

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

A Regular Meeting of the Lexington City Council was held Tuesday, March 28, 2017, at the Lexington City Hall, 406 E. 7<sup>th</sup> Street, Lexington, Nebraska at 5:30 p.m. Members of the Council present were John Fagot, John Salem, Dora Vivas, Steve Smith and Jeremy Roberts. City Officials present were City Manager Joe Pepplichtsch, Assistant City Manager Dennis Burnside, City Attorney Brian Copley, Finance Director Barb Hodges, and Development Services Director Bill Brecks. The press was represented by KRVN and Clipper-Herald.

**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, 406 E. 7<sup>th</sup> Street, Lexington, Nebraska.

**MINUTES – REGULAR MEETING 3-14-17:** Minutes of the Regular meeting held Tuesday, March 14, 2017 were presented. Moved by Salem, seconded by Vivas, to approve the minutes as presented. Roll call. Voting “aye” were Salem, Roberts, Smith, Vivas, Fagot. Motion carried.

**CLAIMS & BILLS:** Claims and Bills in the amount of \$587,111.51 were presented for Council’s consideration and approval. Upon review of the Claims and Bills as listed, moved by Roberts, seconded by Smith, to approve the Claims and Bills as listed, and authorize the City Treasurer to transfer \$149,176.92 from General Fund, \$89,571.89 from Street Fund, \$5,830.92 from TIF, \$247,338.77 from LEXUS, \$31,088.11 from Sanitation, \$15,303.41 from Ambulance, \$4,787.42 from Health Fund, and \$44,014.07 from Meals on Wheels to the City of Lexington’s Operating Account. Roll call. Voting “aye” were Vivas, Roberts, Salem, Smith, Fagot. Motion carried.

**ACCOUNTS PAYABLE**

|                                |                                       |          |
|--------------------------------|---------------------------------------|----------|
| Awards Plus                    | PD / Service Award                    | 57.45    |
| Baker & Taylor                 | LB / Books                            | 37.03    |
| Barco Municipal Products, Inc. | ST / Stop-Slow Sign                   | 171.64   |
| Bob's True Value               | ST / Paint / Trash Cans / Hardware    | 89.54    |
| Adobe Acrobat                  | Admin / Software                      | 639.86   |
| Arby's                         | Police Council / Meal                 | 7.27     |
| City of Lincoln                | League of NE Municipalities / Parking | 11.25    |
| Dollar Tree                    | Supplies                              | 32.64    |
| Map Service Center             | Admin / Application Renewal           | 425.00   |
| Marriott                       | League of NE Municipalities / Hotel   | 1,806.42 |
| Microsoft                      | Admin / Software                      | 246.09   |
| Mobile Concepts                | FD / Safety Trailer Liquid Fog        | 209.00   |
| Post Office                    | Postage                               | 95.10    |
| Runza                          | League of Ne Municipalities / Meals   | 8.19     |
| Sketchup                       | Admin / Software                      | 743.65   |
| Survey Monkey                  | Admin / Software                      | 300.00   |

|                                    |                                       |            |
|------------------------------------|---------------------------------------|------------|
| Varidesk                           | Admin / Adjustable Desk/Mat           | 455.00     |
| Wall Street Gifts                  | Reimbursed Expense                    | 77.44      |
| Center Point Large Print           | LB / Books                            | 88.68      |
| Comfort Inn - Hastings             | PD / Training Lodging                 | 91.00      |
| Country Sampler                    | LB / Subscription                     | 19.98      |
| Danko                              | FD / Replace Flashlights              | 140.12     |
| Davis Energy                       | FD / ST / Fuel / Filter Repair        | 137.07     |
| Dawson County Treasurer            | TIF Taxes                             | 5,830.92   |
| Dugan                              | Admin / Checks                        | 342.14     |
| Electrical Engineering & Equipment | Admin / Light Bulbs                   | 96.31      |
| Energy Pioneer Solutions           | EPS Payments                          | 2,494.58   |
| Fire Extrication Hazmat            | FD / Fire Equipment Fees              | 157.90     |
| FYR-TEK                            | FD / Valve Repair                     | 371.65     |
| Gale/Cengage                       | LB / Books                            | 232.36     |
| Galls                              | PD / Uniforms                         | 339.05     |
| Glaze, Gary                        | ST / Map Holder                       | 130.00     |
| Great Western Bank-Lib. Petty Cash | LB / Postage / Craft Supplies / Books | 255.75     |
| Health Claims Fund                 | Claims                                | 4,604.90   |
| Holbein, Dahlas                    | Truck Maintenance / Repairs           | 1,000.00   |
| Ingram Library Services            | LB / Books                            | 212.76     |
| Jack's Uniforms & Equipment        | PD / Uniform                          | 299.44     |
| Jamie's Garage                     | WR / Auto Repair                      | 50.00      |
| Latina                             | LB / Periodical                       | 19.97      |
| Lexington, City of                 | Interdepartment Service Fees          | 56,514.00  |
| Lexington Newspapers               | Publications                          | 8.18       |
| Lexus                              | Utilities                             | 33,916.67  |
| Marriott                           | NE League of Municipalities / Hotel   | 1,308.00   |
| Martin's Flag Co                   | LB / Flag                             | 151.47     |
| Master Pitching Machine Inc        | PK / Pitching Machine Parts           | 89.13      |
| McCandless Snow & Mow              | ST / Snow Removal                     | 419.40     |
| Mead Lumber & Rental - Lexington   | PK / Fence Lumber / Paint             | 272.10     |
| Microfilm Imaging System           | LB / Contract                         | 391.00     |
| Mid-States Orgn. Crime Info Center | PD / Annual Membership                | 150.00     |
| Municipal Supply Inc of Nebraska   | WR / Tubing / Glands / Twist Plugs    | 1,513.39   |
| Nebraskaland Tire Inc              | WR / Truck Maintenance                | 44.90      |
| Nebraska Law Enforcement           | PD / Testing                          | 30.00      |
| Nebraska Library Association       | LB / Conference Registration          | 30.00      |
| NPHE Lab                           | WR / Testing                          | 182.00     |
| Nebraska Public Power District     | O & M                                 | 100,650.49 |
| OCLC Inc                           | LB / Subscription                     | 112.56     |
| Olsson Associates                  | WR / DHHS SW 1st Review Fee           | 1,040.33   |
| O'Reilly Auto Parts                | SW / Truck Parts                      | 63.98      |
| Plum Creek Medical Group           | ST / DOT Physical                     | 140.00     |
| Quality Books Inc                  | LB / Books                            | 651.26     |
| Randy's & Brian's Towing           | DV SRV / Towing / Storage             | 1,060.00   |
| Service Master                     | Janitorial Services                   | 5,093.75   |
| Summit Supply Corp                 | PK / Benches                          | 4,530.00   |
| TASC                               | Administration Fees                   | 182.52     |
| TO Haas Tire & Auto                | PD / Tire Repair                      | 19.74      |
| Todd Wilson, P.C.                  | Professional Fees                     | 1,200.00   |
| Verizon Wireless                   | Cell Phone Service                    | 349.68     |
| Walmart                            | LB / PK / Supplies                    | 98.50      |
| Zern, Michael                      | EL / Rebate                           | 208.50     |
| 4imprint                           | City Apparel                          | 1,269.98   |

|                                     |   |                     |
|-------------------------------------|---|---------------------|
| Baker & Taylor                      | LB / Books                              | 451.22              |
| Bennett, Susan                      | GGC / Mileage / Association Sr Centers  | 86.14               |
| Bob's True Value                    | AC / Paint / Supplies                   | 57.69               |
| Central Community College           | First Aid / CPR                         | 1,015.00            |
| Dan's Sanitation                    | Sanitation Fees                         | 31,088.11           |
| Davis Energy, Inc.                  | FD / Fuel                               | 80.29               |
| Eilers Machine and Welding Inc      | PK / Fence Repair                       | 473.46              |
| Electrical Engineering & Equipment  | EL / Light Pole Hardware / Wire Guard   | 549.67              |
| Fastenal                            | PK / Shop Drill                         | 218.99              |
| Galls                               | PD / Uniforms                           | 238.94              |
| Gilmore Bell                        | 2017 Hwy Allocation Bond Legal Exps     | 1,990.00            |
| Great Western Bank-City Petty Cash  | PD / WR / Uniforms / Meals / Veh Reg    | 146.17              |
| Great Western Bank-Lib. Petty Cash  | LB / Interlibrary Loan / Craft Supplies | 34.27               |
| Johnson Service Co                  | SW / Lift Station / Sewer Main          | 5,400.00            |
| Lexington City Payroll Account      |   |                     |
| Payroll                             | Wages                                   | 139,425.48          |
| Social Security                     | Employer Portion / FICA Med             | 10,362.90           |
| Union Bank & Trust                  | Employer Portion / Pension              | 4,743.13            |
| Union Bank & Trust                  | Police Pension                          | 2,607.41            |
| ICMA                                | City Manager Pension                    | 870.93              |
| Lexington, City of                  | Franchise Fees                          | 78,304.68           |
| Mead Lumber & Rental - Lexington    | PK / Fence / Paint / Shop Supplies      | 94.25               |
| Milco Environmental Services        | WWTP / Storm Water Prevention Plan      | 1,999.25            |
| Miller & Associates                 | ST / Atwood Dr / Professional Fees      | 2,126.25            |
| Nebraska Code Officials Association | DV SRV / Membership Dues                | 115.00              |
| Nebraska Library Association        | LB / Membership Dues                    | 30.00               |
| Nebraska Machinery                  | ST / Machine Maintenance / Loader       | 66,369.82           |
| O'Hanlon Seed                       | PK / SW Soccer Field Grass Seed         | 1,545.00            |
| Orthman Community YMCA              | Memberships                             | 842.00              |
| Paulsen Inc                         | PK / Fence Concrete                     | 294.12              |
| Spectrum Cable                      | Cable Services                          | 106.98              |
| Statewide Collection                | Collection Services                     | 98.01               |
| The Thompson Co                     | GGC / Food / Supplies                   | 1,242.30            |
| TL Sund Constructors Inc            | PK / Fence Top Caps                     | 15.28               |
| Village Uniforms                    | GGC / Janitorial Supplies               | 50.84               |
| Walmart                             | PK / Cleaning Supplies                  | 19.25               |
|                                     | <b>TOTAL CLAIMS:</b>                    | <b>\$587,111.51</b> |

**FINANCIAL REPORT:** Moved by Vivas, seconded by Salem, to accept the financial report for February 2017. Roll call. Voting “aye” were Vivas, Smith, Roberts, Salem, Fagot. Motion carried.

**ED PROGRAM:** Peplitsch reviewed an application to the Lexington Economic Development Program from McFarland Family Farms, LLC, and a draft loan agreement. He indicated the proposed loan would help fund an additional phase of improvements by the McFarland family including production and storage facility expansion, production equipment, and working capital. The loan would have a 10-year term at 0% interest, due in 10 equal annual installments beginning in April 2018. Max McFarland reviewed his company’s current plans and assistance request. Following discussion, moved by Salem, seconded by Vivas, to approve the application and authorize the City Manager to execute the loan agreement as presented. Roll call. Voting “aye” were Roberts, Smith, Vivas, Salem, Fagot. Motion carried.

**INFRASTRUCTURE PROJECT:** Peplitsch reviewed contract prices negotiated for the Southwest First Addition project, involving paving, storm sewer, water, and sanitary sewer construction to support the southwest housing redevelopment plan and projects. He noted that the general contractor on the project would be Paulsen, Inc. with a total project cost of \$1,079,286.70, which unit prices are consistent with open

and existing contractual costs with the City. Following discussion, moved by Roberts, seconded by Smith, to accept the negotiated unit prices, authorize a contract to Paulsen, Inc. for the Southwest First Addition project, and authorize the execution of all necessary documents. Roll call. Voting "aye" were Vivas, Salem, Smith, Roberts, Fagot. Motion carried.

**ORDINANCE:** Ordinance No. 2390 entitled "AN ORDINANCE AUTHORIZING A LOAN FROM A BANK TO THE CITY, EVIDENCED BY A PROMISSORY NOTE, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000.00) TO PROVIDE FINANCING FOR THE CONSTRUCTION OF PUBLIC INFRASTRUCTURE IMPROVEMENTS IN THE SOUTHWEST FIRST ADDITION, A SUBDIVISION OF THE CITY; PRESCRIBING THE TERMS AND FORM OF SUCH LOAN AND PROMISSORY NOTE; PROVIDING FOR PAYMENT OF THE INTEREST ON AND PRINCIPAL OF SUCH LOAN AND PROMISSORY NOTE; PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM; AND RELATED MATTERS" was presented. Peplitsch reviewed the ordinance and infrastructure plan in the Southwest First Addition. Following discussion, moved by Salem, seconded by Smith, to suspend the rules regarding the reading of an ordinance on three separate occasions. Roll call. Voting "aye" were Roberts, Vivas, Smith, Salem, Fagot. Motion carried.

Ordinance No. 2390 was presented on final reading. Moved by Salem, seconded by Vivas, to approve Ordinance No. 2390 on final reading. Roll call. Voting "aye" were Roberts, Smith, Vivas, Salem, Fagot. Motion carried.

**PAY REQUEST:** Peplitsch reviewed Pay Request #1 for the Northwest 5<sup>th</sup> Addition Improvements project from Midlands Contracting in the amount of \$80,884.35. Following a project update, moved by Smith, seconded by Roberts, to approve the pay request as presented. Roll call. Voting "aye" were Vivas, Salem, Roberts, Smith, Fagot. Motion carried.

**APPOINTMENT:** Mayor Fagot proposed Bill Brecks be appointed to fill the vacant term on the Lexington Housing Authority Board, due to the unfortunate passing of Julie Owens. Following discussion, moved by Salem, seconded by Vivas, to appoint Bill Brecks to fill the vacant term on the Lexington Housing Authority Board. Roll call. Voting "aye" were Smith, Roberts, Vivas, Salem, Fagot. Motion carried.

**ROUNDTABLE:** Peplitsch reviewed current projects and potential work session dates. Vivas indicated that she will not be able to attend the April 11, 2017 Council meeting. Roberts indicated that he will not be able to attend the April 11, 2017 Council meeting. Burnside noted that on April 5, the City will be receiving a Nebraska Community Forestry Outstanding Tree Care Award for past and planned community projects.

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

John Fagot, Mayor

Joe Peplitsch, City Manager

I, the undersigned City Manager 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.

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City Manager