

**MINUTES OF THE CITY COUNCIL REGULAR MEETING HELD DECEMBER 15, 2014,  
AT 7:00 P.M. IN THE BPS ADMINISTRATION MEETING ROOM, 320 NORTH 5<sup>TH</sup> ST,  
BEATRICE, NEBRASKA**

Mayor Wirth led those in attendance in the Pledge of Allegiance.

**1 – Roll Call:** Present: Mayor Wirth, Councilmembers Catlin, Clabaugh, Cook, Fairbanks, Kerr, Morgan, Parde  
Absent: Councilmember Billesbach

Mayor Wirth announced that a copy of the Open Meetings Act is posted in the meeting room and is accessible to members of the public.

Councilmember Billesbach arrived at 7:01 p.m.

**2 - Consent Agenda**

- a. Approve agenda as submitted.
- b. Receive and place on file all notices pertaining to this meeting.
- c. Receive and place on file all materials having any bearing on this meeting.
- d. Approval of minutes of regular meeting on December 1, 2014, as on file in the City Clerk's Office.
- e. Approval of Treasurer's Report of Claims
  - (1) Approval of claim of Main Street Beatrice in the amount of \$433.91
  - (2) Approval of claim of Clabaugh Pharmacy in the amount of \$225.00
  - (3) Approval of balance of Treasurer's Report of Claims in the amount of \$302,194.52
- f. Approval of BASWA Report of Claims
  - (1) Approval of BASWA claim of Clabaugh Pharmacy in the amount of \$50.00
  - (2) Approval of balance of BASWA report of Claims in the amount of \$21,068.83
- g. Write Off of Ambulance Bad Debts.
- h. Resolution Number 5710 appointing Jason Moore to fill the position of Certified City Street Superintendent with the Nebraska Department of Roads.
- i. Resolution Number 5711 approving amendment #2 to the City of Beatrice/Board of Public Works Flexible Benefit Plan.
- j. Resolution Number 5712 entering into a lease-purchase agreement with John Deere Financial for a 2013 JD Skid Steer Loader for the Street Department.
- k. Approval of manager application for James E. Larson in connection with the Liquor License D-99222 for the Shopko Hometown Store at 123 N 24<sup>th</sup> Street.

Moved by Catlin, seconded by Kerr, that the items listed under the consent agenda, with the exception of item j, be approved, accepted and/or ratified as presented; Clabaugh abstained from e(1), e(2), f(1)

Roll Call: Yea: Billesbach, Catlin, Clabaugh, Cook, Fairbanks, Kerr, Morgan, Parde  
Nay: None Motion Carried.

j - Moved by Catlin, seconded by Morgan, that Resolution Number 5712 entering into a lease-purchase agreement with John Deere Financial for a 2013 JD Skid Steer Loader for the Street Department be passed and adopted.

Councilmember Fairbanks questioned if the skid loader was a new addition or replacing another piece of equipment. Street Superintendent, Jason Moore, explained that the purchase is for a skid loader that is

currently being used through a per-hour lease agreement but the department is putting more hours on the piece of equipment than anticipated and it made more sense to enter into a five-year lease purchase agreement and own the equipment. The annual lease payment fits within the current budget, however, there are not funds budgeted for an out-right purchase. After five years the equipment should still have considerable resale value. Councilmember Cook questioned why the purchase had not been put out for bids; it was not bid out because it was for a piece of equipment currently being leased and this will change it to a lease-purchase to own.

Roll Call: Yea: Billesbach, Catlin, Clabaugh, Fairbanks, Kerr, Morgan, Parde  
Nay: Cook

Motion Carried.

### **3 - Public Hearings/Bids:**

**None.**

### **4 – Resolutions:**

- a. Resolution executing an agreement and related documents with NGage, for a grant in the amount of \$76,800 derived from LB840 funds, to be used for the payment of lease payments for a research and development facility located at 2000 Progress Blvd., Suite 200.**

Mayor Wirth introduced Resolution Number 5713 executing an agreement and related documents with NGage, for a grant in the amount of \$76,800 derived from LB840 funds, to be used for the payment of lease payments for a research and development facility located at 2000 Progress Blvd., Suite 200.

Moved by Catlin, seconded by Cook, that Resolution Number 5713 be passed and adopted.

Councilmember Morgan announced that he would have to abstain from participation and voting on both resolutions because he serves as the City Council voting member on the NGage Board.

Terry Doyle, member of the Citizens Advisory Review Committee (CARC), reported on the committee's review of the proposed lease to NGage, which will benefit Rare Earth Salts and Separation LLC, and that they had reviewed the company's finances and business plan, asked questions and got those answered, and ultimately voted to recommend both LB840 funding requests to the City Council for approval. Glennis McClure, Executive Director of NGage, and Andrea Schafer, President of the NGage Board, presented the process and due diligence the board went through to determine the application for funds, explained the company's business concept, and spoke of the opportunity to support a business such as Rare Earth in our community. NGage held several meetings with Allen Kruse, the company's Chief Executive Officer, and the message was always consistent; the business fits the original intent of the building, which is adjacent to Southeast Community College, and will bring in high-paying jobs that are above the average wage for this area and bring a return on this investment by those people living and spending here. Discussion held about supporting some past businesses that did not work out and the risk of investing in a new company and that you cannot guarantee it's success, however, it was noted that the owners have invested a substantial amount of their own money into the company and are in the process of raising an additional \$6 million dollars, of which \$2 million has already been raised, which brings capital investment into the community. Pat Ratigan, Vice President of the NGage Board, also spoke and asked the council to also look at past successes, and while there is no 100% guarantee to have faith that the NGage Board had taken their responsibility seriously and that they and the CARC Board recommended to bring forward for approval. Discussion held about the amount for rent and how it was calculated.

Moved by Fairbanks, seconded by Kerr, that the funding for rent be reduced from \$76,800 to \$38,322.

Councilmember Fairbanks questioned the cost per square foot which he felt was high and that the agreement begins on October 1<sup>st</sup> so he proposed that the rent be reduced for the first three months which are already paid. Also, a portion of the building is unfinished, so until it is completed he proposed that the cost per square foot to rent the unfinished portion be reduced. Discussion followed that the lease was dated in October but it took time to work through the process to bring the agreement forward to council and that they are working on finishing the remainder of the space soon, hopefully in January. Allen Kruse, Chief Executive Officer of Rare Earth, explained that when looking around for a location in Gage County this was the only space that was willing to do the work to transform their space to handle a wet/dry lab and that because of these use demands the cost per square foot is higher. He further explained that the request for twelve months rent goes forward from when this agreement is approved and build out is complete, which is anticipated to be in January 2015.

Roll Call: Yea: Fairbanks, Kerr  
Nay: Billesbach, Catlin, Clabaugh, Cook, Parde  
Abstain: Morgan

Motion Failed.

Vote on original motion:

Roll Call: Yea: Billesbach, Catlin, Clabaugh, Cook, Parde  
Nay: Fairbanks, Kerr  
Abstain: Morgan

Motion Carried.

Resolution Number 5713 has been passed and adopted.

- b. Resolution executing an agreement and related documents with NGage, for forgivable loans totaling \$250,000 derived from LB840 funds, to implement and administer an economic development project to benefit Rare Earth Salts Separations and Refining LLC.**

Mayor Wirth introduced Resolution Number 5714 executing an agreement and related documents with NGage, for forgivable loans totaling \$250,000 derived from LB840 funds, to implement and administer an economic development project to benefit Rare Earth Salts Separations and Refining LLC.

Moved by Catlin, seconded by Clabaugh, that Resolution Number 5714 be passed and adopted.

Councilmember Kerr appreciated that NGage had done their due diligence, but was still not comfortable with the project. Councilmember Fairbanks explained he had looked at every angle and his vote would reflect his decision. Terry Doyle, CARC committee member, reminded the council of the past successes; companies that the City has provided funding to that have done good things for the community.

Roll Call: Yea: Billesbach, Catlin, Clabaugh, Cook, Parde  
Nay: Fairbanks, Kerr  
Abstain: Morgan

Motion Carried.

Resolution Number 5714 has been passed and adopted.

## **5 – Ordinances:**

- a. Ordinance establishing electric utility rates.**

Mayor Wirth introduced an Ordinance establishing electric utility rates.

Moved by Catlin, seconded by Kerr, that said ordinance be given number 14-033, the title thereof be approved, the rules be suspended and said ordinance be read by number only three times tonight.

Roll Call: Yea: Billesbach, Catlin, Clabaugh, Cook, Fairbanks, Kerr, Morgan, Parde  
Nay: None Motion Carried.

Mayor Wirth read Ordinance Number 14-033 by number only the first, second and third time.

Moved by Catlin, seconded by Cook, that Ordinance Number 14-033 be passed and approved.

City Administrator/BPW Manager, Tobias Tempelmeyer, explained that at budget time the proposed 1% increase was discussed and that a consultant had been retained, JK Energy, to review the current rates and Nebraska Public Power District (NPPD) rates and recommended a larger increase on winter rates than summer. The proposed rate increases pass along the transmission rate from NPPD, starting January 1.

Roll Call: Yea: Billesbach, Catlin, Clabaugh, Cook, Fairbanks, Kerr, Morgan, Parde  
Nay: None Motion Carried.

Ordinance Number 14-033 has been passed and approved.

#### **6 – Public Forum:**

No one appeared at public forum.

#### **7 – Discussions/Reports:**

##### **a. City Administrator’s Monthly Report**

City Administrator Tempelmeyer presented the City Administrator’s Monthly Report and highlighted the following items: currently working with NPPD and other providers on wholesale contracts; looking for a structural engineer to assist with the demolition of 407 Court Street; the Supreme Court ruled in the City’s favor regarding a 3.5 year junked motor vehicle case; the police department has hired two new police officers to fill vacant positions; Burlington Northern Railroad is re-locating their rail line along the river, therefore, the electric and water departments had to move some utility lines, which was not budgeted for; and installation of the new electric metering system may begin in January or February.

#### **8 – Executive Session:**

Moved by Catlin that the Beatrice City Council go into closed session at 8:21 p.m. for the protection of public interest to discuss union negotiations.

Seconded by Morgan that the Beatrice City Council go into closed session at 8:21 p.m. for the protection of public interest to discuss union negotiations.

Mayor Wirth announces that it has been moved by Catlin, seconded by Morgan, that the Beatrice City Council go into closed session at 8:21 p.m. for the protection of public interest to discuss union negotiations.

Roll Call: Yea: Billesbach, Catlin, Clabaugh, Cook, Fairbanks, Kerr, Morgan, Parde  
Nay: None Motion Carried.

Reconvened at: 9:05 p.m.

