

**CITY COUNCIL
CITY OF LEXINGTON
LEXINGTON, NEBRASKA**

A Regular Meeting of the Lexington City Council was held Tuesday, June 14, 2016, at the Lexington City Hall, 406 E. 7th Street, Lexington, Nebraska at 5:30 p.m. Members of the Council present were John Fagot, John Salem, Linda Miller, and Dora Vivas. Jeremy Roberts was excused. City Officials present were City Manager Joe Peplitsch, Assistant City Manager Dennis Burnside, City Attorney Brian Copley, Finance Director Barb Hodges, Development Services Director Bill Brecks, and City Clerk Pamela Baruth. The press was represented by KRVN.

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 5-24-16: Minutes of the Regular meeting held Tuesday, May 24, 2016, were presented. Moved by Vivas, seconded by Salem, to approve the minutes as presented. Roll call. Voting “aye” were Miller, Salem, Vivas, Fagot. Motion carried.

MINUTES – SPECIAL MEETING 6-10-16: Minutes of the Special meeting held Friday, June 10, 2016, were presented. Moved by Miller, seconded by Vivas, to approve the minutes as presented. Roll call. Voting “aye” were Salem, Vivas, Miller, Fagot. Motion carried.

CLAIMS & BILLS: Claims and Bills in the amount of \$1,890,342.53 were presented for Council consideration and approval. Upon review of the Claims and Bills as listed, moved by Salem, seconded by Miller, to approve the Claims and Bills as listed, and authorize the City Treasurer to transfer \$351,235.10 from the General Fund, \$148,685.64 from Street Fund, \$1,326,733.19 from LEXUS, \$10,000.00 from Sanitation, \$3,818.81 from Ambulance, \$42,440.39 from Health Fund, and \$7,429.40 from Meals on Wheels to the City of Lexington’s Operating Account. Roll call. Voting “aye” were Vivas, Miller, Salem Fagot. Motion carried.

**CITY OF LEXINGTON
ACCOUNTS PAYABLE
June 14, 2016**

Advantage Buildings, LLC.	Fabric Storage Building	17,250.00
Alamar Uniforms	Police Uniforms	5,405.38
American Patchwork & Quilting	Library Subscription	34.94
Anytime Fitness	Wellness	107.00
Area, Shawn	Opp Cntr / City Hall Plumbing Service	225.00
Arnold Pool, Co.	Aquatic Cntr Supplies	170.95
Associated Supply	Aquatic Cntr Pumps & Parts	7,384.81
Baker & Taylor	Library Books	176.17
Barco Municipal Products, Inc.	ST Signs & Materials	2,147.33
Barmore Drug Store	Ambulance Medical Supplies	1,279.82
Bauer Built Tire	Tire Repair & Replacement	666.00
Bennett, Susan	EL Rebate / Conference Mileage	667.82
Berens-Tate Consulting Group	Bond Consulting Services	1,000.00
Bliven, Mike	EL Rebate	2,175.00
Cash-Wa Distributing	Food & Supplies	9,204.44

City Directory, Inc.	Advertising Directory	988.00
Coca-Cola Bottling of Kearney	Beverages	2,315.20
Conney Safety	Respirator Materials	13.84
Country Partners Coop	PK Sprayer Hose & Fertilizer / ST Parts	665.82
Culligan Water Conditioning Co.	Soft Water Supplies	223.25
Dan's Sanitation, Inc.	Sanitation Fees	14,989.80
Davis Energy, Inc.	Fuel / Oil / Propane	3,751.13
Dawson County Register of Deeds	Filing Fees	10.00
Dawson Pest Control	GGC Service	36.75
Dawson Public Power District	Power Purchase	524.61
Dell Marketing, LLC.	GGC Computer Monitor	246.32
Downey Drilling	WR Gasket Material	634.40
Dugan Business Forms	Business Office Supplies	579.37
Eakes Office Solutions	Lbry/Admin/Pol/Svc Bldg Copies & Maint	2,904.80
Fago, Trey	WR Safety Instructor Class Mileage	259.20
Fagot Refrigeration & Electric	Aquatic Cntr / WWTP Service	450.74
Fastenal Company	Aquatic Cntr / SW / WR Tools & Parts	255.53
Felsburg, Holt & Ullevig	Stormwater Professional Services	820.00
Gale/Cengage Learning	Library Books	264.33
Galls	Police Uniforms	44.42
Health Claims Fund	Claims	28,050.21
Heldt & McKeone Law Offices	Professional Fees	2,700.00
HD Supply Water Works	WR Meter Materials	185.44
Hi-Line Motors, LLC	PK Equipment Parts & Service	331.30
Hiland Dairy Foods Co LLC	Food & Beverages	691.00
HOA Solutions, Inc.	WWTP Alarm Activation	1,430.26
Holbein, Dahlas	Fire Hall Yard Care	220.00
Hotel Grand Conference Center	Fire School Lodging	4,154.00
Hunt Cleaners, Inc.	ST Gloves	404.23
Ingram Library Services	Library Books	183.93
Intellicom	Monthly Billing	1,701.50
JEO Consulting Group, Inc.	Plum Creek Park Lake Restoration	1,000.00
John Deere Financial	PK/AC/Fire Dept/Strmwr/ST Parts & Spls	689.81
Johnson Service, Co.	SW Main Cleaning	2,000.00
Jones Plumbing & Heating, Inc.	SW Spls/AC/Lbry Srvc	5,093.58
KRVN AM & FM	Advertisements	457.60
Landmark Implement, Inc.	PK John Deere Mower	49,290.00
Lexington Animal Clinic	Animal Care	451.38
Lexington Area Solid Waste	Landfill	3,309.54
Lexington City Payroll Account		
Payroll	Wages	183,420.16
Social Security	Employer Portion / FICA Med	13,711.93
Union Bank & Trust	Employer Portion / Pension	4,600.29
Union Bank & Trust	Police Pension	3,013.63
ICMA	City Manager Pension	865.69
Lexington, City of	Franchise Fees / Interdepartment Svc Fees	64,361.33
Lexington, City of - Street Dept	Fuel	7,834.19
Lexington Community Foundation	Fieldhouse Donations	1,003.70
Lexington Health Fund	Self-funding	50,218.94
Lexington Newspapers, Inc.	Publications	1,552.47
Lexington Postmaster	GGC Postage	165.00
Lexington Regional Health Center	Ambulance Supplies	380.00
Mac's Short Stop	Food & Supplies	407.19
Market Interactive	Website Design & Hosting	10,000.00
Martin Electric, Co.	WWTP Lighting/Fire Hall Lighting Service	506.98
Matheson Tri-Gas, Inc.	Ambulance Supplies	30.05
Mead Lumber & Rental-Lex	ST/PK/AC/SW Lumber & Plumbing Mtrls	842.30

Meritain Health	Health Premium	23,512.79
MicroMarketing	Library Books	367.86
Midwest Laboratories, Inc.	Lab Reference Testing	1,072.50
Midwest Striping, Inc.	Road Paint	6,697.75
Miller & Associates	Professional Services	96,236.64
Municipal Pipe Services, Inc.	Lift Station Hydrastop Valve	5,800.00
Municipal Supply, Inc.	SW Manhole Cover/Fire Hydrant Extnsns	2,134.02
Mr. Automotive	ST / Cemetery Vehicle Parts	68.85
NE Dept of Environmental Quality	Membership Renewal	150.00
Nebraska Department of Revenue	Sales & Use Tax	47,891.60
Nebraskaland Tire, Inc.	WR Vehicle Service	44.90
Nebraskalink	Library Internet Service	30.00
NE Public Health Environmental Lab	WR Testing	474.00
Nebraska Public Power District	Power Purchase	938,154.46
Nebraska Tech & Telecomm, Inc.	Telephone Service	1,520.27
O'Hara Lindsay & Associates	Lobbying Service	1,000.00
Oliver Consulting Services, Inc.	Library Computer Service	398.40
One Call Concepts, Inc.	Locate Fees	201.39
Original Watermen, Inc.	Aquatic Center Swimsuits	1,593.30
Paulsen, Inc.	WWTP Sand/PK White rock/Fabric Storage Bldg Concrete	5,695.96
Platte Valley Auto Mart	Police Vehicle Service	494.23
Plum Creek Market Place	Food & Supplies	93.77
Plum Creek Motors	2016 Chevy Silverado WR Vehicle	19,632.00
Plum Creek Promotions	PK Rec Jersey	26.39
Precision Detail	Fire Hall Cleaning	240.00
Principal	Dental Premium	3,205.30
Rasmussen Mechanical Service	Library Preventive Maintenance	1,265.00
Richardson Mowing	Library Lawn Service	170.00
RYDE Transit	Transportation	20.00
S & W Auto Parts, Inc.	SW / WR / Police / Cemetery Parts	236.30
Schmidt, Michael	Aquatic Center Lawn Care	1,200.00
Service Master of Mid Nebraska	Cleaning Service	4,466.47
Sirchie Fingerprint Laboratories	Police Supplies	102.38
Source Gas	Gas Service	4,253.79
Standard Life Insurance Company	Premiums	941.25
Statewide Collection	Collection Fee	327.48
Storey Kenworthy/Matt Parrott	Utilities Supplies	252.82
Tasc-Client Invoices	Administration Fees	192.85
Thompson Company, The	Food & Supplies	1,751.04
Titan Access/Productivity Acct	ST Equipment Parts & Service	1,985.52
Tomasek, Tara	Pool Manager Class	40.00
Tri-City Tribune	Advertisements	66.00
United Healthcare	Ambulance Refund	412.24
United States Treasury	PCORI Fee	349.44
USA Communications	Internet Service	345.60
U-Save Business Equipment	Supplies	1,076.62
Village Uniform	GGC Supplies	123.73
VSP / Vision Service Plan	Vision Premium	907.96
Wal-Mart	Supplies	1,136.40
Weathercraft Company	Police Bldg Repair	476.00
Aflac	Premiums	1,312.20
Anderson, Lydia Corrine	Library Web Hosting	221.25
Baker & Taylor	Library Books	388.30
Cash-Wa Distributing	Food & Supplies	1,174.69
Center Point Large Print	Books	88.68
Coca-Cola Bottling of Kearney	Beverages	795.60

Davis Energy, Inc.	Fuel & Oil	43.74
Dawson Public Power District	Power Purchase	9,127.69
Ecklund, Grace	Pool Manager Class	40.00
EMS Billing Service	Ambulance Fee	1,608.25
Fire-Extinguisher-Hazmat Billing	Fire Equipment Fees	108.20
Hiland Dairy Foods	Food & Supplies	260.35
I C M A	Membership Renewal	975.20
John Deere Financial	PK / Cemetery Parts & Mower Repair	3,622.83
Johnny on the Spot	Rentals	450.00
LIPS Printing Service	WR Report Mailers & Postage	2,126.98
Majestic Theatre	Advertisements	225.00
Mead Lumber & Rental - Lex	ST Supplies	30.57
Motion Picture Licensing Corp	Library Subscription	188.70
Mr. Automotive	WR / Cemetery Vehicle Parts	58.55
Municipal Supply, Inc.	WR Supplies	504.53
Nebraska Public Power District	O & M	148,861.73
OCLC, Inc.	Library Subscription	108.31
Outdoor Recreation Products	Splash Pad Materials	102.31
Paulsen, Inc.	ST / WWTP Supplies / ST Repair	2,082.53
S & W Auto Parts, Inc.	WR Parts & Supplies	12.31
Thompson Company, The	Food & Supplies	819.68
United States Fire Insurance Co	Health Insurance Binder	12,535.69
Village Uniform	Aquatic Center Janitorial Supplies	50.84
Vollmer, James	ST Vehicle Service	128.48
VVS Surveillance Systems	Police Radio Repair	129.75
Wal-Mart	Supplies	117.52
Ward Laboratories, Inc.	WR Testing	77.00
	TOTAL CLAIMS:	1,890,342.53

ORDINANCE: Ordinance No. 2378 entitled “AN ORDINANCE TO REZONE TRACT B OF THE ADMINISTRATIVE REPLAT OF LOT ONE (1), WELL’S SUBDIVISION OF PART OF THE NORTH ONE-HALF OF THE NORTHWEST QUARTER OF SECTION THIRTY TWO, TOWNSHIP TEN NORTH, RANGE TWENTY ONE WEST OF THE SIXTH PRINCIPAL MERIDIAN, DAWSON COUNTY, NEBRASKA FROM R-1 SINGLE FAMILY RESIDENTIAL TO A-1 AGRICULTURAL; TO REPEAL ALL ORDINANCES OR SECTIONS OF ORDINANCES IN CONFLICT HEREWITH; TO PROVIDE FOR AN EFFECTIVE DATE AND FOR PUBLICATION IN PAMPHLET FORM” was presented. Pepplitsch reviewed a zoning application. He noted the Planning Commission has reviewed the application and recommends the zoning change. Following discussion, moved by Salem, seconded by Vivas, to suspend the rules regarding the reading of an ordinance on three separate occasions. Roll call. Voting “aye” were Miller, Vivas, Salem, Fagot. Motion carried.

Ordinance No. 2378 was presented on final reading. Moved by Salem, seconded by Miller, to approve Ordinance No. 2378 on final reading. Roll call. Voting “aye” were Vivas, Miller, Salem, Fagot. Motion carried.

ORDINANCE: Ordinance No. 2379 entitled “AN ORDINANCE AUTHORIZING THE ISSUANCE OF HIGHWAY ALLOCATION FUND PLEDGE BONDS, SERIES 2016, OF THE CITY OF LEXINGTON, NEBRASKA, IN THE PRINCIPAL AMOUNT OF ONE MILLION ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$1,115,000) FOR THE PURPOSE OF PAYING THE COSTS OF CONSTRUCTING CERTAIN STREET IMPROVEMENTS AND RELATED IMPROVEMENTS IN THE CITY; PRESCRIBING THE FORM OF SUCH BONDS; PLEDGING FUNDS TO BE RECEIVED BY THE CITY FROM THE STATE OF NEBRASKA HIGHWAY ALLOCATION FUND FOR THE PAYMENT OF SUCH BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY THE SAME, IF NECESSARY; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; AND PROVIDING FOR THE DISPOSITION OF BOND PROCEEDS; AND ORDERING

THE ORDINANCE PUBLISHED IN PAMPHLET FORM” was presented. Marc Munford, Ameritas, reviewed the bond issue of \$1.1 million with a range of 0.95% to 1.45% interest rates over 5 years. Peplitsch noted the bond issue funds would be used to cover costs of current paving and asphalt overlay projects, and adds flexibility in meeting the city’s future construction and maintenance needs. Following discussion, moved by Vivas, seconded by Salem, to suspend the rules regarding the reading of an ordinance on three separate occasions. Roll call. Voting “aye” were Miller, Salem, Vivas, Fagot. Motion carried.

Ordinance No. 2379 was presented on final reading. Moved by Miller, seconded by Vivas, to approve Ordinance No. 2379 on final reading. Roll call. Voting “aye” were Salem, Vivas, Miller, Fagot. Motion carried.

RESOLUTION: Peplitsch reviewed Resolution No. 2016-14 authorizing the purchase of real estate and related matters. Following discussion, moved by Salem, seconded by Miller, to approve Resolution No. 2016-14. Roll call. Voting “aye” were Vivas, Miller, Salem, Fagot. Motion carried.

RESOLUTION NO. 2016-14

A RESOLUTION APPROVING ASSIGNMENT OF A PURCHASE AGREEMENT TO THE CITY OF LEXINGTON FOR THE PURCHASE OF CERTAIN REAL ESTATE; AUTHORIZING THE PURCHASE OF SAID REAL ESTATE; AND AUTHORIZING THE GRANTING OF AN OPTION TO PURCHASE SAID REAL ESTATE TO STONYHILL VENTURES, LLC

WHEREAS, the City Manager, Joe Peplitsch, on behalf of the City of Lexington, NE has entered into an Assignment and Assumption Agreement dated June 6, 2016, whereby Stonyhill Ventures, LLC assigns to the City of Lexington, NE its right and option to acquire the real estate described in Exhibit “A.” Said right and option existing pursuant to a Purchase Agreement referenced therein; and

WHEREAS, the City of Lexington, NE desires to approve said assignment and authorize the City Manager, on behalf of the City of Lexington, to execute any and all closing documents necessary to the purchase of said real estate; and

WHEREAS, the City of Lexington, NE desires to grant an option to purchase the real estate described in Exhibit “A” to Stonyhill Ventures, LLC, in a form as set forth in Exhibit “B.”

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

That the Assignment and Assumption Agreement entered into by Joe Peplitsch is hereby approved by the City of Lexington, NE.

That the City Manager is hereby directed and authorized on behalf of the City of Lexington, NE to purchase the real estate described in Exhibit “A” and to execute any and all closing documents necessary for said purchase.

That the City Manager is hereby directed and authorized on behalf of the City of Lexington, NE to grant an option to purchase to Stonyhill Ventures, LLC, in a form as set forth in Exhibit “B.”

Passed and approved June 14, 2016

RESOLUTION: Peplitsch reviewed Resolution No. 2016-15 authorizing a loan to purchase 50 acres of development property. Following discussion, moved by Miller, seconded by Vivas, to approve Resolution No. 2016-15. Roll call. Voting “aye” were Salem, Vivas, Miller, Fagot. Motion carried.

RESOLUTION 2016-15

A RESOLUTION AUTHORIZING THE CITY OF LEXINGTON TO OBTAIN FINANCING FOR 50 ACRES OF LAND FOR SOUTHWEST DEVELOPMENT.

WHEREAS the City of Lexington, Nebraska has entered into an agreement for the purchase of 50 ACRES OF LAND FOR SOUTHWEST LEXINGTON DEVELOPMENT;

WHEREAS the financing of the purchase of said property through traditional bond financing would be impractical;

WHEREAS the financing of the purchase of said property through direct borrowing would generate taxpayer savings over traditional bond financing;

WHEREAS the City Council of the City of Lexington, Nebraska has published notice that an ordinance or resolution authorizing direct borrowing from a financial institution will appear on the agenda of the City Council meeting on June 14, 2016;

WHEREAS the total amount of indebtedness from direct borrowing shall not exceed \$500,000.00, said amount being less than ten percent of the municipal budget of the City of Lexington, Nebraska;

WHEREAS the City of Lexington, Nebraska has considered, to the extent possible, proposals from multiple financial institutions;

WHEREAS as a result of the foregoing the City of Lexington, Nebraska may borrow directly for the purchase of 50 ACRES OF LAND FOR DEVELOPMENT IN SOUTHWEST LEXINGTON pursuant to Neb Rev. Stat. § 18-201.

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

1. That the City of Lexington, Nebraska is hereby authorized to contract for financing with Pinnacle Bank of Lexington Nebraska. The loan amount shall not exceed \$500,000.00 for a term of 5 years at an interest rate of 2.24%.
2. That Joe Peplitsch, City Manager, is hereby directed and authorized, on behalf of the City of Lexington, Nebraska to execute all necessary documents.

Passed and approved this 14th day of June 2016.

LOAN AGREEMENT: Peplitsch reviewed a loan agreement under the Revolving Loan Fund. He explained Whilee LLC submitted an application for gap funding to acquire and renovate the former Wendy's Restaurant building. The loan would be \$115,000 over 7 years at 2% interest. He noted the loan committee has reviewed the application and recommends approval of the loan. Following discussion, moved by Miller, seconded by Salem, to approve the loan agreement and to authorize the city manager to execute the necessary documents. Roll call. Voting "aye" were Vivas, Salem, Miller, Fagot. Motion carried.

PAY REQUEST: Peplitsch reviewed Pay Request #1 from Paulsen Inc. for the Frontier Street Paving project in the amount of \$165,685.23. Following an update of the project, moved by Vivas, seconded by Salem, to approve the pay request as presented. Roll call. Voting "aye" were Miller, Salem, Vivas, Fagot. Motion carried.

EXECUTIVE SESSION: Moved by Miller, seconded by Vivas, to enter into Executive Session at 5:55 p.m. to discuss negotiations for the sale of property. Roll call. Voting "aye" were Salem, Vivas, Miller, Fagot. Motion carried.

Moved by Miller, seconded by Vivas, to enter into Open Session at 6:20 p.m. Roll call. Voting “aye” were Salem, Vivas, Miller, Fagot. Motion carried.

ROUNDTABLE DISCUSSION: Pepplitsch gave an update on various capital projects.

ADJOURNMENT: There being no further business to come before the Council, 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