

**CITY OF LEXINGTON
LEXINGTON, NEBRASKA**

A Regular Meeting of the Lexington City Council was held Tuesday, July 26, 2011, at the Lexington Municipal Building, located at 406 E. 7th Street, Lexington, Nebraska at 5:30 p.m. Members of the Council present were John Fagot, Steve Tomasek, Linda Miller, Joni Bennett and John Salem. City Officials present were City Manager Joe Peplitsch, Assistant City Manager Dennis Burnside, City Attorney Will Weinhold, Finance Director Barb Hodges, Building Inspector Bill Brecks and Deputy City Clerk Pamela Berke. The press was represented by the Lexington Clipper-Herald and Kearney Hub. Also in attendance were Jim Lauby and Darrell Bliven.

NOTICE: Notice of the meeting was given in advance, thereof by publication in the Lexington Clipper-Herald, the designated method for giving notice, as shown by the Affidavit of Publication attached to these Minutes. Notice of this meeting was simultaneously given to the Mayor and all members of the Council, and a copy of their Acknowledgment of Receipt of Notice and the Agenda is attached to these Minutes. Availability of the Agenda was communicated in advance notice and in the notice to the Mayor and Council of this Meeting. The proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public. All items presented and discussed on the Agenda were available for public inspection.

CALL TO ORDER: The meeting was called to order by Mayor Fagot. Fagot informed the public that the Open Meetings Act is posted in the Meeting Room at the Lexington Municipal Building, located at 406 E. 7th Street, Lexington, Nebraska.

MINUTES – REGULAR MEETING 6-28-2011 Minutes of the Regular meeting held Tuesday, June 28, 2011, were presented for Council approval. Moved by Miller, seconded by Tomasek, to approve Minutes as presented. Roll Call. Voting “aye” were Bennett, Salem, Tomasek, Miller, Fagot. Motion carried.

CLAIMS & BILLS: Claims and Bills in the amount of \$613,417.55 were presented for Council’s consideration and approval. Upon review of the Claims and Bills as listed, moved by Bennett, seconded by Tomasek, to approve the Claims and Bills as listed, and authorize the City Treasurer to transfer \$317,828.06 from the General Fund, \$12,500.01 from ED Reuse, \$217,734.07 from LEXUS, \$29,150.85 from Sanitation, \$293.70 from Ambulance Fund, \$32,460.41 from Health Fund, and \$3,450.45 from Meals on Wheels to the City of Lexington’s Operating Account. Roll call. Voting “aye” were Miller, Salem, Tomasek, Bennett, Fagot. Motion carried.

**CITY OF LEXINGTON
ACCOUNTS PAYABLE
July 26, 2011**

AFLAC	Premium	1,360.59
Alvarenga, Gladis	EL Rebate	900.00
American Red Cross	Lifeguard Classes	1,089.00
Annie's Attic Books	Library Book	19.94
Associated Supply Company, Inc.	Aquatic Center Supplies	5,876.59
Axis Capital, Inc	Mail Machine Pmt	840.00
B & D Office City	Business Office Supplies	222.52
Barco Municipal Products, Inc.	ST Supplies	95.55
Berke, David	Yard Clean-up	100.00
Business Card	Bldg Insp / Library Conference Expense	268.19
Buysm Sod	Cemetery Sod	228.00
Card Center/Orscheln	ST / PK / WWTP / WR Supplies	1,148.11

Cash-Wa Distributing	Food & Supplies	3,644.72
Central Garage Fund	Service & Repair	3,449.12
Coca Cola/Dr.Pepper Bottling of Kearney	Beverages	494.00
Commercial Maintenance Chemical Corp	WWTP Supplies	845.03
Consolidated Management Company	Police Training Meals	80.00
Cook's Illustrated	Library Subscription	28.95
Country Books	Library Book	30.98
Data-Pac Mailing System	Postage	1,500.00
Davis Energy, Inc.	Fuel / Supplies	5,067.89
Dawson Area Development	DTR/Industry Appreciation Day	9,389.00
Dawson County Treasurer	New WR Vehicle Tax / Fee	1,068.92
Demco, Inc.	Library Supplies	94.02
Eagan Supply Company	Aquatic Center / ST / WWTP Supplies	248.12
Electric Fixture & Supply	EL Supplies	16.47
Eustis Body Shop, Inc.	Tow Expense	230.00
Fagot Refrigeration & Electric	AC/Rec/PK/Muni Bldg/ST/WR Rep/Svc	3,281.68
Farmer Brothers Coffee	Food	251.43
Fastenal	WWTP Supplies	246.23
Gale Group, The	Library Books	138.42
Galls	Police Uniform Expense	95.57
Garden Lawn & Landscaping	Yard Clean-up	100.00
Gnirk Lawn Care, Inc.	Ground Sterilant	1,851.56
Great Western Bank-Lib. Petty Cash	Postage/Food/Supplies/Increase Petty Cash	368.56
HD Supply Waterworks	Meters / Yokes / Supplies	10,810.66
Health Claims Fund	Claims	28,219.34
HOA Solutions, Inc.	WWTP Controller	2,013.82
Hoehner Turf	PK Supplies	213.35
Holbein, Dahlas D.	Fire Dept Maint / Cleaning Service	1,000.00
Homestead Bank	ST Improvements payment	55,535.04
Ibarra, Yanet	Translation Service	25.00
Ingram Library Services	Library Books	979.94
Jim Phillips Const.	Main Breaks / ST Repairs	15,194.00
Lauby, Jim	DT Revitalization - Madeline's Café	2,081.37
Lawhead, Dave	EL Rebate	1,175.00
League of Nebraska Municipalities	WR Workshop	175.00
Lexington, City of-Employee Committee	St Softball Tournament Staff Support	250.00
Lexington Area Solid Waste Agency	Landfill	26.64
Lexington Girls Fast Pitch Association	St Softball Tournament Staff Support	500.00
Lexington Glass Co., Inc.	DT Revitalization – L. Chandler/ CG Rep	319.65
Lexington Newspapers, Inc.	Publications	74.02
Linda's Stitches & Creations	Police Uniform Expense	157.50
Maberry Consulting and Evaluation Svcs	Secure Our Schools Service	6,250.00
Mac's Short Stop	Food	102.68
Mead Lumber & Rental - Lexington	PK/Cem/ST/WR/DT Revitalization-L. Chandler	1,079.06
Mid-State Units	Rental	1,620.00
Midland Scientific, Inc.	WWTP Supplies	685.38
Municipal Supply	WR Supplies	1,062.48
National Arbor Day Foundation	Membership Dues	15.00
National League of Cities	Membership Dues	1,489.00
Nebraska Dept.of Economic Development	Mid Plains CDBG Pmts	12,500.01
Nebraska Public Health Environmental Lab	WR Testing	160.00
Nebraska National Bank	Copier Payments	1,195.44
Nebraska Wastewater Environmental Assn	Conference	55.00
Nielsen, Paul	EL Rebate	1,800.00
OCLC, Inc.	Library Subscription	17.19
Overton Community Center	Meals on Wheels	100.00
Parra, Tranquilla	EL Rebate	300.00

Paulsen Inc.	ST Repairs / Road Gravel	3,383.89
Platte Valley Auto Mart, Inc.	CG Supplies / New WR Pickup	15,153.34
Plum Creek Market Place	Food & Supplies	88.21
Plum Creek Medical Group	Employment Physical	150.00
Progressive Business Publications	Subscription	230.00
Purelight Productions	Stormwater Website Creation	1,701.25
Randy's Body Shop	Tow Expense	100.00
Roberts Dairy Company	Beverages	316.25
Rodale, Inc.	Library Book	39.94
Schemmer Associates, The	Jackson St Improv - 8th to 13th St	16,290.68
Schwan's Sales Ent	Food	77.35
Service Master Mid Nebraska	Cleaning Service	4,741.00
Spirituality & Health	Library Subscription	34.95
TASC	Flex Plan Admin Fees	162.69
Team Detail, Quicklube, & Rhinolinings	Police Uniform Expense	26.00
Teledyne Isco, Inc.	WWTP Testing Supplies	5,178.00
Thompson Company, The	Food & Supplies	1,191.34
Tri-County Hospital	Wellness	140.00
Tyler Technologies	Annual Software Maintenance	11,298.00
U-Save Business Equipment	BO/Library/Bldg Insp Supplies/Postage	643.21
Verizon Wireless	Cellphone Service	125.93
Wal-Mart	Supplies	329.27
Weathercraft Companies, Inc.	DT Revitalization-Larry Chandler	18,610.50
Werner's Sprinklers	Sprinkler Repair	65.50
Berke, David	Yard Clean-up	220.00
Case Credit Advantage	WWTP Supplies	21.55
Cash-Wa Distributing	Police / Muni Bldg Supplies	461.12
Consolidated Management Company	Police Training Meals	108.00
Dan's Sanitation	Sanitation Fees	29,150.85
Dawson Public Power District	EL Capital Improvement	36,204.27
Fagot Refrigeration & Electric	GGC Repair / Service	154.00
Fox Bros. Hay Co., Inc.	Wood Grinding Service	2,993.25
Friedrichsen, Leon	Safety Boots	104.99
Galls	Police Uniform Expense	67.95
Garcia, Paula	EL Rebate	900.00
Garden Lawn & Landscaping	Yard Clean-up	100.00
Great Western Bank-City Petty Cash	Beverages / Postage / Vendor Refund	96.24
Great Western Bank-Lib Petty Cash	Postage / Supplies	85.33
Health Claims Fund	Claims	2,717.79
Konica Minolta Business Solutions	Copier Service / Inspection	450.00
Lexington Newspaper, Inc.	Publications	227.81
Lexington Utilities System	Utilities	35,203.84
Lexington, City of	Franchise Fees	68,310.30
Payroll	Wages	141,766.75
Social Security	Employer Portion / FICA Med	10,508.44
First National Bank	Employer Portion / Pension	3,745.52
First National Bank	Police Pension	1,668.27
ICMA	City Manager Pension	443.08
Mac's Short Stop	Food	17.94
McCookNet Internet Service	Phone Support	85.00
Michael Todd & Co., Inc.	WWTP Rubber Boots	306.59
Midland Scientific, Inc.	WWTP Testing Supplies	183.72
Miller & Associates, Inc.	Service	316.00
Municipal Supply	WR / WWTP Supplies	4,177.70
Schwan's Sales Ent	Food	62.79
T. O. Haas Tire Co., Inc.	Tire / Repair	122.83
U-Save Business Equipment	Business Office Supplies / Postage	349.01

Wal-Mart	Supplies	33.59
Young, Eugene	EL Rebate	125.00

TOTAL CLAIMS: 613,417.55

ORDINANCE NO. 2300:

An Ordinance entitled “AN ORDINANCE TO ESTABLISH BUSINESS LICENSES AND REGULATIONS AS CHAPTER 13 OF THE LEXINGTON CITY CODE; PROVIDE REGULATION OF VENDORS; TO REPEAL ALL ORDINANCES OR SECTIONS OF ORDINANCES IN CONFLICT HEREWITH; AND TO PROVIDE FOR AN EFFECTIVE DATE AND FOR PUBLICATION IN PAMPHLET FORM” was presented as amended. Peplitsch reviewed changes to the ordinance from previous readings. Following discussion, moved by Salem, seconded by Tomasek, to suspend the rules regarding the reading of an ordinance on three separate occasions. Roll call. Voting “aye” were Miller, Bennett, Tomasek, Salem, Fagot. Motion carried.

Ordinance No. 2300 was presented on Final Reading. Moved by Salem, seconded by Miller, to approve Ordinance No. 2300 as amended and. Roll call. Voting “aye” were Bennett, Tomasek, Miller, Salem, Fagot. Motion carried.

PUBLIC HEARING:

Mayor Fagot opened a public hearing to consider an Amended Redevelopment Plan for Redevelopment Area #1. Peplitsch explained the process to pledge taxes on a parcel in the Greater Lex Addition which includes the recently completed spec building. Following discussion, the public hearing was closed. Resolution No. 2011-27 was presented. Following discussion, moved by Miller, seconded by Tomasek, to approve Resolution No. 2011-27 as presented. Roll call. Voting “aye” were Bennett, Salem, Tomasek, Miller, Fagot. Motion carried.

RESOLUTION NO. 2011-27

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF LEXINGTON, NEBRASKA APPROVING A REDEVELOPMENT PLAN AMENDMENT; AND RELATED MATTERS

WHEREAS, the City of Lexington, Nebraska, a municipal corporation and city of the first class (the “City”), has determined it to be desirable to undertake and carry out urban redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment; and

WHEREAS, the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “Act”), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the City has previously declared the area legally described in Exhibit A attached hereto (the “Redevelopment Area”) to be blighted and substandard and in need of redevelopment pursuant to the Act; and

WHEREAS, the Community Redevelopment Authority of the City of Lexington, Nebraska (the “Authority”) has prepared or caused to be prepared a Redevelopment Plan Amendment (the “Redevelopment Plan Amendment”), in the form attached hereto as Exhibit B; and

WHEREAS, the City published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan

Amendment pursuant to Section 18-2115 of the Act, and has on the date of this Resolution held a public hearing on the proposal to approve the Redevelopment Plan; and

WHEREAS, the City has reviewed the Redevelopment Plan Amendment and determined that the proposed land uses and building requirements described therein are designed with the general purpose of accomplishing a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency in economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF LEXINGTON, NEBRASKA:

Section 1. The Redevelopment Plan Amendment is hereby determined to be feasible and in conformity with the general plan for the development of the City as a whole, and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act; and it is hereby found and determined, based on the analysis conducted by the Authority, that (a) the redevelopment project described in the Redevelopment Plan would not be economically feasible within the Project Area without the use of tax-increment financing, and (b) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the City, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project. The City acknowledges receipt of the recommendations of the Authority with respect to the Redevelopment Plan Amendment.

Section 2. The Redevelopment Plan Amendment is hereby approved in substantially the form attached hereto, with such immaterial changes, additions, or deletions thereto as may be determined to be necessary by the Authority. The Mayor and Clerk are hereby authorized to execute the Notice to Divide Taxes and file the same with the Assessor and Treasurer of Dawson County.

Section 3. In accordance with Section 18-2147 of the Act, the City hereby provides that any ad valorem tax on real property described in the Redevelopment Plan Amendment, for the benefit of any public body be divided as follows for a period of 15 years after the effective date of this provision as provided in Section 18-2147 of the Act, which effective date shall be January 1, 2011:

(a) That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That proportion of the ad valorem tax on real property in the Project Area in excess of such amount (the Redevelopment Project Valuation), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, the Project. Specifically, such portion is pledged to the payment of principal and interest on the tax increment revenue bond of the community redevelopment authority of the city of Lexington, Nebraska. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in the Project Area shall be paid into the funds of the respective public bodies.

Section 4. The Mayor and Clerk are hereby authorized and directed to execute such documents and take such further actions as are necessary to carry out the purposes and intent of this Resolution and the Redevelopment Plan.

PASSED AND APPROVED this 26th day of July 2011.

CITY OF LEXINGTON, NEBRASKA

By: John Fagot, Mayor

ATTEST: By: Joe Peplitsch, Clerk

NDOR AGREEMENT:

Resolution No. 2011-28 was presented. Peplitsch reviewed an agreement with Nebraska Department of Roads related to a Federal Funds Purchase Program, and noted that funding associated with currently programmed projects will not be affected by this agreement. Following discussion, moved by Miller, seconded by Bennett, to approve Resolution No. 2011-28. Roll call. Voting "aye" were Salem, Tomasek, Bennett, Miller, Fagot. Motion carried.

RESOLUTION NO. 2011-28

SIGNING OF THE FEDERAL FUNDS PURCHASE PROGRAM AGREEMENT

WHEREAS, each year the federal government makes available to Nebraska certain federal-aid transportation funds, including funds from the Surface Transportation Program (STP) and the Highway Bridge Program (HBP) (formerly known as the Highway Bridge Replacement and Rehabilitation Program), for use on State and local federal-aid transportation projects; and,

WHEREAS, certain federal-aid STP and HBP funds have historically been made available to the LPA by the State for its use in funding federal-aid projects on the public streets or roads within its jurisdiction; and,

WHEREAS, LPA and the NDOR wish to enter into an Agreement to provide for the purchase, at a discount, certain federal-aid dollars currently made available to the LPA.

WHEREAS, the LPA is interested in selling its available federal-aid funds to the State on the terms and conditions set out in this Agreement, including certain limitations on the use of the cash received by the LPA.

WHEREAS, the City Council has reviewed the Agreement and has determined that it is in its best interest to enter into the Agreement in the attached form.

BE IT RESOLVED, by the Council of the City of Lexington that:

John Fagot, Mayor, is hereby authorized to sign the attached Federal Funds Purchase Program Agreement between City of Lexington and the NDOR.

Adopted this 26th day of July, 2011 at Lexington, Nebraska.

John Fagot, Mayor

Attest: Joe Peplitsch, City Clerk

ORDINANCE:

An Ordinance entitled "AN ORDINANCE TO VACATE ROADWAY EASEMENT ADJOINING LOT 6, WEST ACRES FIRST SUBDIVISION; TO PROVIDE FOR REVERSION OF THE VACATED STREET TO ADJOINING PROPERTY OWNER; TO PROVIDE FOR AN EFFECTIVE DATE AND FOR PUBLICATION IN PAMPHLET FORM" was presented. Peplitsch reviewed a request from Mr. Marvin Hunt to vacate a public roadway in a rural subdivision to the south of his property. The area is not being used as a roadway and is being maintained by Mr. Hunt. Discussion included a history of the area and existing easements. Following the discussion, moved by Miller, seconded by Salem, to approve Ordinance No. 2301 on first reading. Roll call. Voting "aye" were Bennett, Tomasek, Salem, Miller, Fagot. Motion carried.

RESOLUTION:

Resolution No. 2011-29 was presented. Peplitsch reviewed the process taken by the employee pension committees to evaluate and select a replacement trustee for the city pension plans. Following discussion, moved by Salem, seconded by Tomasek, to approve Resolution No. 2011-29. Roll call. Voting "aye" were Miller, Bennett, Tomasek, Salem, Fagot. Motion carried.

RESOLUTION 2011-29

BE IT RESOLVED by the Mayor and City Council of the city of Lexington, Nebraska:

1. That pursuant to the power granted under Section 15.6(b) of The Money Accumulation Pension Plan for Employees of the City of Lexington, and Section 19-3501(1) of the Revised Statutes of Nebraska, First National Bank of Omaha, of Omaha, Nebraska, is hereby removed as Trustee of said Plan, effective October 1, 2011.

2. That pursuant to the power granted under Section 12.10(b) on the City of Lexington, Nebraska Police Officers' Pension Plan and Section 16-1004(2) of the Revised Statutes of Nebraska, First National Bank of Omaha is hereby removed as Trustee of said Plan, effective October 1, 2011.

3. That pursuant to the power granted under 8.7(b) of the LVFD Service Award Program, OFI Trust Company, is hereby removed as Trustee of Plan, effective October 1, 2011.

4. That Union Bank & Trust Company is hereby appointed to serve as successor Trustee of each of the aforesaid Plans, effective October 1, 2011.

5. That each of the aforesaid Plans are hereby deemed amended, as appropriate, to name Union Bank & Trust Company as successor Trustee of the Plan, effective October 1, 2011.

6. That the Mayor and appropriate officers of the City of Lexington, Nebraska shall be, and they hereby are, authorized to do any and all things, including the execution of any document or amendment which may be necessary or appropriate to establish and administer the aforesaid Plans, including such actions as may be necessary or appropriate to achieve and maintain qualification of The Money Accumulation Pension Plan for Employees of the City of Lexington and the Nebraska Police Officers' Pension Plan under Section 401(a) of the Internal Revenue Code of 1986, as amended.

PASSED AND APPROVED this 26th day of July, 2011.

John Fagot, Mayor

ATTEST: Pamela Berke, Deputy City Clerk

FINANCIAL REPORT:

Pepplitsch presented a financial report for June 2011. Following discussion, moved by Tomasek, seconded by Bennett, to accept the financial report as presented. Roll call. Voting "aye" were Miller, Salem, Bennett, Tomasek, Fagot. Motion carried.

ROUNDTABLE:

Pepplitsch and Burnside provided updates of several current projects including 13th Street improvements, water tower painting, Jackson Street Improvement preliminary plans, and Dawson County Opportunity Center roof repairs.

Fagot requested the suggestion of individuals to fill vacancies on the Housing Authority following the death of Neal Kohl, and the Tree Board following the resignation of Janice Wolfinger.

ADJOURNMENT:

There being no further business to come before the Council, Mayor Fagot declared the meeting adjourned.

John Fagot
Mayor

Pamela Berke
Deputy City Clerk

I, the undersigned Deputy City Clerk for the City of Lexington, Nebraska, hereby certify 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 during regular business hours prior to said meeting; that the Minutes of the Mayor and Council of the City of Lexington, Nebraska, from which the foregoing proceedings have been extracted 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 meeting of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Deputy City Clerk