

**CITY OF LEXINGTON
LEXINGTON, NEBRASKA**

A Regular Meeting of the Lexington City Council was held Tuesday, June 24, 2014, at the Lexington City Hall, located at 406 E. 7th Street, Lexington, Nebraska at 5:30 p.m. Members of the Council present were John Fagot, John Salem, Linda Miller, Dora Vivas and Jeremy Roberts. City Officials present were City Manager Joe Pepplichtsch, Assistant City Manager Dennis Burnside, City Attorney Will Weinhold, Development Services Director Bill Brecks, Police Chief Tracy Wolf and City Clerk Pamela Baruth. The press was represented by Lexington Clipper-Herald, KRVN Radio and Kearney Hub.

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 City Hall, located at 406 E. 7th Street, Lexington, Nebraska.

MINUTES – REGULAR MEETING 6-10-2014: Minutes of the Regular meeting held Tuesday, June 10, 2014, were presented for Council consideration. Moved by Miller, seconded by Salem, to approve Minutes as presented. Roll call. Voting “aye” were Vivas, Roberts, Salem, Miller, Fagot. Motion carried.

CLAIMS & BILLS: Claims and Bills in the amount of \$731,520.95 were presented for Council’s consideration and approval. Upon review of the Claims and Bills as listed, moved by Roberts, seconded by Vivas, to approve the Claims and Bills as listed, and authorize the City Treasurer to transfer \$297,138.48 from the General Fund, \$53,587.56 from Street Fund, \$19,233.00 from TIF, \$308,453.03 from LEXUS, \$29,539.20 from Sanitation, \$423.02 from Ambulance, \$15,741.21 from Health Fund, and \$7,405.45 from Meals on Wheels to the City of Lexington’s Operating Account. Roll call. Voting “aye” were Miller, Salem, Vivas, Roberts, Fagot. Motion carried.

CITY OF LEXINGTON
ACCOUNTS PAYABLE
June 24, 2014

AFLAC	Premium	1,324.42
Anderson Graphics	Library Service	76.25
Annie's Attic Books	Library Book	19.94
ASK Supply Co.	Weed Killer	101.70
Associated Supply Company, Inc.	LFAC Supplies	288.78
Axis Capital Inc.	Mail Machine Payment	840.00
B2 Environmental, Inc.	Asbestos Inspection Prep Service	100.00
Barco Municipal Products, Inc.	ST Supplies	210.57
Books Galore, Inc.	Library Books	3,360.85
BSN Sports, Inc.	Ball Field Fencing / Poles	1,272.33
Business Card		
4Imprint	WR Bottles / Storm Water Promotion	3,271.88
Global Equipment Company, Inc.	Table / Chair / Storm Water Promotion	348.56
Data-Pac	Mail Machine Labels	43.23
American Red Cross*Service/Training	Lifeguard / CPR Training Classes	1,890.00
Hibbett	Lifeguard Whistles	21.30
Krames Staywell	ARC CPR Masks/Whistles w Lanyards	1,133.65
Post Office	WR Sample Postage	92.15
Wilke's True Value	Weed Eaters / Staple Gun Brads	1,876.94

B. G. Peterson Co.	WWTP Tap Valve	80.50
Cash-Wa Distributing	Food & Supplies	7,997.00
Central Tire & Tread	WWTP Tire Repair	23.50
Coca-Cola/Dr Pepper Bottling of Kearney	Beverages	377.15
Copper, Michael	Yard Clean-up	200.00
Davis Energy, Inc.	Fuel	5,551.52
Dawson Pest Control	DCOC Service	54.60
Dell Marketing L.P.	Police Dept Monitor	172.88
Diamond Vogel Paint	Street Supplies	45.72
Dugan Business Forms	Purchase Order Pads	159.97
Dutton-Lainson Company	Serv Bldg Supplies	85.80
Eakes Office Plus	Library Supplies	245.68
Fagot Refrigeration & Electric, Inc.	DCOC/Rec/WWTP/Well #13/AC Svc/Rep	2,060.40
Galls	Police Dept Uniform Expense	31.94
Gordon, Sandy	Ambulance Refund	86.22
Great Western Bank-Lib. Petty Cash	Postage/Napkins/Plates/Reading Spls	151.98
Health Claims Fund	Claims	14,198.51
Hiland Dairy Foods	Beverages / Food	415.80
Hoehner Turf	PK Sprinkler Supplies	517.00
Holbein, Dahlas	Fire Dept Maint / Cleaning Service	1,000.00
International City/County Mgmt Assn	Membership Dues	915.84
IES Commercial, Inc.	Optimist Complex Light Pole Replacement	80,031.49
Ingram Library Services	Library Books	291.12
Jim Phillips Const.	Street Repairs	4,805.00
Kids Reference Company, Inc.	Library Books	248.60
KRVN AM & FM	Advertising	166.40
Lexington Glass Company, Inc.	Service Bldg Door Repair	75.00
Lexington Newspapers, Inc.	Publications	368.90
Lexington Recreation Program	State Softball Tournament Start-up	7,200.00
Lexington Utilities System	Utilities	42,867.24
Lexington, City of	TIF Funding for 18th St/Heartland Road	19,233.00
McCandless Backhoeing, Inc.	Snow Removal - Febr & April	1,020.00
Mead Lumber & Rental	PK / WR Supplies	853.28
Midland Scientific, Inc.	WWTP Testing Supplies	222.33
Miller & Associates	18th St/Heartland Road PJ	19,233.00
Mr. Automotive	Police Vehicle Parts	36.30
National Geographic En Espanol	Library Subscription	23.99
National League of Cities	Membership Dues	1,489.00
Ne Public Health Environmental Lab	WR Testing	121.00
Nebraska Power Review Board	Annual Fees	1,783.78
Nebraska Public Power District	O & M	79,931.17
Nebraska Public Power District	Large Capital PJ's	48,728.63
OCLC, Inc.	Library Subscription	100.91
Odeys, Inc.	PK Supplies	1,050.00
O'Hara Lindsay and Associates, Inc.	Lobbying Service	1,000.00
Oliver Consulting Services, Inc.	Library Service	919.00
Overton Community Center	Meals on Wheels	100.00
Oxmoor House	Library Book	36.91
Paulsen, Inc.	Concrete	857.08
Platte Valley Comm. of Kearney	Mo Maint	90.00
Plum Creek Market Place	GGC / Rec Food & Supplies	259.56
Presto-X	Fire Dept Service	90.43
Rasmussen Mechanical Services	Library Service / Repair	1,230.78
Regional Books	Library Books	35.63
Ryde Transit	Transportation	70.00
S & W Auto Parts	WWTP Supplies	114.90
S and D Contractors	Yard Clean-up	200.00

Schroeder, Tony	EL Rebate	1,900.00
Schwan's Home Service, Inc.	Food	26.68
Service Master of Mid NE	Cleaning Service	4,741.00
South Central Nebraska Baseball League	Tournament Fees	200.00
Subway @ Walmart	Meals	57.25
Team Detail & Quicklube	Car Washes	58.00
Thompson Co., The	Food / Supplies	1,450.39
Titan Machinery-Lexington	PK Supplies	79.97
Twin Rivers Testing & Environmental	Testing for WWTP Improvement PJ	972.25
Vision Internet Providers, Inc.	Web Hosting	231.52
Wal-Mart	Supplies	527.03
YMCA of Lexington	Membership Dues	181.30
Advanced Water Company, Inc.	WWTP Service Contract	450.00
Associated Supply Company, Inc.	LFAC Supplies / Chemicals	6,192.28
Bennett Advertising Specialties	Business Cards / G. Hawks	91.88
Bert Gurney & Associates, Inc.	WWTP Pump Supplies	1,817.68
Card Center/Orscheln	PK / Cem / WWTP / ST / Rec Supplies	1,807.50
Cash-Wa Distributing	Food & Supplies	2,033.11
Central Tire & Tread, Inc.	Tire Repair	102.94
Dan's Sanitation	Sanitation Fees	29,539.20
Dell Marketing L.P.	Police Dept Computers	5,878.74
Demco, Inc.	Library Supplies	342.63
Downey Drilling, Inc.	Well #6 & #9 Repair	30,001.89
Energy Pioneer Solutions	Monthly Pmts	2,991.66
Fox Bros. Hay Co., Inc.	Wood Grinding Service	7,000.00
Gale/Cengage Learning	Library Books	214.61
Great Western Bank-City Petty Cash	Fuel / Meals / Postage / NPPD Incentives	145.92
Great Western Bank-Lib Petty Cash	Postage / Meal	8.58
Hiland Dairy Foods Company, Inc.	Beverages & Food	185.34
International Institute of Municipal Clerks	Annual Membership Fee	145.00
Industrial Pipe & Supply Company	WWTP Supplies	616.37
Ingram Library Services	Library Books	213.28
Kids Reference Company, Inc.	Library Books	248.60
Lexington Newspapers, Inc.	Publications	354.04
Lexington, City of	Franchise Fees	76,702.25
Lexington City Payroll Account		
Payroll	Wages	166,284.82
Social Security	Employer Portion / FICA Med	12,423.00
Union Bank & Trust	Employer Portion / Pension	4,333.98
Union Bank & Trust	Police Pension	2,160.95
ICMA	City Manager Pension	836.93
Matheson Tri-Gas, Inc.	Ambulance Supplies	73.57
McNett, Julie	Mileage to League Conference	59.36
Mead Lumber & Rental-Lexington	PK / ST Supplies	192.13
Mr. Automotive	Ambulance Supplies	19.59
Platte Valley Comm. Of Kearney	Well #16 Radio Repair	205.32
QA Balance Services	WWTP Testing Supplies	125.00
Schwan's Home Service, Inc.	Food	25.18
Service Master of Mid Nebraska	Cleaning Service	78.75
TASC - Client Invoices	Fees	218.28
Thompson Co., The	Food & Supplies	809.98
Unisan Nebraska, LLC	Library Supplies	67.45
Verizon Wireless	Cellphone Service	364.29
Village Uniform	GGC Supplies	50.20
Wal-Mart	Supplies	154.29
	TOTAL CLAIMS:	731,520.95

PUBLIC HEARING: Mayor Fagot opened a public hearing to consider a rezoning application by Roy Ewoldt for property located at 311 West 5th Street from C-3 Highway Commercial to R-3 High Density Residential. Ewoldt explained the plans to develop the condemned Green Valley Motel into apartment units and utilize his current residence as a complex manager's unit. The refurbished studio and 1 bedroom units would be used for short and long term housing. He acknowledged that the property has been neglected since he purchased it due to time constraints, lack of management, and previous clientele. He stated that the project should be complete within 90 days of approval. Victor Diaz addressed the Council, restating Mr. Ewoldt's position.

Stan Gould, Castle Architect, reviewed a preliminary site and floor plan for the area, indicating 11 refurbished units, parking spaces, private patios, and on-site laundry.

Armando and Johnathon de Santiago, 310 West 6th, both expressed concerns regarding past management, past and possible clientele, and safety issues. Ewoldt apologized for letting past events happen and assured the neighbors that there will be a "no tolerance" policy in the future.

Council concerns and questions related to past history of management, former clientele of the motel, projected costs, funding and business plans, target clientele and a possible conditional zoning agreement. Peplitsch noted that solid plans have not been filed with the city for review as of this date. Council members agreed that any zoning change should be contingent on the developer proving his ability to plan, fund, construct, and manage the project. All parties acknowledge the need for housing, especially on short term basis.

Moved by Salem, seconded by Roberts, to continue the public hearing and to direct Staff to develop a conditional zoning agreement for further discussion on the issue. Roll call. Voting "aye" were Miller, Vivas, Roberts, Salem, Fagot. Motion carried.

SUBDIVISION: Kevin Kennedy, Stone Pony LLC, reviewed an application for a subdivision entitled Willow Ridge Subdivision. He explained the intent would be to sell Lot 1 and the commercial building present but maintain ownership of Lot 2 as part of the Willow Ridge Mobile Home Park. Following discussion, Resolution No. 2014-20 was presented. Moved by Miller, seconded by Vivas, to approve Resolution No. 2014-20. Roll call. Voting "aye" were Salem, Roberts, Vivas, Miller, Fagot. Motion carried.

RESOLUTION NO. 2014 - 20

WILLOW RIDGE SUBDIVISION

BEING A PART OF THE SW1/4 OF SECTION 4, TOWNSHIP 9 NORTH, RANGE 21 WEST OF THE SIXTH PRINCIPAL MERIDIAN, AND WITHIN THE CITY OF LEXINGTON, DAWSON COUNTY, NEBRASKA.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF LEXINGTON, NEBRASKA, AS FOLLOWS:

The plat of WILLOW RIDGE SUBDIVISION, duly made out, acknowledged and certified, and the same hereby is approved, accepted and ordered filed and recorded in the office of the Register of Deeds of Dawson County, Nebraska.

PASSED AND APPROVED this 24TH day of June, 2014.

PUBLIC HEARING: Mayor Fagot opened a public hearing to consider a redevelopment contract/plan proposal from Lexington Development Group, LLC. Peplitsch reviewed the contract/plan proposal, noting that it has been reviewed and approved by the CDA and the Planning Commission. The plan includes development of additional commercial space in the Lexington Shoppes area with the issuance of a TIF bond of \$350,000. Receiving no public comments, the public hearing was closed. Resolution No. 2014-21 was presented. Moved by Vivas, seconded by Salem, to approve Resolution No. 2014-21. Roll call. Voting "aye" were Miller, Roberts, Salem, Vivas, Fagot. Motion carried.

RESOLUTION NO. 2014-21

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF LEXINGTON, NEBRASKA APPROVING A REDEVELOPMENT PLAN, INCLUDING A REDEVELOPMENT CONTRACT; 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 Attachment 1 attached hereto (the "Redevelopment Project Area") to be blighted and substandard and in need of redevelopment pursuant to the Act; and

WHEREAS, the Community Development Agency of Lexington, Nebraska (the "Agency") has prepared or caused to be prepared a Redevelopment Plan, including a Redevelopment Contract (collectively, the "Redevelopment Plan"), in the form attached hereto as Attachment 2, for the redevelopment of the Redevelopment Project Area; and

WHEREAS, the Agency and the Planning Commission of the City (the "Planning Commission") have both reviewed the Redevelopment Plan and recommended its approval by the Mayor and Council of the City; and

WHEREAS, the City published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan 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 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 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 Agency, that the plan uses funds authorized in Section 18-2147 of the Act; (i) the redevelopment project in the plan would not be economically feasible without the use of tax-increment financing; (ii) the redevelopment project would not occur in the community redevelopment area without the use of tax-increment financing; and (iii) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body 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 notice of intent to enter into the redevelopment contract included within the Redevelopment Plan in accordance with Section 18-2119 of the Act, and the recommendations of the Agency and the Planning Commission with respect to the Redevelopment Plan.

Section 2. The Redevelopment Plan 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 Agency. The Agency is hereby authorized to execute the redevelopment contract contained within the Redevelopment Plan and to take all actions necessary and convenient to implement the Redevelopment Plan.

Section 3. In accordance with Section 18-2147 of the Act, the City hereby provides that any ad valorem tax on real property in the Redevelopment Area for the benefit of any public body be divided as follows for a period of 15 years after the effective date as provided in Section 18-2147 of the Act, which effective date shall be set forth in the redevelopment Contract. Said tax shall be divided as follows:

(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 Agency 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 Agency for financing or refinancing, in whole or in part, the Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Agency 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 City Manager is 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 24th day of June, 2014.

PUBLIC HEARING: Mayor Fagot opened a public hearing to consider a loan agreement with Orthman Investments LLC under the Lexington Economic Development Program. Peplitsch reviewed the agreement, noting the loan of \$500,000 for a 15 year period at 0% interest was contemplated in the redevelopment contract with the Orthman Project. Receiving no public comments, the public hearing was closed. Moved by Miller, seconded by Salem, to approve the loan and authorize the execution of all necessary documents. Roll call. Voting “aye” were Vivas, Roberts, Salem, Miller, Fagot. Motion carried.

PUBLIC HEARING: Mayor Fagot opened a public hearing to consider a loan agreement with Dawson Area Development under the Lexington Economic Development Program. Peplitsch reviewed the agreement, noting the \$250,000 loan for 10 years at 0% interest would be used to help acquire the current Orthman South Plant, 1502 East Walnut, to be marketed for industrial development. Receiving no public comments, the public hearing was closed. Moved by Miller, seconded by Vivas, to approve the loan and authorize the execution of all necessary documents. Roll call. Voting “aye” were Salem, Roberts, Vivas, Miller, Fagot. Motion carried.

AGREEMENT: Peplitsch reviewed a Program Agreement Supplement #2 for the Lexington East Viaduct Project, Project No. URB-1705(3), Control No. 61457. He noted that NDOR is requesting a project number change to modify the funding structure of the project, which is beneficial to the City. Following discussion, Resolution No. 2014-22 was presented. Moved by Roberts, seconded by Miller, to approve Resolution No. 2014-22. Roll call. Voting “aye” were Vivas, Salem, Miller, Roberts, Fagot. Motion carried.

RESOLUTION NO. 2014-22
CITY OF LEXINGTON

SUPPLEMENTAL PROJECT PROGRAM AGREEMENT NO. 2 – BL1146

Whereas: City of Lexington and Nebraska Department of Roads (NDOR) have previously executed Project Program Agreement BL1146 for a transportation project for which the Local Public Agency (LPA) would like to obtain Federal funds;

Whereas: City of Lexington understands that it must continue to strictly follow all Federal, State, and local laws, rules, regulations, policies and guidelines applicable to the funding of the Federal-aid project; and

Whereas: City of Lexington and NDOR wish to enter into Supplemental Project Program Agreement No. 2 setting out modifications and/or additional duties and/or funding responsibilities for the Federal-aid project.

Be It Resolved: by the City Council of the City of Lexington, Nebraska that:

John Fagot, Mayor of the City of Lexington, Nebraska is hereby authorized to sign the attached Project Program Supplemental Agreement No. 2 between the City of Lexington and the NDOR.

City of Lexington is committed to providing local funds for the project as required by the Project Program Agreement and any Supplemental Project Program Agreements.

NDOR Project Number: URB-1705(3)
NDOR Control Number: 61457
Project Location: Lexington East Viaduct

Adopted this 24th day of June, 2014, at Lexington, Nebraska.

ROUNDTABLE DISCUSSION: Peplitsch provided a brief update on the 6th Street project.

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

John Fagot Mayor
Pamela Baruth City Clerk

I, the undersigned 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.

/s/ Pamela Baruth
City Clerk