

**Citizens Advisory Review Committee
Agenda
October 12, 2015 – 5:30 p.m.
City Hall Conference Room
400 Ella Street – Beatrice, Nebraska**

1 - Roll Call

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 September 21, 2015 meeting.

3 - Public Hearings/Bids: None

4 - Resolutions: None

5 - Ordinances: None

6 - Public Forum:

7 - Discussions/Reports:

- a. Financial Report as of September 30, 2015.
- b. Status of Outstanding LB840 Economic Development Fund Projects.
- c. Status of Outstanding CDBG Revolving Loan Fund Projects.
- d. Semi-Annual Report to City Council on October 19, 2015.

8 - Adjournment

NOTICE OF MEETING

Notice is hereby given that a meeting of the Citizen Advisory Review Committee as provided by the Local Option Municipal Economic Development Act R.R. S, 1943, Section 18-2701 et seq. will be held at 5:30 p.m. on October 12, 2015, at City Hall, 400 Ella Street, Beatrice, NE, which meeting will be open to the public. An agenda for such meeting is available for public inspection at the office of the City Clerk.

Erin Saathoff
City Clerk

October 7, 2015

MINUTES OF THE CITIZENS ADVISORY REVIEW COMMITTEE

A meeting of the Citizens Advisory Review Committee was held on the 21st day of September, 2015 at 5:30 p.m. in the City Hall Conference Room, 400 Ella Street, Beatrice, Nebraska.

ROLL CALL

Attending: Committee Members: Chairman Jones, Doyle, Russell
Absent: Committee Members: White

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

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 July 16, 2015 meeting.

Moved by Russell, seconded by Doyle, that the items listed under the consent agenda be approved as presented.

Roll Call: Yea: Doyle, Jones, Russell
Nay: None

MOTION CARRIED.

PUBLIC HEARINGS/BIDS

There were no public hearings/bids.

RESOLUTIONS

There were no resolutions.

ORDINANCES

There were no ordinances.

PUBLIC FORUM

No one appeared at public forum.

DISCUSSION ITEMS

Financial Report

Tobias Tempelmeyer, City Administrator, advised the Committee that the current LB840 funds balance as of July 31, 2015 is \$817,461.70 and the CDBG Reuse Loan Fund balance is approximately \$63,028.50.

Moved by Doyle, seconded by Russell to receive and place on file.

Roll Call: Yea: Doyle, Jones, Russell
Nay: None

MOTION CARRIED.

Status of CDBG Revolving Loans and LB840 Projects

Tempelmeyer reviewed the CDBG and LB840 outstanding loans.

Write off of bad debts for Blue Valley Automation CDBG Loan dated April 28, 2009, Store Kraft CDBG Loan dated November 23, 2009, and Store Kraft CDBG Loan dated May 23, 2014

Tempelmeyer reviewed the previous CDBG loans made to Blue Valley Automation, 5Stat-Store Kraft, and Store Kraft. Tempelmeyer advised of the outstanding balance on each of these loans and any payments that were made.

Moved by Russell, seconded by Jones, to recommend to the Mayor and City Council the write off the bad debts for Blue Valley Automation CDBG Loan dated April 28, 2009, Store Kraft CDBG Loan dated November 23, 2009, and Store Kraft CDBG Loan dated May 23, 2014.

Roll Call: Yea: Doyle, Jones, Russell
Nay: None

MOTION CARRIED.

LB840 Loan Application from Dempsters, LLC

Ryan Mitchell, President of Dempsters Manufacturing, LLC, provided an overview of their application and noted that on the application Nebraska Enterprises Fund had been subsequently paid off. Mitchell was comfortable with adding two (2) full time employees and two (2) part time employees.

Committee Member Doyle asked if the current location at 711 S 6th Street was still working well for Dempsters. Mitchell indicated they were looking for a new building to lease. Mitchell stated that he still has the first tax liens on the building and that he had contacted Store Kraft about acquiring just the welding part of their old building; however, the bank had no interest in selling just a part of it.

Mitchell indicated that Dempsters was at Husker Harvest days and it went well.

Committee Member Doyle asked if Dempsters would be back for more money. Mitchell indicated that they would likely be back for another loan, but did not see the amount of money increasing. Mitchell stated that he is looking at the META fund and to work again with NEF.

Chairman Jones then asked about the financials that were provided, specifically about the cash balance, negative equity, and total liability of the company. Mitchell indicated that the total assets of the company are approximately \$873,000 and he is adding an additional \$500,000 in cash from the loan from the City and from the bank. Mitchell also indicated that the large loan on the books for approximately \$1,000,000 is his purchase price of the business.

Chairman Jones then asked that sales were up the margins were good; however, net income was down and there seems to be a lack of cash on hand. Mitchell responded by stating that October and November tend to be a big time for Dempsters. Mitchell also indicated that the City would have a second position on collateral. Chairman Jones then inquired as to the inventory listed on Dempsters financials. Mitchell stated that the inventory listed on the financials are for the current production of spreaders and that there is another \$300,000 to \$400,000 of old inventory that is being sold but is not included as inventory on the balance sheet.

Committee Member Doyle then asked Mayor Wirth if the bank was comfortable with the collateral. Mayor Wirth indicated that they were.

Moved by Doyle, seconded by Russell, that the LB840 funding request for Dempsters, LLC, in the amount of \$225,000 for one (1) year be recommended to the Beatrice City Council for approval.

Roll Call: Yea: Doyle, Russell
Nay: Jones

MOTION CARRIED.

ADJOURNMENT

Moved by Doyle, seconded by Russell, that the meeting be adjourned at 6:07 p.m.

Roll Call: Yea: Doyle, Jones, Russell
Nay: None

MOTION CARRIED.

CITY OF BEATRICE
BALANCE SHEET
SEPTEMBER 30, 2015

CDBG FUND

ASSETS

05-00-101-00	CASH-REVOLVING LOAN FUND	74,070.96	
05-00-120-01	LOAN RECEIVABLE-CANNED HAMS	170,847.41	
05-00-120-03	LOANS RECEIVABLE LMRRLR	80,000.00	
05-00-120-08	LOANS RECV-HOMESTEAD AUTO GLAS	15,270.03	
	TOTAL ASSETS		340,188.40

LIABILITIES AND EQUITY

FUND EQUITY

05-00-250-01	RESERVED FOR NONCURRENT LOANS	359,122.24	
05-00-250-02	RESERVE FOR REVOLVING LOANS	263,482.90	
	UNAPPROPRIATED FUND BALANCE:		
	REVENUE OVER (UNDER) EXPENDITURES - YTD	(282,416.74)	
	BALANCE - CURRENT DATE	(282,416.74)	
	TOTAL FUND EQUITY		340,188.40
	TOTAL LIABILITIES AND EQUITY		340,188.40

CITY OF BEATRICE
BALANCE SHEET
SEPTEMBER 30, 2015

ECONOMIC DEVELOPMENT FUND

ASSETS

50-00-101-00	CASH	470,052.35
50-00-104-00	INVESTMENTS	400,000.00
50-00-120-00	ACCOUNTS RECEIVABLE	1,276.00
50-00-120-04	LOAN RECEIVABLE-LMRRRL	60,000.00
50-00-120-05	LOAN RECEIVABLE-DEMPSTERS LLC	225,000.00
50-00-120-09	LOAN RECEIVABLE-NGAGE RE	100,000.00
		1,256,328.35
	TOTAL ASSETS	1,256,328.35

LIABILITIES AND EQUITY

FUND EQUITY

50-00-250-01	RESERVED FOR ECONOMIC DEV.	1,128,265.20
	UNAPPROPRIATED FUND BALANCE:	
	REVENUE OVER (UNDER) EXPENDITURES - YTD	128,063.15
		128,063.15
	BALANCE - CURRENT DATE	128,063.15
	TOTAL FUND EQUITY	1,256,328.35
	TOTAL LIABILITIES AND EQUITY	1,256,328.35

CITY OF BEATRICE, NEBRASKA
 ECONOMIC DEVELOPMENT FUND
 STATEMENT OF REVENUES & EXPENDITURES
 As 9/30/2015 with comparative prior totals

	Current YTD 10/1/14 to date	3rd 10 years 4/1/13 - 9/30/14	2nd 10 years 4/1/03-3/31/13	1st 10 years 4/1/93-3/31/03
Revenues:				
Sales Tax	\$ 250,000.00	\$ 307,965.61	\$ 2,521,107.54	\$ 2,529,398.94
Grants	300,000.00	28,724.00	0.00	0.00
Interest	4,660.87	4,023.23	165,198.15	98,352.08
Misc. Revenues/Rents (Wesflex, farm)	18,940.10	30,008.00	148,209.92	201,279.85
Loan Repayments	112,297.32	0.00	0.00	736,975.80
Land Sales/Bldg Sales	0.00	20,000.00	589,847.99	333,899.18
Loan/Bond Proceeds		0.00	0.00	1,394,594.50
Reimbursement (FY15-Branding Project)	15,500.00	0.00	237,000.00	1,779.00
Total Revenues	\$ 701,398.29	\$ 390,720.84	\$ 3,661,363.60	\$ 5,296,279.35
 Expenditures/Obligations:				
Bond Issuance Expenses			0.00	14,610.60
Building Capital (J & J/Wesflex)			17,302.78	821,878.24
Building Capital (MW Coatings)			0.00	151,330.58
Building Capital (Peak Labs)			0.00	493,483.28
BVA Support (loan guarantee settlement)			225,000.00	0.00
Industrial Park Improvements			15,183.04	162,769.92
Land Purchases		97,672.40	289,736.04	442,922.09
Rail Spur			0.00	613,308.48
Professional Services (Ngage)	78,435.14	86,878.81	954,857.26	2,650.00
ED Offices			125,000.00	0.00
Other Expenditures (Comp Plan, Branding)	27,300.00	70,212.00	45,022.28	23,097.83
Paving/Water/Sewer Imp.		59,047.66	893,128.77	140,647.21
DED SBDF Grant-NEAPCO	300,000.00			
ED Loan-LMRRRLR LLC	60,000.00			
ED Loan-Dempsters	335,000.00			
ED loan-Knowledge Marketing			465,000.00	0.00
ED Loan-Ngage (for Rare Earth)	157,600.00			
Business Park			96,763.77	261,037.95
Total Expenditures/Obligations	\$ 958,335.14	\$ 313,810.87	\$ 3,126,993.94	\$ 3,127,736.18
CDBG Reuse Loan Repayment			86,380.86	122,381.35
Bonds & Int. Paid to Date			-	1,444,071.39
 Excess(Def) of Rev over Exp	 \$ (256,936.85)	 \$ 76,909.97	 \$ 447,988.80	 \$ 602,090.43
 Balance at Beginning of Period	 1,126,989.20	 1,050,079.23	 602,090.43	 0.00
Balance at End of Period	<u>870,052.35</u>	<u>1,126,989.20</u>	<u>\$ 1,050,079.23</u>	<u>\$ 602,090.43</u>
 Funds Available	 <u>\$ 870,052.35</u>	 <u>\$ 1,126,989.20</u>		