

MCCOOK CITY COUNCIL
January 18, 2016
6:30 P.M.

A MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA convened in open, regular, and public session at 6:30 o'clock P.M. in the City Council Chambers.

Present: Mayor Gonzales, Councilmembers Hepp, Calvin, McDowell, Weedon.

Absent: None.

City Officials present: City Manager Schneider, City Attorney Mustion, City Clerk Doak, Police Chief Brown, Utilities Director Dutcher, and Public Works Director Potthoff.

Notice of the meeting was given in advance thereof by publication in the McCook Daily Gazette on January 14, 2016, the designated method of giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the Mayor and members of the City Council and a copy of the Acknowledgment of Receipt of such notice is attached to these minutes. Availability of the agenda was communicated in the advance notice to the Mayor and Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

Mayor Gonzales announced that a copy of the Open Meetings Act was posted by the entrance to the Council Chambers and available for public review. Following the Pledge of Allegiance to the flag of the United States of America, Mayor Gonzales called the meeting to order.

1. Citizen's Comments.

Mark Graff and Don Harpst, representing the 200 donors of the McCook Community Foundation Fund, presented a check in the amount of \$2,000 from the Nebraska Community Foundation to assist with funds for completion of the Skatepark. They also thanked the Council for what they do for our community. Mayor Gonzales thanked the Foundation and commented the Skatepark is very well used - it's only going to get better.

2. Announcements & Recognitions.

City Manager Schneider mentioned that he is waiting for confirmation from Craig Bennett with Miller & Associates that he will present at the February 1, 2016 Council meeting in regard to annexation. Mr. Schneider commented that it was recommended by the auditors in their September 30, 2015 report that the City work on annexation to get all adjacent property into the City limits.

3. Presentation

- A. Accept the Financial Statements and Supplemental Information for Fiscal Year ending September 30, 2015 prepared by Almquist, Maltzahn, Galloway, & Luth, Certified Public Accountants.

Terry Galloway of Almquist, Maltzahn, Galloway, & Luth presented the Financial Statements to the Council for the Fiscal Year ending September 30, 2015, stating that it was once again a clean, unqualified opinion which is the highest level to obtain. The City of McCook continues to be

improving and in great shape in today's world.

4. Consent Agenda.

- A. Approve the minutes of the January 4, 2016 regular City Council meeting.

Upon a motion by Councilmember Weedon, seconded by Councilmember Hepp, the Council voted to approve the minutes of the January 4, 2016 regular City Council meeting. The motion passed upon the following roll call vote: YEA: Gonzales, Hepp, Calvin, McDowell, Weedon. NAY: None.

- B. Receive and file the claims for the month of December 2015 as published January 11, 2016.

Upon a motion by Councilmember Weedon, seconded by Councilmember Hepp, the Council voted to receive and file the claims for the month of December 2015 as published January 11, 2016. The motion passed upon the following roll call vote: YEA: Gonzales, Hepp, Calvin, McDowell, Weedon. NAY: None.

- C. Award the bid for concessions at the Jaycees Ball Complex to Consolidated Management Co., in the amount of \$750.00 per year, for the calendar years 2016-2018.

Upon a motion by Councilmember Weedon, seconded by Councilmember Hepp, the Council voted to award the bid for concessions at the Jaycees Ball Complex to Consolidated Management Co., in the amount of \$750.00 per year, for the calendar years 2016-2018. The motion passed upon the following roll call vote: YEA: Gonzales, Hepp, Calvin, McDowell, Weedon. NAY: None.

- D. Award the bid for concessions at Felling Field to Nancy Collins, in the amount of \$727.00 per year, for the calendar years 2016-2018.

Upon a motion by Councilmember Weedon, seconded by Councilmember Hepp, the Council voted to award the bid for concessions at Felling Field to Nancy Collins, in the amount of \$727.00 per year, for the calendar years 2016-2018. The motion passed upon the following roll call vote: YEA: Gonzales, Hepp, Calvin, McDowell, Weedon. NAY: None.

5. Regular Agenda.

- A. Adopt Resolution No. 2016-01 approving an agreement with McCook Keno, L.L.C for the operation of a keno-type lottery in the City of McCook for a period of five years.

The following information was presented in the City Manager's Report dated January 18, 2016: In past meetings, particularly around budget time, Staff and Council have discussed the need to renew our keno contract. The current contract with McCook Keno, L.L.C. expired in 2012. The City has been operating under the 2006 contract with McCook Keno, L.L.C. over the course of the past 3 years without a change in the contractual terms. The keno funds received by the City have been utilized for community betterment purposes such as adding an additional firefighter to the McCook Fire Department and purchasing a trash trailer. It has been mentioned that the City would like to review different contractual terms in order to increase its keno receipts to help fund other projects. A couple of the possible tweaks considered were to increase the City's monthly payment percentage and review alternate keno locations. As a result of this goal, Staff has been in discussions with Mike Nevriy, managing member of McCook Keno, L.L.C., to determine what options are best for the City. The City currently receives receipts potentially equaling 10% of the total receipt, depending

on whether special or promotional games are being run, but in no case are the receipts below a minimum amount of 6%. We originally talked about increasing our percentage receipt amount. During conversations with Mr. Nevriy, we learned that in order to increase the City's receipt percentage, the pay table would have to be lowered. Currently, the pay table is based at 78%, with 4% of that amount to be used for special games and promotional games at the discretion of McCook Keno, L.L.C. Staff is concerned that if the City were to change the payout rate, keno may be less attractive to play and individuals would reduce and/or quit playing decreasing our keno receipts. Also, on review McCook Keno, L.L.C. increased its typical percentage payment in 2006 by 1% at the City's request. Mr. Nevriy informed Staff that the City is on the high end of the payout range for McCook Keno, L.L.C. Staff contacted the Nebraska Gaming Commission for a summary of keno activity throughout the state for comparison purposes. For its size, McCook has seen pretty competitive Keno activity when compared to other towns of similar size. Due to our competitive receipts and concerns about modifying the pay table, Staff, at this time, recommends keeping the City's percent payout at the same rate. The second way Staff believes we could increase keno receipts would be to add another keno site. Last year, the City was contacted by TJ's Fun Center about the possibility of becoming a keno operator. Through our discussions with Mike Nevriy and Terry Sides, Staff believes that adding TJ's as a permitted keno location would potentially increase receipts. TJ's has recently expanded and added a new bar and restaurant. Further, TJ's Fun Center is a game oriented business, with bowling and games already present. Keno would seem to be a natural fit. Staff's hope is that the additional location would not adversely affect the other keno sites (Old Sarge's Bar and Loop's Brewery).

Mike Nevriy, managing member of McCook Keno, L.L.C. addressed Council reiterating it would be a positive adding another keno location to McCook. He indicated that sales outlets in McCook have done well and Keno is still owned by the communities. McCook is in the top five, if not the top, in sales per gross capita. McCook Keno would stay as operator.

Mayor Gonzales mentioned that Keno is very strong in McCook compared to other communities. Councilmember McDowell commented that everything in the report makes sense. City Manager Schneider added that Staff contacted the Gaming Commission. Compared to other communities our size, we compare very charitably.

Upon a motion by Councilmember Calvin, seconded by Councilmember McDowell, the Council voted to adopt Resolution No. 2016-01 approving an agreement with McCook Keno, L.L.C for the operation of a keno-type lottery in the City of McCook for a period of five years. The motion passed upon the following roll call vote: YEA: Gonzales, Calvin, Hepp, McDowell, Weedon. NAY: None.

B. Adopt Resolution No. 2016-02 approving TJ's Family Fun Center as a Sales Outlet location for the operation of keno-type lottery.

Mike Nevriy mentioned that by adding another keno location in McCook, it will reach people who don't go to the other sites. Mr. Nevriy also explained what will be involved in adding equipment to TJ's and provided information about adding an EZ Kiosk.

Upon a motion by Councilmember Weedon, seconded by Councilmember McDowell, the Council voted to adopt Resolution No. 2016-02 approving TJ's Family Fun Center as a Sales Outlet location for the operation of keno-type lottery. The motion passed upon the following roll call vote: YEA: Gonzales, Calvin, Hepp, McDowell, Weedon. NAY: None.

C. Approve Ordinance No. 2015-2926 approving the Final Planned Development District to be known as Quillan Courts Planned Development District upon its third and final reading.

Ordinance No. 2015-2926 was read by title only and thereafter Councilmember Hepp moved for final passage of the Ordinance, which motion was seconded by Councilmember McDowell. The Mayor then stated the question: "Shall Ordinance No. 2015-2926 be passed and adopted?" Upon roll call vote the following Councilmembers voted YEA: Gonzales, Calvin, McDowell, Weedin. NAY: None. ABSENT: Hepp. Motion carried. The passage and adoption of said Ordinance having been concurred in by a majority of the Council, the Mayor declared the Ordinance lawfully passed and adopted upon publication as required by law.

D. Council Comments.

Councilmember Hepp mentioned that Clary Village is full and doing what we hoped it would do, people are moving into Clary and putting their homes on the market. She further commented, "if you build it, they will come."

Councilmember Weedin mentioned he will be attending an ACE Board of Directors meeting in North Platte this week and will provide an update on what ACE will do as a result of Black Hills Energy acquiring SourceGas.

Mayor Gonzales mentioned that the Nebraska League of Municipalities Mid-Winter Conference is coming up in February and asked that everyone let City Staff know if they are going so accommodations can be made.

Mayor Gonzales commented that the audit always comes in great and extended a thank you to City Staff.

▪ **Adjournment.**

There being no further business to come before the Council, Mayor Gonzales declared the meeting adjourned at 7:11 P.M.

Michael D. Gonzales, Mayor

ATTEST:

Lori Schmidt, Deputy City Clerk