

**City of Seward, NE**  
**Tuesday, February 3, 2015**  
**Regular Session**

**Item G2**

**CONSIDERATION OF APPROVAL OF DRAFT MINUTES OF  
JANUARY 20, 2015 - Bonnie Otte**

**Staff Contact:**

The Seward City Council met at 7:00 p.m. on Tuesday, January 20, 2015, with Mayor Joshua Eickmeier presiding and Assistant Administrator/Clerk-Treasurer/Budget & Human Resources Director Bonnie Otte recording the proceedings. Upon roll call, the following Councilmembers were present: Charles Lieske, Ellen Beck, Sid Kamprath, Dean Fritz, Barbara Pike, John Singleton, Chris Schmit, Richard Hans. Other officials present: City Attorney Kelly Hoffschneider. Absent: Interim City Administrator Jack Vavra.

Notice of the meeting was given in advance thereof by the method of communicating advance notice of the regular and special meetings of the City Council of the City of Seward, Nebraska, as stated in Resolution Number 14-99, which was adopted on the 17th day of August, 1999; said method stating that the notice of such meeting, with the agenda thereon, be posted in the following places: City Hall, County Courthouse and Seward Public Library. The certificate of posting notice is attached to these minutes. Notice of this meeting was simultaneously given to the Mayor and all members of the City Council and a copy of their acknowledgment of receipt of notice and the agenda are attached to these minutes. Availability of the agenda was communicated in the advance notice and in the notice to the Mayor and Council of this meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

THE PLEDGE OF ALLEGIANCE

Mayor Eickmeier announced that a copy of the Agenda for this meeting is posted in the front window of the Municipal Building and copies are available on the north wall where a copy of the Open Meetings Act is also posted for public inspection. He also noted that any citizen wishing to address the Council should come to the podium, state their name and address and limit their comments to five minutes. All remarks should be directed to the Mayor/Chairperson, who will then determine who will make any appropriate response. The City of Seward reserves the right to adjust the order of items on this agenda if necessary and may elect to take action on any of the items listed.

1. APPROVAL OF MINUTES OF JANUARY 6, 2015 COUNCIL MEETING

Councilmember Pike moved, seconded by Councilmember Singleton, that the minutes of the January 6, 2015 City Council meeting be approved.

Aye: Schmit, Hans, Lieske, Beck, Kamprath, Pike, Singleton, Fritz

Nay: None

Absent: None. Motion carried.

2. CONSENT AGENDA CONSIDERATION ITEMS

Councilmember Singleton moved, seconded by Councilmember Pike, that the following Consent Agenda items be approved in one single motion:

- A. Claims & Payables Reports
- B. City Clerk-Treasurer Report
- C. City Codes Director Report
- D. Police Department Report
- E. Seward County Economic Development Corporation Director's Report
- F. Add Joseph Yant, Jessie Yant, and Mitchell Anderson to list of Volunteer Firefighters
- G. Approve Refuse Hauler's Licenses
- H. Infrastructure Cost Items Reimbursable Back to the City.

CLAIMS LIST  
1-20-15  
COUNCIL MEETING

Abbreviations: Bu, Building Upkeep; Eq, Equipment; Ex, Expense; Ma, Maintenance; Mi, Mileage; Misc, Miscellaneous; Re, Repairs; Sa, Salaries, Se, Services; Su, Supplies; Ut, Utilities, CI, Capital Improvements.

Payroll	115,366.47
Alliance Technologies, Se	1,284.73
Black Hills Energy, Ut	1,738.29
Advanced Floor Care, Ma	250.00
Melvin Aldrich, Ex	90.00
Amazon.Com Credit, Su	660.86
Alamar Uniforms, Misc	662.15
Nickalas Bloebaum, Ex	90.00
Car & Driver Magazine, Su	12.00
Kent Brunckhorst, Ex	90.00
Baker & Taylor, Su	2,930.27
Charlotte Baldinger, Mi	27.61
Chemsearch, Su	198.37
Alan Cihal, Ex	90.00
Capital Business Systems, Ma	79.00
Center Point Large Print, Su	116.00
Library Petty Cash, Su	93.70
Continental Fire/Alarm/Detect, CI	7,172.50
Demco, Inc., Su	228.19
D&D Communications, Eq	2,466.00
Commonwealth Electric, Re, Bu, Ma	1,927.70
Danko Emergency Equipment, Re, Eq	4,716.40
Don's Pioneer Uniform, Eq	96.94
Clayton Dredge, Ex	90.00
Bryan Duer, Ex	90.00
Merchant Services, Ex	958.34
Emergency Medical Products, Su	239.60
Steven Ferguson, Ex	90.00
Fastenal Co, Su, Re	404.07
Gabriel Burger & Else, Se	2,200.00
One Call Concepts, Se	42.25
Graham Tire, Re, Ma	1,364.00
Ryan Hurst, Ex	90.00
Hemphill Electric, Bu	125.00
John Hughes, Ex	90.00
H&S Plumbing, Ma	1,220.00
Dan Hansen, Ex, Ma	276.80
Hobson Automotive & Tire, Re	141.34
Hach Company, Se	3,548.32
Horticulture Magazine, Su	44.95
Jared Hochstein, Ex	90.00
Harding & Shultz, Se	2,495.90
Hartmann Custom Service, Se	15,606.30
Husker Electric Supply, Se	719.04
Jaco Analytical Lab, Su	1,449.00
Intoximeters, Su	37.50
International Paper, Se	125.00
Meyer Automotive, Re	10.00
Randy Johner, Ex	90.00
Jackson Services, Ma	123.12
Lincoln Winwater Works, Ma	531.27
Kriz-Davis, Se	5,051.47
Latschs, Su	39.78
Midwest Auto Parts, Su, Re	531.75
Nebraska Rural Water Assoc, Conf	375.00

Windstream, Se	2,365.92
Last Mile Network, Se	90.00
Mikes Fresh Market, Su	12.42
Matheson Tri-Gas, Su	146.37
League NE Municipalities, Conf	75.00
Mead Lumber & Rental, Re	154.96
Capital Business Systems, Se	225.00
Midwest Laboratories, Se	1,178.41
Midwest Automotive, Re	4,580.67
Robert Miers, Ex	90.00
Menards, Su, Bu, Eq	50.94
Midwest Service & Sales, Su	757.09
Merles Garden Center, Ma	1,269.41
Verizon Wireless, Se	50.75
Nebraska Public Power, Ut	468,138.15
NIFCO Mechanical Systems, Bu	160.50
Amsan, Su	424.30
Orscheln Farm & Home, Bu, Su, Re	263.48
Omaha World Herald, Ex	280.91
O'Reilly Auto Parts, Su, Re, Bu	683.94
Northern Safety Co, Su	533.79
John O'Kief, Ex	\$90.00
Donna Otte, Mi	39.20
Nebraska Dept of Revenue, Tax	230.73
Cody Pollak, Ex	90.00
Fast Mart, Su	44.68
Brent Pedersen, Ex	90.00
OCLC, Se	174.61
Rega Engineering Group, Se	1,220.00
Douglas Pollak, Ex	90.00
Pac N Save, Su	104.23
Riotec Industrial Products, Su	171.00
Brandon Policky, Ex	90.00
Quill Corp, Su	132.47
Memorial Health, Su	2,185.26
Redfield & Company, Su	144.84
Visa	769.26
Walmart, Su	279.44
First Book, Su	77.40
Accucut, Su	102.50
Amazon.com, Su	37.28
Shopko, Eq	171.19
LibraryEduc, Su	101.45
Tim Richtig, Ex	90.00
Sam's Club, Su	100.69
Rural Apprehension Program, Drug Program	5,282.25
Sam's Club, Dues	144.45
Patricia Sanley, Ex	90.00
Olsson Associates, Se	9,413.16
Troy Schaefer, Ex	90.00
Larry Ruether, Ex	90.00
Seward Lumber & Home Center, Su, Bu	1,505.49
Farmers coop, Re, Su, Bu	2,529.64
Plains Equipment Group, Re	95.75
Seward School District, License Fees	610.00
Seward Electronics, Re, Eq	740.84
Memorial Health-Drug, Se	30.00
Seward County Independent, Ex	1,812.01
Seward County Public Power, Ut	1,395.58
Seward County Treasurer, E911 Se	14,959.33

ST P J Supply, Su	363.44
Salt Creek Software, Eq	2,140.00
Nebraska Equipment, Su	45.18
Michelle St Louis, Ex	90.00
Schlueter Repair & Specialties, Re	119.63
Precision Tool & Machine, Su	309.78
US Postal Service, Su	\$181.00
Michael Smith, Ex	90.00
Tiger Direct, Eq	3,212.69
Mark Wattier, Ex	90.00
Fred Foltz, Se	220.00
Wayne Price, Se	300.00
Art On Display, Eq	75.00
Plunkett's Pest Control, Bu	55.12
Jack Vavra, Se	7,334.08
St Vincent DePaul Church, Incentive	840.00
Jack /Lynette Broderick, Ex	25.00
Orville Pearson, Se	40.00
Edward Gonzalez, Ex	90.00
Henry Pankoke, Ma	495.00
Robert Core, Ex	90.00
Total	<u>721,060.38</u>

Aye: Schmit, Hans, Lieske, Beck, Kamprath, Fritz, Pike, Singleton  
 Nay: None  
 Absent: None. Motion carried

3. 7:00 P.M. - PUBLIC HEARING - PRESENTATION AND DISCUSSION OF FUNCTIONING AND PROGRESS OF THE SEWARD ECONOMIC DEVELOPMENT PLAN

Greg Jerger addressed the Council stating the Citizens Advisory Review Committee conducted their semi-annual review on December 18, 2014 of the actions taken by the LB 840 Application Review Committee. He stated the Committee felt that the approved projects met the broad guidelines established by the Economic Development Plan and that the transactions listed in the financial reports appeared to be appropriate. Mr. Jerger commented that the Committee was encouraged by the LB840's ongoing guideline development with an emphasis on funding loans vs grants.

Mayor Eickmeier opened the public hearing. Hearing no comment, Mayor Eickmeier closed the public hearing.

Councilmember Fritz moved, seconded by Councilmember Pike, that the Semi-Annual Report from the Citizens Advisory Review Committee on the functioning and progress of the Seward Economic Development Plan be approved.

Aye: Schmit, Hans, Beck, Lieske, Fritz, Kamprath, Pike, Singleton  
 Nay: None.  
 Absent: None. Motion carried.

4. CONSIDERATION OF A FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT - TIF - TRUE VALUE HARDWARE PROJECT

TIF Attorney Andrew Willis stated the Community Redevelopment Authority (CRA) met on January 13, 2015 to review the Developer's request to amend the Redevelopment Agreement, which provides for an effective date of January 1, 2016. He stated Richard Gokie, as the Developer, experienced delays in the construction of the Project and will not be completed by the original effective date. He stated since there has been no TIF indebtedness or expenses incurred, there will be no negative effect of the delay. Mr. Willis stated the project value has decreased due to a change of building plan (deleted basement) and due to a drop in the levy rate.

The new TIF amount is \$84,000 (was \$124,000). He stated the CRA approved the amendment.

Councilmember Lieske introduced the following resolution:

**CITY OF SEWARD, NEBRASKA**

**RESOLUTION #2015-02**

(Approval of Amendment to Redevelopment Agreement -  
Hardware Store Project)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, NEBRASKA, AUTHORIZING AND APPROVING THE FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT.**

RECITALS

- A. The Community Redevelopment Authority of the City of Seward, Nebraska ("CRA") and Rattlesnake Boys, LLC, entered into that certain Redevelopment Agreement (Hardware Store Project) approved by the City Council on or about April 15, 2014 (the "Redevelopment Agreement").
- B. Redeveloper desires to amend the Project Completion Date, the TIF Effective Date, and the amount of TIF Indebtedness for the Project, effectively delaying Redeveloper's obligations under the Redevelopment Agreement by one year.
- C. Attached hereto as Exhibit "1" is a copy of the First Amendment to Redevelopment Agreement ("First Amendment").
- D. On January 13, 2015, the CRA approved the First Amendment.

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Seward, Nebraska hereby approves the form of the First Amendment and authorizes the CRA to execute and enter into the First Amendment.

The City Council hereby rescinds any other resolutions or actions that are contradictory or incompatible with this Resolution.

Councilmember Schmit moved, seconded by Councilmember Kamprath, that the resolution be adopted. Upon vote, the following Council members voted Aye: Lieske, Beck, Kamprath, Fritz, Pike, Singleton, Schmit, Hans. Nay: None. Absent: None.

Mayor Eickmeier declared the resolution adopted.

Dated this 20<sup>th</sup> day of January, 2015.

CITY OF SEWARD, NEBRASKA

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**Exhibit "1"**

First Amendment to Redevelopment Agreement

(Starts on the next page)

**FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT  
(Hardware Store Project)  
"Exhibit 1"**

This First Amendment to Redevelopment Agreement ("First Amendment") is entered into by and between the Community Redevelopment Authority of the City of Seward, Nebraska ("CRA") and Rattlesnake Boys, LLC, a Nebraska limited liability company ("Redeveloper").

RECITALS

- A. The CRA and Redeveloper entered into that certain Redevelopment Agreement dated April 3, 2014 and approved by the Seward City Council on April 15, 2014 ("Redevelopment Agreement") to implement the Hardware Store tax increment financing project (the "Project").
- B. Redeveloper has experienced delays in the construction of the Project and the Project will not be completed by the Effective Date.
- C. As of the date of the First Amendment, no TIF Indebtedness funds have been issued for the Project and Redeveloper has not incurred any expenses for the TIF uses of the Project.
- D. Because no TIF Indebtedness has been issued and no expenses for TIF uses have been incurred, the CRA is willing to amend the Redevelopment Agreement to assist the Redeveloper in completing the Project.

NOW THEREFORE, in consideration of mutual promises contained herein and in the Redevelopment Agreement, the parties agree to amend the Redevelopment Agreement as follows:

- Minimum Project Valuation. Section 1.01.F. shall be revised and amended and follows:  

"Minimum Project Valuation" means the amount of Seven Hundred Thousand and No/100 Dollars (\$700,000.00)."
- Effective Date. The "Effective Date", as defined in Section 3.01 of the Redevelopment Agreement, is hereby revised and amended such that the Effective Date shall be January 1, 2016.
- Division of Taxes. The last sentence of Section 3.02 of the Redevelopment Agreement is hereby revised and amended as follows:  

"For this Project, the anticipated Tax Increment is the difference between the projected taxes payable for 2016 (after construction completion) and the taxes payable for 2015 (before completion of construction), as more particularly set forth on Exhibit "B"."
- Issuance of TIF Indebtedness. The first sentence of Section 3.03(a) of the Redevelopment Agreement is hereby deleted and restated as follows:

"On or after thirty (30) days following the approval and execution of this Agreement, the CRA shall incur or issue Redeveloper TIF Indebtedness in the estimated amount of Eighty

Exhibit "B"

Four Thousand and No/100 Dollars (\$84,000.00), as calculated on the attached and incorporated Exhibit "B", to be issued to the Redeveloper or a lender of the Redeveloper."

5. Project Completion Date. The "Project Completion Date" as defined in Section 4.01(a) of the Redevelopment Agreement is hereby revised and amended such that the Project Completion Date shall be December 31, 2015.
6. Exhibit "A". The amount of the CRA Administrative Fee set forth on Exhibit "A" of the Redevelopment Agreement is hereby revised and amended such that the CRA Administrative Fee shall be the amount of Two Thousand Five Hundred Twenty and No/100 Dollars (\$2,520.00).
7. Exhibit "B". Exhibit "B" of the Redevelopment Agreement is hereby deleted in its entirety and replaced with the attached and incorporated Exhibit "B".
8. Exhibit "C". Exhibit "C" of the Redevelopment Agreement is hereby deleted in its entirety and replaced with the attached and incorporated Exhibit "C".
9. Memorandum of Redevelopment Agreement. The parties shall file a First Amendment of the Memorandum of Redevelopment Agreement to identify that the revised project effective date is January 1, 2016.
10. Reconfirm other Terms. The City and Redeveloper hereby reconfirm all other terms and conditions of the Redevelopment Agreement, except as expressly modified by the terms of this First Amendment.

This First Amendment to Redevelopment Agreement is effective as of the 20<sup>th</sup> day of January, 2015.

"CRA"

COMMUNITY REDEVELOPMENT AUTHORITY OF  
THE CITY OF SEWARD, NEBRASKA

ATTEST:

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
E. Thomas Spunaugle, Chairman

"REDEVELOPER"

RATTLESNAKE BOYS, LLC, a Nebraska  
limited liability company

By: \_\_\_\_\_  
Richard Gokie, Manager

**EXHIBIT "B"**

**REDEVELOPER TIF INDEBTEDNESS**

1. **Principal Amount**. The principal amount of the Redeveloper TIF Indebtedness shall be the amount, together with interest accruing thereon, which can

Exhibit "B"



be amortized by December 31, 2031, solely from the Tax Increment Revenues based upon the current aggregate ad valorem tax rate applicable to the Project Site multiplied by an assumed valuation of \$700,000.00, subject to required debt service coverage, required reserve, and cost of issuance.

2. **Anticipated Tax Increment:** \$8,028 annually.
3. **Payments.** Semi-annually with interest only until real estate taxes are fully collected for the tax year 2016 in an amount sufficient to fully amortize the TIF Indebtedness on or before December 31, 2031.
4. **Maturity Date.** On or before December 31, 2031.

**EXHIBIT "C"**

**PROJECTED TIF SOURCES AND USES**

**1. PROJECTED TIF SOURCES**

<b>Assumptions:</b>	Seward Co. Tax Levy (2014)	1.735917	
	Interest Rate	5.00%	
	TIF period (years)	15	
<b>Property Value Assumptions:</b>		Assessed Value	Estimated Taxes
	Pre-Project Completed Project	\$237,520 \$700,000	\$4,123 \$12,151
	Difference	\$462,480	\$8,028
	Annual TIF Amount	\$8,028	
<b>TIF Calculations:</b>	Annual TIF Amount	\$8,028	
	<b>TIF Loan Amount</b>	<b>\$84,000</b>	
	less 3% Admin Fee	(\$2,520)	
	Total TIF Available	<b>\$81,480</b>	

**2. PROJECTED TIF USES**

	<b>Project Costs</b>
A. Cost of Issuance	TDB
B. Land Acquisition	\$250,000
C. Site Prep, Demolition	\$15,000

Exhibit "B"

January 20, 2015

5. UPDATE ON B & M SEED TAX INCREMENT FINANCING PROJECT

TIF Attorney Andrew Willis stated B & M Seed (Ben Benson) is selling a portion of this property to Jimmy Spahr; however, Mr. Benson will hold the original TIF guarantee that any shortfall of taxes to pay the note will be covered. Mr. Willis stated the purchase price of the transaction is greater than the original TIF loan, which should increase the project value and cover the tax levy drop. He stated the Community Redevelopment Authority approved the Assignment and Assumption of the Redevelopment Agreement and a Deed of Partial Reconveyance will be filed on the property. He stated the Assignment and Assumption of the Redevelopment Agreement has a provision that the purchaser will not protest a real estate property valuation to an amount less than \$400,000. No action was required or taken.

6. UPDATE ON ELECTRIC TRANSPORTATION PARTNERS OF NEBRASKA GRANT- ELECTRIC VEHICLES

Public Facilities/Capital Improvements/GIS Director John Hughes stated the City received a grant for two electric charging stations and two electric vehicles. The charging stations are on site and ready to install. The cars have not been purchased or delivered. He stated there was \$14,000 in the 2013/2014 budget for the purchase of the electric vehicles which did not get carried over to the current budget. The grant covers one-half the cost of two vehicles and stations. The City needs approximately \$23,000 to cover the non-grant cost for two vehicles and \$7,500 for the stations. The City will get reimbursed \$7,500 for the charging stations as soon as they are installed. Mr. Hughes stated there are Capital Project funds in the current budget that could be reallocated to purchase the electric vehicles in the current year. He proposed reallocating funding for the Security System at City Hall - \$17,500; Color Copier Scanner - \$5,700; SGR Employee Training - \$2,500 for a total of \$25,700.

There was a brief discussion regarding the reallocation of funding and whether the Council still felt this as a priority to lease the vehicles and also which departments would benefit most by their use. One suggestion was the Community Service Officer.

Councilmember Hans moved, seconded by Councilmember Singleton, that the City proceed with the lease of the two electric vehicles, partially reimbursed through grant funding, with reallocation of funding, as proposed, unless other projects are less than budgeted and the reallocation is not required.

Aye: Kamprath, Singleton, Pike, Schmit, Hans, Beck, Fritz, Lieske  
Nay: None  
Absent: None. Motion carried.

7. CITY ADMINISTRATOR'S REPORT

Public Facilities/Capital Improvement & GIS Director John Hughes presented an update on capital projects.

Councilmember Fritz moved, seconded by Councilmember Kamprath, that the City Administrator's/City Project Report dated January 20, 2015 be accepted.

Aye: Kamprath, Singleton, Pike, Schmit, Hans, Beck, Fritz, Lieske  
Nay: None  
Absent: None. Motion carried.

January 20, 2015

8. FUTURE REQUESTS FOR COUNCIL AGENDA ITEMS OR ADMINISTRATIVE ACTION

Councilmember Singleton stated he would be submitting an agenda item request for bids on a new rescue squad for the Fire Department.

Councilmember Kamprath stated he would be submitting an agenda item request for discussion of the recent discrimination charges filed against the City, which may require a closed session.

9. ANNOUNCEMENT OF UPCOMING EVENTS

League of Nebraska Municipalities Mid-Winter Conference -  
February 23 & 24, 2015

10. MOTION TO ADJOURN

Councilmember Singleton moved, seconded by Councilmember Kamprath, that the January 20, 2015 City Council Meeting be adjourned.

Aye: Kamprath, Singleton, Pike, Schmit, Hans, Beck, Fritz, Lieske

Nay: None

Absent: None. Motion carried.

THE CITY OF SEWARD, NEBRASKA

\_\_\_\_\_  
Joshua Eickmeier, Mayor

\_\_\_\_\_  
Bonnie Otte  
Assistant Administrator  
Clerk-Treasurer  
Budget & Human Resources Director