDIT PLAN \$76.48 PRINTING - COMP PLAN PROMO/PHONE CORD COUPLER - BRENDAN, STAR HERALD \$1,992.19 NEWSPAPER NOTICE/PUMPER TRUCK BID/PARK BOARD NOTICE/CVB BANNER ADS/FREIGHTLINER BID NOTICE/TALK OF THE TOWN INSERTS, STONECO INC \$164.75 SHELL CRACKERS, SUGAR VALLEY FEDERAL CREDIT \$678.37 CREDIT UNION, TARGET \$33.92 SUPPLY CLOSET ORGANIZATION, TERRY CARPENTER INC \$650.00 JAN 19 WATER WELL LAND RENT, THE TORO CO \$155.00 COMPUTER SUPPORT, TIME \$49.00 1 YR SUBS, TNEMEC CO INC \$600.00 PAINT FOR PIPING & GEN PLANT, UNANIMOUS \$1,288.00 WEBSITE RETHEME, UNITED AIRLINES \$903.90 CVB AIRFARE NWSS 2019 KARLA/AIRFARE FOR WALSH, UNIVERSITY OF NE \$160.00 PESTICIDE WS BUHR & STAMAN, VERIZON WIRELESS - LERT B \$150.00 SIMS ACCOUNTS, WALMART \$427.67 SUPPLIES FOR OPEN HOUSE/TV/SAFETY TRNG, WESCO DIST INC \$798.22 FUSE HOLDER/FUSES, WESTCO \$11,959.44 GASOLINE DIESEL, WESTERN NE HUMAN RESOURCES \$100.00 WEST NE HR CONF COOLEY, WESTERN STATES BANK \$19,065.86 HSA CTRB 125, WESTERN STATES BANK - POL \$360.00 PO UNION DUES, WESTERN TRAVEL TERMINAL \$10.00 CAR WASH ACADIA, WINCHELL CLEANING SRV \$470.00 CLEAN HALLS/BATHS, WINSUPPLY SCOTTSBLUFF NE \$229.00 REPLACE STATION WATER PUMP, WYOMING BEARING & SUPPLY \$807.34 MANIFOLD AIR COMP/HOSE/CLAMPS FOR DOZER, YANDA'S MUSIC & PRO AUDIO \$22,954.67 SOUND SYSTEM COUNCIL CHAMBERS, YSAC ANGELA \$75.00 RV ROOM DEPOSIT REFUND

Motion by Councilmember Gillen to approve the Consent Agenda. Seconded by Councilmember Wiedeman. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

PUBLIC HEARINGS:

1. Public hearing concerning an application to the Nebraska Department of Economic Development for a Community Development Block Grant amendment

Mayor Kaufman opened the public hearing concerning an application to the Nebraska Department of Economic Development for a Community Development Block Grant amendment at 6:03pm.

Karla Niedan-Streeks, Tourism Director, stated that this public hearing is primarily for an amendment. The revised budget amendment request reflects actual totals of \$80,240.00 in commercial rehabilitation drawdowns submitted to DED in Draws 1-4. The revised budget amendment request is to transfer \$81,760 from commercial rehabilitation to public facilities & improvements. Budget amendment submitted to DED 12-4-18 requested reallocation of \$98,632 from commercial rehabilitation to public facilities to reflect \$63,368 in commercial rehabilitations that met all Davis Bacon requirements as opposed to the total amount of commercial rehabilitation documentation submitted to DED. However, as per communications with Jenny Mason at DED, requests for reallocation of funds must match the drawdowns submitted (\$80,240 in commercial rehabilitation). Therefore, the revised budget amendment to be submitted to DED will transfer \$81,760.00 from commercial rehabilitation into public facilities which represent \$16,872 LESS into public facilities than was approved by Council at the November, 2018 public hearing.

Mayor Kaufman asked if anyone wished to speak in favor of the application. Seeing none he asked if anyone wished to speak in opposition. Seeing none, the Administrative Record was closed and the public hearing closed at 6:05pm.

Motion by Councilmember Gillen to enter the Administrative Record for this public hearing into the public record. Second by Councilmember O'Neal. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

1a. Approve and authorize the Mayor to sign State of Nebraska Department of Economic Development CDBG Contract Amendment request form for Contract No. 13-DTR-105.

Motion by Councilmember Wiedeman to approve and authorize the Mayor to sign State of Nebraska Department of Economic Development CDBG Contract Amendment Request Form for Contract No. 13-DTR-105. Second by Councilmember Morrison. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

1b. Approve and authorize the Mayor to sign a letter to the Nebraska Department of Economic Development regarding the Request for Extension of Contract End Date and Budget/Sources and Uses Amendment

Motion by Councilmember Gillen to approve and authorize the Mayor to sign a letter to the Nebraska Department of Economic Development regarding the Request for Extension of Contract End Date and Budget/Sources and Uses Amendment. Second by Councilmember Holliday. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

BIDS:

1. Class A Pumper Bid – Fire Department

Fire Chief, Nathan Flowers, stated following the replacement schedule status, the Fire Department solicited bids to replace a Class A Fire Engine. The truck being replaced is 20 years old, it has 20-year old technology and several critical components that require upgrades so replacing it is crucial. It directly and indirectly affects our ISO ratings and our insurance premiums. This purchase was budgeted and will come directly from the sinking fund where money has been set aside for a long time. Chief Flowers stated that we received three bids for an entry level apparatus. In between the time we estimated the cost projections and the bid opening, with metal tariffs and sharp increases in chassis, that caused the two bids to be above what we projected. Toyne did submit the lowest bid and gave us several options to create a truck that works for our department's needs and our budget. Our department has some experience with these trucks as the Rural Board purchased one as well. The Fire Department recommends that we award the bid for a Class A Pumper to Toyne in the amount of \$416,243. This is about \$5700 under the projected budgeted amount.

Councilmember Morrison asked if we were able to trade anything in. Chief Flowers replied that the other truck we have has some value, the new truck will take about a year to get so when we get close to that time we can look at sealed bids for that truck.

Motion by Councilmember O'Neal to accept staff's recommendation to approve and award the bid for a Class A Pumper Truck to Toyne in the amount of \$416,243.00. Seconded by Councilmember Morrison. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

2. Gering Downtown Civic Plaza Bid

City Planner, Annie Folck, stated Council was probably surprised when they saw the bid amounts, as was staff. The bids were considerably above what the projected cost was from the Engineer's estimate. Council is probably asking a lot of the same questions as staff so she'll walk Council through the exercise staff did as they were going through this project. Why was the Engineer's estimate so far below what the bids were? Annie said there is not one easy answer to that, she thinks that one of the things that played into it was this project has a lot of specialization; there is a limited number of contractors in the area that will build the building, do the stamped and colored concrete and retaining walls. There aren't a lot of different contractors, so with less competition we will have higher bids typically. Another factor is that there are federal funds involved in the project, with these bigger requirements we have to pay the prevailing wage which is typically a little higher than what the prevailing wage for a project like this if we were not using federal funds; all of those things played into it. Our next question was: What can we do to try to get this cost down a little bit? That is difficult in bids like this because they are often bid in lump sums. There wasn't any *one* area that was totally out of kilter. One area that was a little higher than the others was lighting. By reworking the lighting plan they found a way to deduct \$32,500.00 and are recommending that Council approve it with that deduct included. There are other areas that are being looked at like the controls for the lighting and the structure of the building itself. She said rather than doing a block building, we could do a steel building; there may be some savings there. Ultimately it takes a lot of time for them to break those costs down and get them back to us. There wasn't time, but staff thinks there may be other ways to save money. They cannot guarantee that, so that is why they are asking that Council approve it with just the one deduction that they are 100% certain of right now. She said they are looking at ways to get the cost down as much as possible without sacrificing the ultimate end product; because at the end of this we want to have something that we are truly proud of as a City and we do not want it to reflect that we are trying to pinch pennies.

The next question was: Do we have the money for it? Annie stated that after looking at this, she noticed it is a little confusing because there are a couple different numbers here. The bid did come in significantly above the Engineer's estimate but when she looked at what was put in the budget as a place holder, we actually budgeted one million dollars for the project this year so we do have the money in the budget to cover this; there is just over a million dollars in the fund right now. If we move forward with the recommended dollar amount of \$924,437.02, it will still be under what was budgeted for the year. She said we were hoping to include a few other things that won't be included now like fireplaces, the patio area, etc. But with the help of our new Parks and Recreation Director, staff is confident that we can still make those areas very attractive for the plaza for the time being until we are able to add those additional amenities. Additionally, that money is coming out of the Downtown Development Fund and that fund generates about \$240,000 every year from sales tax that can only go towards improvements. Currently this is the only project we have to be funded out of that, so we will be using up pretty much all of those funds but it regenerates at a pretty good rate. Staff would be more concerned if there weren't any funds coming in, but because there is a good income there we should be okay. Annie stated they feel that the City has the money. Staff has had some in-depth discussions about priorities as a whole for our parks system; our bathrooms, our downtown and all of that.

Parks and Recreation Director, Amy Seiler, stated as the Parks Director for a little over a month she has had the opportunity to become pretty familiar with the budget. It's her responsibility and goal to be fiscally responsible and make sure that we are looking for ways to tighten our belt and really watch where money is being spent. She thinks it is prudent to think about what we really want to have as priorities in our spending this year for the park system. Staff are going to make sure that the money being invested is benefiting many people across the city and benefiting people that are coming into our community as

visitors. We want our investments to generate economic impact for our community and can do that with our amenities and our park system. She feels this project is a great opportunity to invest in something very unique. We have an unbelievable park system and we have always been known for being aggressive in moving forward; this project will ensure that we continue that reputation for being one of the top park systems in the area. She is hoping that we can invest in this project because she feels that it will be another jewel in our crown along with our stadium and other projects the City is working on. She thinks this will convey the message that Gering is a great place to live and visit. This is a good investment for Gering.

Director of Tourism, Karla Niedan-Streeks, stated that we have been working on this project for a very long time. Our Downtown Revitalization Committee began in 2013/2014 and has gone through some changes during that time. We have a tremendous Downtown Revitalization Committee, that from day one and until the completion of the plaza, have been committed to this project and committed to what it means to our community now, today and for many years in the future. She reminded everyone that we are in fact on a deadline on Phase II of the project. We currently are operating on an extension from the DED for Community Development Block Grant funds. We have a deadline of completion and construction of all this and to get all the documentation in by August 30, 2019. The end of the grant period will be September 30, 2019. DED has assured us there will not be another grant extension. Since the bids were opened, our community stakeholders have discussed the contractor's bids in several different forums. She stated that she's here to tell Council that the Downtown Revitalization Committee and the Downtown Tourism Partners support the work the staff are doing to find cost savings for the plaza. While remaining unanimous in their overall recommendation to finish the plaza, they see this is a key quality of life component for the community and downtown and strongly support moving forward on the completion of the plaza. Councilmember Backus asked the total amount in grants going towards the plaza. Karla replied that the CDBG grant that the City applied for and received was a total of \$350,000 in Community Development Block Grant funds.

Councilmember Wiedeman asked, regarding the second paragraph of the agenda item summary, it says that staff recommends Council accept the negotiated bid, but that the City will revisit discussions on new bathroom facilities at Legion Park as it may not be necessary to install two brand new restroom facilities one block apart. Annie replied that staff are wanting to look at the park system as a whole and that is one, certainly, that we need to look at particularly in its proximity to the plaza and Gardner Park for that matter. Looking not only at that one, but all bathroom facilities we are looking at doing in parks, and with Amy here, she has some amazing ideas that Council will get to hear about during budget time. The question is where is that money best spent because we recognize that the City has a finite amount of funds and we want to make sure that we are spending those as responsibly as possible. We would not shift money over from one fund to another, we would keep the downtown projects from the downtown funds but we want Council to recognize that staff are looking at the most efficient use of City funds for the overall park system. Councilmember Wiedeman said she asked because those funds were part of the bond that we passed when we did the stadium. Annie replied correct.

Councilmember Smith said that Annie stated that they (staff and Baker) worked with Anderson-Shaw; he asked if the same people would be comfortable as well working with Paul Reed as far as trying to lower those bids. Annie replied that typically we would negotiate with the low bidder on the project. In the process, since we already have a low bidder, she doesn't think it's appropriate to start asking someone if they can undercut what they already know the low bid to be. Councilmember Smith stated that is not what he is asking. He said you're comfortable with talking to them about the lighting project, you've talked to Anderson-Shaw about reducing the bid, so are you comfortable talking to Paul Reed about that? He said to take a bid and just talk to one of the bidders without Council recommending it, or voting on who they wanted, it seems like you're subjugating our responsibility for accepting bids. Annie deferred to Barry with Baker & Associates as they are the ones negotiating with bidders.

Councilmember Backus said he can see what Councilmember Smith is saying. What if Paul Reed was high because of the lighting? Councilmember Smith added that the bids are within 2 1/2% - Paul Reed is a Gering company that pays a lot of taxes in Gering, Paul Reed uses Johnson Cashway in Gering and Murphy tractor in Gering and he uses a Gering electrician and the bid is within 2 1/2%; he doesn't think Council has to take the lowest bid.

Barry Swanson, with Baker and Associates, stated that they were looking at the different possibilities for reducing the overall cost of the project and one of the things brought up was the possibility of removing the bollards from the lighting portion of the project, that's where the \$32,500 comes from. In a discussion with Anderson-Shaw, they were able to come up with that specific number. He said they use the same subcontractors, so we don't have any idea what Paul Reed's was but ... Council has the opportunity to select either contractor.

Councilmember Holliday said one of his concerns is what the cost will be afterwards. One contractor uses a vendor that is notorious for less than quality work. We currently have a project where we had to replace some of his previous work. When you put that into play are we really saving money by going with the lowest bidder here? Or in the long run when they're 2 1/2% of each other, could we possibly be saving a little money by going with more quality of work.

Annie stated we did have staff go through everything and we've worked with these contractors before. We're familiar with them and we've done the reference checks and ultimately legal determined we did not have sufficient justification to *not* go with the low bid. Matt Turman, City legal counsel, stated that generally you go with the low bid unless you have some justification not to. He thinks as far as the City is concerned, his understanding is that there hasn't been any unsatisfactory work that has been done by Andersen-Shaw up to this point. The General rule is you're going to go with the low bid. In this case you have to be very careful about going back to Paul Reed to renegotiate because now Anderson Shaw's bid is public and it's not fair to them to go back to Paul Reed and allow them to undercut it. The general procedure would be that you go with the low bid and negotiate the project with them and move forward that way. Councilmember Smith said that is general procedure but we are not legally bound. Mr. Turman stated that Council has the right to accept or reject all bids. Council can certainly reject both bids and rebid it. But generally, in this case you do have a low bid and you certainly have a right to go with them as well.

Councilmember Wiedeman clarified that the bid is actually \$924,437.02 and that would be the contract amount that staff are asking Council to approve. Annie confirmed that is correct.

Motion by Councilmember Wiedeman to approve staff's recommendation and award the Downtown Civic Plaza Bid to Anderson & Shaw Construction in the amount of \$956,937.02. Second by Councilmember O'Neal.

Discussion: Councilmember O'Neal asked if Council were not to accept this bid are we risking losing the grant money; are we running out of time for that? Is there not an opportunity to rebid if there is a concern for that? Annie replied that it could be re-bid and staff talked about that. We do not believe that we'll see significant cost savings if it is rebid at this point, typically the later in the year you bid the higher price you're going to get especially when there's a hard and fast deadline for the grant. Also, we were told by the State there will not be another extension on the grant. Staff's recommendation is to not re-bid the project.

Councilmember Smith stated that it is his understanding that if it's within 5% Council could accept the local bidder, which would be the Gering bidder. He asked Administrator Danielzuk if he knows what that is. Administrator Danielzuk replied that he thinks that just pertains to outside bidders that are outside the state and if the state from which they are bidding offers an in-state discount. If a local bidder was within the percentage of an out-of-state bidder that was lower, it's an out-of-state concept.

Councilmember Smith asked if what is being said is that we have to accept the low bidder or we have to re-bid it; he wanted to know if that is what staff is saying? He stated that he really feels we can accept either bid. Administrator Danielzuk said there are conditions, that if they exist, give us the reason to not accept the low bid. If there are bona fide issues that we can stand behind then we wouldn't necessarily have to accept the low bid.

Councilmember Wiedeman stated that she's also concerned if we go back and re-bid this, all those original numbers are now public knowledge. Councilmember Smith said he's not asking to rebid it; he wants to get this project moving forward, but he wants to make sure we have the right bidder - a bidder

they are all comfortable with. It's within 2 1/2% and he believes the City can take either bidder. Councilmember Morrison asked but will it be within the 2 1/2% if they take off the \$32,500? Councilmember Smith said that's what he doesn't understand – the bid was negotiated down without negotiating with both.

Mayor Kaufman asked for a legal opinion. Mr. Turman stated that the Administrator is correct in what he said. In this case he doesn't think that rebidding is going to be fair to either party. He doesn't think allowing Paul Reed a chance to match that reduction is going to be fair to Anderson-Shaw because their numbers are known publicly; they were the low bidder and generally speaking you have the right to go with them and make change orders and do different things with the bid. In his opinion the safest course of action is to take the low bid, but as was mentioned, Council can reject both bids and rebid it and have every right to do that. Mr. Turman said from his standpoint he thinks the safest course of action is to take the low bid but that's up to the Council to decide.

Councilmember Smith said he would definitely recommend *against* rejecting the bids. Mr. Turman said to follow up with what Administrator Danielzuk said about factors, you can take into account the reputation of the contractors and the quality of work and those types of things, so if there's something you can point to, to justify those concerns; then you can take that into account.

Councilmember O'Neal stated without any other reason to think there would be something wrong, why wouldn't we take the lowest bid? Councilmember Holliday replied that he thinks there is concern with that. In his eyes he absolutely has concerns with quality of work; there's a laundry list of examples dealing with, unfortunately, the vendors that this contractor chooses to use. He said absolutely there is concern. Councilmember O'Neal replied if she heard right, staff vetted it out and felt comfortable with them - she then asked for verification from staff. Annie replied yes, that is correct - she then asked Pat Heath to speak to this matter because he has had more experience with both contractors.

Pat Heath, Public Works Director, stated Anderson & Shaw got the bid for the ball field project - Staff checked references for previous work and checked with about 10 different projects and all of them said the work was adequate and met their requirements. Regarding the ball field, there was an issue with the stairs and we had that remedied - they were just replaced in the last month and they do meet City standards. There was no cost to the City to have that done; we told them that we knew it was an issue. We have done background checks and with the previous information we have, and the background checks we did, Mr. Ellison suggested the only way we can... we have to look at City-bid projects, we can't go off what happened in Scottsbluff, Terrytown or Alliance or anywhere else or private work they've done for other commercial buildings in this area. We have to use City projects, we have to show harm, we have to show cost to the City - that the work was inadequate. The roads we've looked at, that they have done, and with the other background checks, we didn't have any reason not to select them for the bid. Councilmember Smith asked if it cost anything to replace the stairs, or was at all on Anderson-Shaw. Mr. Heath replied it was all on Anderson-Shaw; it did not cost the City anything to have the stairs replaced.

Councilmember Gillen stated that he doesn't like the process the Council is being put through for this particular project. He doesn't think there is a single Councilmember, as far as he knows, that doesn't want the project to go forward. His concern is the cost being so far over the Engineer's estimate and with the thought that we were still negotiating that final sticker price for what the plaza will cost and we don't have that, so Council is being asked to approve a budget amount or expenditure without having final costs in our hands. Most times, in his experience with Council, is that we will approve a bid and yes there are options for cost negotiations, but (this time) Council is being asked to approve a bid that is well over the Engineer's estimate. That is concerning for him in the whole budgetary process.

Councilmember Backus said he has two concerns - staff said it was in the budget; that is correct. But we're so close and we so often go over our budgets with projects; that concerns him. As somebody who actually does bid on projects, he has lost bids before because he was over in one item. If he'd found out he lost that bid, and that then that item was taken out of that bid, he would probably be very livid. He doesn't know what the solution would be to remedy this, maybe Council could table it until the next meeting and find out from Paul Reed, but he'll leave that to Council to decide. Councilmember Gillen added that his understanding is that it wasn't one line item, everyone was over on everything so it wasn't

one individual thing that staff was looking at with the whole project - the engineers were off in what they anticipated.

Councilmember Cowan said he would have to agree with Councilmembers Backus and Gillen. He does bids too and in his world if you take out one thing, you have to make an amendment to everything and take that out for everybody else so everybody else is being fair too. He said if he lost a bid because of that, just like Ben said, he doesn't think that's right to not know somebody else took it out. You have got to make an amendment and let everybody else know that.

Councilmember Smith asked if Council tables this and allows them to negotiate, can they really negotiate now that they know the price for Anderson-Shaw? Annie replied that when they talked to Baker & Associates about this, they said we could do it two ways. You negotiate with the low bidder because typically, like Mr. Turman said, those prices are already public so you can't start negotiating with both sides to see who can give you the lowest price; that would not be appropriate. Baker & Associates said you can either do the negotiations before you award the bid or after you award the bid and just do it as change orders and get some deducts. She said they felt, to Councilmember Gillen's point, that it's not fair to bring it to Council saying we think we can get some cost savings. They were trying to find out what they could get in cost savings before they brought it to Council and that was the one item that they were able to get back in time in order to bring it to the Council. The question of whether or not we can start working with both companies, she does not believe that is appropriate and she does not believe our legal counsel believes that is appropriate.

Councilmember Holliday asked at what time did we know Anderson-Shaw was the low bid, was it at a point in time before it was made public where we could actually negotiate with both? Annie replied they knew when they did the bid opening. Councilmember Holliday replied so there was a point in time where you could've negotiated with both but now because Anderson-Shaw is public you can only negotiate with one. Annie said if we had known the project was going to be over budget we would have done addendum's to the bid so both bidders had that opportunity to change their bid before we did the opening of the sealed bids. Obviously we did not know that, otherwise we could have avoided some of this and had a little better idea of what our final bid price was going to be.

Mayor Kaufman said it might be good to recap the bid process; it sounds like there's a little disconnect with the time of events and how that whole procedure goes. Annie stated typically we put together the plans and specifications for the bids. We advertise and those go out. The engineers will also contact all of our local contractors and let them know. If we make any changes to the project at all we do an addendum and we send it out to anyone who has picked up those plans already and we tell them that we're making changes to the project so they can make sure their bid reflects those changes when they submit it to us. We then have the bid opening which is public. Once we open the sealed bids then everything is public, those dollar amounts are public - it's what Council received in their packets with the bid summary and at that point we've basically locked in what the bidder says they can do the project for with the assumption that the City, barring any other reason like if we've had a documented bad experience with a contractor (which does not apply in this case) we are obligated to go with the low bidder. If it's Council's preference in the future, we can certainly approve the bid first and then start looking at change orders and deducts. She stated she would leave that to Council to provide some policy to staff so staff knows which direction Council prefers to go.

The Mayor stated that there is a motion and a second to approve the bid for \$924,437.02. There was no further discussion.

The Mayor called the vote. "AYES": Smith, Gillen, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": Backus, Holliday. Abstaining: None. Absent: None. Motion Carried.

CURRENT BUSINESS

1. CONSIDER APPROVING KENO COMMITTEE REQUESTS

Gering Civic Center - \$37,000
Nebraska Panhandle AHEC - \$1,000
High Plains Auto Club - \$3,500
Riverside Discovery Center - \$20,000

Carpenter Center - \$5,000
Theater West Summer Repertory - \$1,224.98

Darrell Bentley, Keno Committee Chairman, stated Nebraska Panhandle AHEC requested \$1,000 for a special regional health fair for eighth and ninth grade students in the summer. The original cost of this is \$5,000 and they anticipate the students that will be coming from Gering, that portion will be about \$1,000. High Plains Auto Club requested \$3,500 – that helps pay for the Friday night BBQ and the ice cream social at the Civic Center that is well-attended every year. Riverside Discovery Center requested \$50,000 to help with the grizzly bears. After much conversation with the board, they felt they are not in our tourism package that we work so hard on in Gering, but felt they could justify \$20,000. The Carpenter Center requested \$5,000 to help purchase and install two sets of retractable bleachers for the gym. They don't have any seating at the current time; this amount requested is about 20% of the total project. Theater West requested \$1,244.98 to help purchase a keyboard case, receiver case and replacement mic cables. They do a lot for our entire community as well. The Gering Civic Center is requesting \$39,900 and the Keno Committee has had several meetings on this. After our fourth meeting the committee decided to pay \$37,000 and they can go from there on their new sign.

Councilmember Gillen made a motion to approve the Keno Fund Requests as follows: Gering Civic Center - \$37,000, Nebraska Panhandle AHEC - \$1,000, High Plains Auto Club \$3,500, Riverside Discovery Center - \$20,000, Carpenter Center - \$5,000, Theater West Summer Repertory - \$1,244.98. Second by Councilmember Smith. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

2. Fire Department Annual Report

Fire Chief Nathan Flowers gave the 2018 Fire Department annual report and thanked everyone for their continued support.

Motion by Councilmember Morrison to file for record the 2018 Fire Department Annual Report. Second by Councilmember O'Neal. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

3. Consider Commercial Purchase Agreement for City of Gering property – lots 4a and 5a, a replat of lots 4, 5, 6 & 7, block 20, Gardner's Addition to the City of Gering, Scotts Bluff County

Mayor Kaufman entertained a motion regarding agenda item #3.

Councilmember Wiedeman made a motion pursuant to Nebraska Revised Statute 84-1410 that the Gering City Council enter into closed session for the purpose of: Discussion of strategy, negotiation, protection of the public interest and guidance from City legal counsel regarding a Commercial Purchase Agreement for City owned property described as Lots 4A and 5A, A replat of Lots 4, 5, 6, 7, Block 20, Gardner's Addition to the City of Gering, Scotts Bluff County, Nebraska, commonly known as 1605 11th Street.

Mayor Kaufman stated Councilmember Wiedeman made a motion that the Gering City Council enter into closed session pursuant to Nebraska Revised Statute 84-1410, also known as Nebraska's Public Meetings Law, for the purpose of: Discussion of strategy, negotiation, protection of the public interest and guidance from City legal counsel regarding a Commercial Purchase Agreement for City owned property described as Lots 4A and 5A, A replat of Lots 4, 5, 6, 7, Block 20, Gardner's Addition to the City of Gering, Scotts Bluff County, Nebraska, commonly known as 1605 11th Street. The motion was seconded by Councilmember Gillen. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": Backus. Abstaining: None. Absent: None. Motion Carried.

Mayor Kaufman stated that the Council will enter into closed session at 6:56 p.m. He then invited Administrator Danielzuk, City Attorney Matt Turman as well as Realtor, Kim Bowman, into the closed session.

Motion by Councilmember Wiedeman to come out of closed session at 7:39 p.m. Second by Councilmember Smith. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

Motion by Councilmember Gillen to allow staff to counter the offer that was provided to Council. Second by Councilmember O'Neal. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

REPORTS: (Information only) - None

OPEN COMMENT SECTION: None.

Mayor Kaufman stated that discussion or action by Council regarding unscheduled business will not take place. This section is for citizen comment only.

CLOSED SESSION: (Council reserves the right to enter into closed session if deemed necessary)

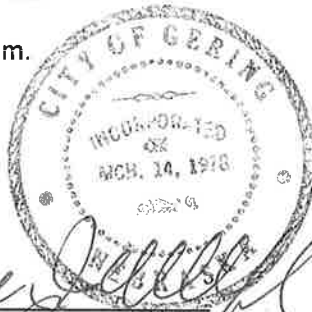
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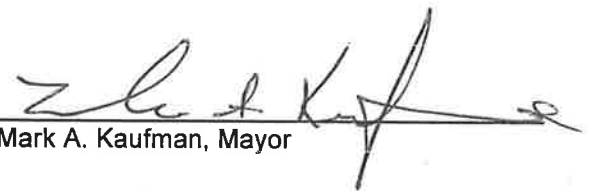
Motion by Councilmember Gillen to adjourn. Seconded by Councilmember Cowan. There was no discussion. The Mayor called the vote. "AYES": Smith, Gillen, Backus, Holliday, Wiedeman, O'Neal, Morrison and Cowan. "NAYS": None. Abstaining: None. Absent: None. Motion Carried.

Meeting adjourned at 7:42 p.m.

ATTEST:


Kathleen J. Welfl, City Clerk




Mark A. Kaufman, Mayor