

MINUTES OF THE BEATRICE CITY COUNCIL WORK SESSION

A work session of the Beatrice City Council was held on the 25th day of June, 2018 at 7:00 p.m. at the BPS Administration Building Board Room, 320 North 5th Street, Beatrice, Nebraska.

ROLL CALL

Attending: Mayor Wirth, Councilmembers: Billesbach, Catlin, Clabaugh, Cook, Fairbanks, Morgan, Parde.

Absent: Kerr.

Mayor Wirth announced that a copy of the Open Meetings Act is posted in the meeting room 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.

Moved by Catlin, seconded by Morgan that the items listed under the consent agenda be approved, accepted, and/or ratified as presented.

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

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.

DISCUSSIONS/REPORTS

Cardboard Ban

Tobias J. Tempelmeyer, City Administrator/General Manager, noted the Council had discussed the possibility of banning cardboard from the Landfill at a previous work session. Tempelmeyer explained that since then, he met with Bruce Von Busch who relayed information about the outcome of the recent cardboard ban in Lincoln. Von Busch explained that at the moment, Lincoln is not pursuing those who violate the ban, but rather has been using violations as opportunities to educate. Von Busch said the Lincoln landfill anticipates \$1.5 million in lost gate fees this year as a result of the cardboard ban. Additionally, the Lincoln landfill had to hire an additional four (4) to five (5) employees to sort loads for cardboard and inspect trucks at random.

Tempelmeyer noted that Von Busch brought up the fact that the Lincoln landfill only accepts garbage from there. Whereas, the Beatrice Landfill has contracts to accept garbage from nearby communities. Therefore, if Beatrice was to implement a cardboard ban at the Landfill, other communities bringing garbage to the Landfill would also have to be notified and required to comply.

Tempelmeyer noted in Beatrice much of the cardboard is already recycled. There are only two (2) large businesses that do not routinely recycle their cardboard. Tempelmeyer explained that purchasing and placing a cardboard dropoff container would cost approximately \$6,000. For a recycling container that is divided up and has spaces for all recyclables, the cost would be about \$20,000. Tempelmeyer relayed Von Busch offered to temporarily provide a roll off if the City wishes to place receptacles for cardboard recycling to gauge the community response. Tempelmeyer also noted if the City were to implement a mandatory curbside recycling program, there would be a cost associated with providing totes to all residences.

Councilman Cook noted he still supports the cardboard ban. Cook explained recently his place of employment has mandated recycling and it is really not that difficult, it just takes a little getting used to.

Councilman Morgan voiced his opinion that he does not think the City is ready for mandatory recycling. Morgan believes that in considering adding a new mandatory charge onto resident's garbage bills, the Council should take into consideration the fact that it is already being proposed that the sales tax be increased to help fund a new fire station.

Councilman Parde inquired whether the City currently owns any recycling trailers and Tempelmeyer noted the City did have one (1) recycling trailer, however, has authorized the Beatrice State Developmental Center to use it.

Councilman Clabaugh inquired whether figures were available to approximate how long the life of the Landfill would be extended by a cardboard ban. Tempelmeyer explained that no concrete numbers were available, but based on educated guesses, a cardboard ban would add roughly one (1) month onto the life of a cell at the Landfill over the course of seven (7) years.

Mayor Wirth inquired as to whether the Landfill would lose business from other communities as a result of a cardboard ban. Tempelmeyer explained each contract with the smaller communities is different. Some are charged by the residence, some by the ton. Only in instances where the charge is based on tonnage would the Landfill risk losing money.

Councilman Fairbanks noted there was blowback when the City mandated citywide garbage pickup. Councilman Fairbanks suggested no matter what action the Council takes, it would have to be made palatable. Councilman Fairbanks expressed his opinion that if the Council chooses to mandate any form of recycling, it would have to be citywide and apply to all recyclables to be effective.

Mayor Wirth asked whether a drop off site for recyclables would just fill up with trash. Councilman Fairbanks noted in Lincoln, the cardboard receptacles have a slot to insert cardboard, preventing the insertion of trashbags or larger items. Tempelmeyer noted those receptacles are the ones that cost approximately \$6,000.

Mayor Wirth suggested the City place out roll offs for a ninety (90) day period to see what the community response is. Councilman Parde noted that we should also contact the two (2) large cardboard users in the City that do not currently recycle. Councilman Morgan noted Southeast Community College is only charged \$120 a year to have their cardboard picked up and that businesses who do not currently have their cardboard recycled would likely to do so if they knew how reasonable the price was.

Business Improvement District (BID)

Tobias J. Tempelmeyer, City Administrator/General Manager, noted the Council has previously discussed a BID, but did not take any action. Tempelmeyer explained that to implement a BID, the City would need to designate the boundaries of the District and those within the boundaries would pay an additional tax. The money would go back to improvements within the District such as benches, sidewalks, and trash receptacles.

Michael Sothan, Main Street Executive Director, noted other Nebraska BIDs such as Kearney, Fremont, Hastings, and Grand Island, have been used primarily for beautification. Sothan explained that eligible improvements include sidewalks, architectural assessments of existing structures, and event planning, but not improvements to privately owned properties.

Councilman Clabaugh inquired what the businesses think about this. Sothan explained they have not yet surveyed the downtown businesses for a response because the cost of the BID, or the improvements that would be pursued have not been identified. Sothan noted very rough estimates completed by former City Attorney Greg Butcher projected roughly \$30-40k a year would be collected if the City of Beatrice were to designate a BID similar to that of Hastings, Nebraska.

Tempelmeyer noted the City would be permitted to have multiple districts. Sothan indicated he plans to speak further with other Nebraska communities about BIDs.

PACE Financing

Abby Stark, City Attorney, introduced the basics of PACE Financing to the Council, explaining that PACE stands for Property Assessed Clean Energy. Stark explained PACE financing is used to finance energy efficient improvements or new construction. The loan for improvements attaches to the property as a voluntary tax assessment, thus relieving property owners of the worry that they will transfer ownership of their property before realizing the benefit from a large investment. Stark indicated that Chris Peterson is very knowledgeable about the topic and was present at the meeting.

Chris Peterson, with PACE Sage Capital, introduced himself to the Council and explained that PACE loans are repaid along with the property tax bill. Peterson explained a PACE loan is voluntary for everyone involved and part of the appeal is that 100% of a project can be financed, including both hard and soft costs. Peterson explained the length of the loan is determined by the useful life of the improvements being made. Both the loan and the improvements made stick with the property.

Peterson explained recent changes to State legislation mean a PACE loan applicant can make their payments directly to the lender, as opposed to making the payments to the County, who then pays the City, who then pays the lender. Peterson said part of the appeal for a PACE loan is that the obligation can be passed on to the tenants of the buildings, or in the case of a hotel, to the guests. Another unique feature is that the loans can be made retroactively for energy efficient improvements already made. Peterson mentioned Omaha recently approved a PACE ordinance and Lincoln has a PACE ordinance pending approval.

Councilman Clabaugh asked how much of a reserve fund the City would be required to maintain and how much work is required for the City to approve PACE loans. Peterson explained the only time a reserve fund is needed is if residential PACE loans are made. The vast majority of cities that authorize PACE loans only authorize commercial PACE loans, not residential. Peterson said the recent legislative changes authorizing direct payment from borrower to lender reduce the administrative burden on cities and counties. Also, state law authorizes cities to enter into an agreement with other cities that already administer PACE loans.

Peterson explained that whoever the City designates as the PACE loan administrator is really only responsible for ensuring information on the application satisfies the statutory requirements. Administrative fees are authorized and once the second or third PACE loan comes through, the fees will likely offset the time spent to review the applications.

Tempelmeyer inquired who drafts the assessment contracts for the loans. Peterson explained the assessment contract is between the borrower, the city, and the lender. There is a template for the contract which has already been refined as a result of Omaha passing their PACE ordinance. Tempelmeyer expressed concern that a PACE loan would affect the resale value of a property. Peterson said it is true that some buyers might pass on a property that has a PACE loan, however the improvements made with the loan are often substantial and really it is just another element to be considered in negotiations.

Mayor Wirth asked if the reason why banks shy away from PACE loans is because they must subordinate their mortgage lien. Peterson replied yes, that is why banks often shy away, but often times, banks warm up after it is explained that the assessment does not accelerate. In other words, if the property is foreclosed on, the only PACE payments that are paid out are those already delinquent. Future PACE payments are assumed by the new owner.

Tempelmeyer suggested further research be undertaken and brought back to the Council for consideration.

EXECUTIVE SESSION

Moved by Catlin, seconded by Billesbach, that the Beatrice City Council go into closed session at 8:09 p.m., for the protection of public interest to discuss real estate.

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

Nay: None.

MOTION CARRIED.

Reconvened at 8:19 p.m.

ADJOURNMENT

Moved by Catlin, seconded by Billesbach, that the meeting be adjourned at 8:19 p.m.

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

Nay: None.

MOTION CARRIED.