

MINUTES OF THE CITIZENS ADVISORY REVIEW COMMITTEE

A meeting of the Citizens Advisory Review Committee was held on the 14th day of January, 2015 at 5:30 p.m. in the City Hall Conference Room, 400 Ella Street, Beatrice, Nebraska.

Attending: Committee Members: Chairman Jones, Russell, and White.
Absent: Doyle and Johnsen.
Also Present: City Administrator Tobias Tempelmeyer, Mayor Wirth, Glennis McClure, Rob and Leanne Ruskamp.

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 December 29, 2014 meeting.

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

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

MOTION CARRIED.

FINANCIAL UPDATE

Tobias Tempelmeyer, City Administrator, advised the Committee that the current LB840 funds balance as of December 29, 2014 is \$821,812.67 and the CDBG Reuse Loan Fund balance is approximately \$93,000.00.

DISCUSSION ITEMS

a. Consideration of LB840 and Revolving Loan Fund Request from LMRRLR, LLC

Tempelmeyer advised the group that the Ruskamp's were requesting \$80,000.00 of CDBG Reuse Loan Funds and \$60,000.00 of LB840 Funds for a total of \$140,000.00. The Ruskamp's were also requesting that \$70,000.00 of the \$80,000.00 CDBG Funds be forgiven.

Committee Member Russell asked how the Ruskamp's came up with the value of the company. Leanne Ruskamp advised that they went to UNL and had an appraisal done on the business.

Committee Member Russell asked how much Dawg's Hut was making annually. Leanne Ruskamp advised that the business was grossing \$350,000.00 annually and netting \$75,000.00 annually.

Chairman Jones asked what if the CDBG Loan was not forgivable. Rob Ruskamp advised they could work with that.

Mayor Wirth asked if it was a triple net lease and who would be paying for the improvements. Leanne Ruskamp advised they had not yet talked to the landlord about improvements they would like to make to the building and that it is a triple net lease.

Committee Member Russell asked the number of employees currently employed at Dawg's Hut. Leanne Ruskamp advised that there are three (3) full-time and some part-time during the busy times of the year.

Committee Member White asked if this was a new type of business for the Ruskamp's. Leanne Ruskamp advised that she has a background in marketing and digital design.

Committee Member Russell stated that \$175,000.00 is a lot of money for this business and asked if a lot of blue sky was being purchased. Leanne Ruskamp said that the seller had a good clientele having been in business for twenty (20) years.

Committee Chairman Jones asked if the seller would be staying on to assist in the transition. Leanne Ruskamp advised that the seller would be staying on for a couple of weeks and then would be available as a consultant. Rob and Leanne Ruskamp also advised they are working with a mentor from the SCORE office.

Committee Chairman Jones stated he was struggling with financing one hundred percent (100%) of purchasing a business. Leanne Ruskamp advised they have ten thousand dollars (\$10,000.00) that they are able to put into the business.

Committee Chairman Jones stated this was not an easy decision to make. Mayor Wirth indicated that the cash available for debt service is good. Committee Member Russell stated that he would say "no" to any portion of the CDBG Loan being forgivable. Committee Chairman Jones agreed stating that he would like to see the money come back in order to be reused.

Moved by Russell, seconded by White, that the CDBG Revolving Loan funding request and LB840 funding request from LMRRLR, LLC to purchase Dawg's Sports Specialties, Inc., 2315 Court Street, #A and provide working capital in the amount of working capital in the amount of \$140,000.00 be recommended to the Beatrice City Council for approval.

Roll Call: Yea: Jones, White
 Nay: Russell

MOTION CARRIED.

b. Consideration of LB840 funding request from Gopalji, LLC, d/b/a Victorian Inn.

Tempelmeyer advised the Committee that Dan and KJ Patel were requesting a \$300,000.00 loan of LB840 funds for the expansion of their hotel.

Committee Member Russell stated that if we have collateral he was ok with making the loan. Committee Chairman Jones indicated that the project was already financed, that there would be little job creation, and the jobs that would be created would be at minimum wage. Mayor Wirth

indicated that the hotel would be adding additional rooms which would help keep people in the community during busy times of year such as ball season. Committee Chairman Jones also indicated he was concerned about the amount of LB840 funds available. Committee Member Russell advised that since the Patel's were applying only to beat the interest rate offered by other banks that he would suggest a three percent (3%) interest rate and that it be amortized or have a balloon payment somewhere between five (5) and seven (7) years.

Moved by Russell, seconded by White, that the LB840 funding request from Gopalji d/b/a Victorian Inn, 1903 North 6th Street, for motel expansion in the amount of \$300,000 be recommended to the Beatrice City Council for approval.

Roll Call: Yea: Russell, White
 Nay: Jones

MOTION CARRIED.

ADJOURNMENT

Moved by Russell, seconded by White, that the meeting be adjourned at 6:05 p.m.

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

MOTION CARRIED.