

City of Scottsbluff, Nebraska

Monday, February 6, 2017

Regular Meeting

Item Consent1

Approve the minutes of the January 17, 2017 Regular Meeting.

Staff Contact: Cindy Dickinson, City Clerk

Regular Meeting
January 17, 2017

The Scottsbluff City Council met in a regular meeting on Tuesday, January 17, 2017 at 6:00 p.m. in the Council Chambers of City Hall, 2525 Circle Drive, Scottsbluff. A notice of the meeting had been published on January 13, 2017, in the Star Herald, a newspaper published and of general circulation in the City. The notice stated the date, hour and place of the meeting, that the meeting would be open to the public, that anyone with a disability desiring reasonable accommodations to attend the Council meeting should contact the City Clerk's Office, and that an agenda of the meeting kept continuously current was available for public inspection at the office of the City Clerk in city hall; provided, the City Council could modify the agenda at the meeting if it determined that an emergency so required. A similar notice, together with a copy of the agenda, also had been emailed to each council member, made available to radio stations KNEB, KMOR, KOAQ, and television stations KSTF and NBC Nebraska, and the Star Herald. The notice was also available on the city's website on January 13, 2017.

Mayor Randy Meininger presided and City Clerk Dickinson recorded the proceedings. The Pledge of Allegiance was recited. Mayor Meininger welcomed everyone in attendance and encouraged all citizens to participate in the council meeting asking those wishing to speak to come to the microphone and state their name and address for the record. Mayor Meininger informed those in attendance that a copy of the Nebraska open meetings act is posted in the back of the room on the west wall for the public's review. The following Council Members were present: Randy Meininger, Raymond Gonzales, Jordan Colwell, Scott Shaver and Mark McCarthy. Also present was City Manager Johnson and Deputy City Attorney Rick Ediger. Absent: None. Mayor Meininger asked if there were any changes to the agenda. There were none.

Mayor Meininger asked if any citizens with business not scheduled on the agenda wished to include an item providing the City Council determines the item requires emergency action. There were none.

Moved by Council Member McCarthy seconded by Council Member Colwell that:

1. "The minutes of the January 3, 2017, Regular Meeting be approved,"
2. "The January 30, 2017 Regular Council meeting be cancelled as two regular meetings will have already been held in the month of January,"
3. "The Request for Qualifications for the East Overland Business Corridor Revitalization be approved and authorize the City Clerk to advertise for bids to be received by February 6, 2017 at 2:00 p.m.," "YEAS", Meininger, Colwell, Gonzales, Shaver and McCarthy, "NAYS". Absent: None.

Moved by Council Member Shaver, seconded by Mayor Meininger, "that the following claims be and hereby are approved and should be paid as provided by law out of the respective funds designated in the list of claims dated January 17, 2017, as on file with the City Clerk and submitted to the City Council," "YEAS", Meininger, Colwell, Shaver, Gonzales and McCarthy, "NAYS" None. Absent: None.

CLAIMS

ACTION COMMUNICATIONS INC.,EQUIP MAINT,289.85; ALLO COMMUNICATIONS, LLC,LOCAL TELEPHONE CHARGES,4746.35; ALVARO SILVA,CONTRACTUAL,1455; ANITA'S GREENSCAPING INC,CONTRACTUAL SERV,870; ASSURITY LIFE INSURANCE CO,LIFE INS,34.36; AUTOZONE STORES, INC,EQUIP MTNC,125.86; B & H INVESTMENTS, INC,DEPT SUPPLIES,214; BLUFFS SANITARY SUPPLY INC.,DEPT SUPP,177.72; CAPITAL BUSINESS SYSTEMS INC.,MONTHLY MAINT,220.15; CARR- TRUMBULL LUMBER CO, INC.,DEPT SUP,53.31; CELLCO PARTNERSHIP,CELL PHONES,175.89; CITIBANK N.A.,SUPP -

CARTRIDGES AND BATTERIES,275.42; CITY OF GERING,DISPOSAL FEES,38942.5; CITY OF SCB,PETTY CASH,40.28; CLEAR EDGE FILTRATION, INC,EQUIP MAINT,1802.37; COMPUTER CONNECTION INC,CONTRACTUAL SVC,413.74; CONTRACTORS MATERIALS INC.,DEPT SUPP,124.08; COPIER CONNECTION,DEV S - SUP & EQPMNT MNTNC,141.5; CREDIT MANAGEMENT SERVICES INC.,WAGE ATTACHMENT,376.3; CRESCENT ELECT. SUPPLY COMP INC,SUPP - SWITCH,52.99; DALE VITITO,CIP-PATROL CARS,5076.28; DALE'S TIRE & RETREADING, INC.,EQUIP MAINT,77.79; DAS STATE ACCOUNTING-CENTRAL FINANCE,LONG DISTANCE,6.66; DORADJI NI-AHMA HEATHER,LEGAL,23.24; DUANE E. WOHLERS,DISPOSAL FEES,450; ELLIOTT EQUIPMENT COMPANY INC.,EQUIP MTNC,1931.91; FAT BOYS TIRE AND AUTO,EQUIP MTNC,302; FLOYD'S TRUCK CENTER, INC,VEHICLE MTNC,1735.22; FREMONT MOTOR SCOTTSBLUFF, LLC,EQUIP MTNC,807.49; GALLS INC,UNIFORMS,44.99; GENERAL ELECTRIC CAPITAL CORPORATION,DEPT SUPP,92.92; GRAY TELEVISION GROUP INC,CONTRACTUAL SVC,695; HEILBRUN'S INC.,EQUIP MTNC,1101.92; IDEAL LAUNDRY AND CLEANERS, INC.,GROUNDS MAINT,1394.09; INGRAM LIBRARY SERVICES INC,BKS,2372.28; INLAND TRUCK PARTS & SERVICE,ENGINE ONE COOLANT REPAIR,171.32; INTERNAL REVENUE SERVICE,WITHHOLDINGS,62392.92; INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION-HR, FIREFIGHTER EXAM MATERIALS,308.5; INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE, INC,MEMBERSHIPS,150; INTRALINKS, INC,CONTRACT SERVICES - DECEMBER 2016,6483.29; JOHN DEERE FINANCIAL,EQUIP MAINT,191.78; KRIZ-DAVIS COMPANY,EQUIP MAINT,51.8; LAWSON PRODUCTS, INC,DEPT SUPP,313.67; LEAGUE OF NEBRASKA MUNICIPALITIES,CONFERENCE - RANDY MEININGER,1500; LEXISNEXIS RISK DATA MANAGEMENT,CONSULTING,100; MADISON NATIONAL LIFE,LIFE INS,1886.61; MATHESON TRI-GAS INC,RENT MACHINES,46.67; MENARDS, INC,DEPT SUP,687.15; MENDOZA, FRANK,UNIFORMS & CLOTHING,125; MIDLANDS NEWSPAPERS, INC,PUBLICATION,181.1; MONUMENT CAR WASH INC,VEH MAINT,178.11; MORTIMORE JAMES,LEGAL,23.24; NAEM,MEMBERSHIP,50; NE CHILD SUPPORT PAYMENT CENTER,NE CHILD SUPPORT PYBLE,1492.93; NE DEPT OF REVENUE,WITHHOLDINGS,30006.68; NEBRASKA RURAL WATER ASSOCIATION,SCHOOLS & CONF,650; NEBRASKA CONCRETE PAVING ASSN,DEPT SCHOOL&CONFERENCE,215; NEBRASKA MACHINERY CO,HYD. HAMMER ATTACHMENT,17867.51; NEBRASKA PUBLIC POWER DISTRICT, ELECTRIC, 41353.05; NEBRASKA TITLE COMPANY,DS CNTRCL SRVCS,200; NEOPOST, POSTAGE, 1848.37; NETWORKFLEET, INC,GPS SERVICE,18.95; OCLC ONLINE COMPUTER LIBRARY CENTER, INC,CONT SVCS,339.44; ONE CALL CONCEPTS, INC,CONTRACTUAL,108; PANHANDLE COOPERATIVE ASSOCIATION,OTHER FUEL,14952.15; PANHANDLE ENVIRONMENTAL SERVICES INC,SAMPLES,126; PAUL REED CONSTRUCTION & SUPPLY, INC,SAND TO MIX WITH ICE SLICER,112.78; PLATTE VALLEY BANK,HSA SAVINGS,44003.62; POSTMASTER,POSTAGE,894.51; PRO OVERHEAD DOOR,BLDG MAINT,293; QUILL CORPORATION,DEPT SUPPL,7.49; REGION I OFFICE OF HUMAN DEVELOPMENT,CONTRACTUAL SERVICES,825; REGIONAL CARE INC,CLAIMS,3902.31; REGIONAL WEST PHYSICIANS CLINIC,CONSULTING,221.25; REGISTER OF DEEDS,

LEGAL,30; ROCKSTEP SCOTTSBLUFF LLC,OCCUPATION TAX (JUL - NOV. 2016), 49254.17; S M E C,EMPLOYEE DEDUCTION,224.5; SALAZAR NATHANIEL,LEGAL,20; SANDBERG IMPLEMENT, INC,EQUIP MAINT,984.94; SCB COUNTY TREASURER,TAXES 1817 9TH AVE,1118.88; SCB FIREFIGHTERS UNION LOCAL 1454,FIRE EE DUES,165; SCHOLASTIC INC.,DEPT SUP,720; SCOTTS BLUFF COUNTY COURT,LEGAL,221; SCOTTSBLUFF BODY & PAINT,TOW SERVICE,1150; SCOTTSBLUFF POLICE OFFICERS ASSOCIATION,POLICE EE DUES,528; SCOTTSBLUFF/GERING CHAMBER OF COMMERCE,MEMBERSHIP,6336; SIMMONS OLSEN LAW FIRM, P.C.,CONTRACTUAL SERVICES,14477.29; SNELL SERVICES INC.,EQUIP. MAIN.,1830; STATE OF NE.,CONTRACTUAL,25.49; TASER INTERNATIONAL, DEPT SUPPL,1998; THE PEAVEY CORP,INVEST SUPPL,252; THOMAS P MILLER & ASSOCIATES, LLC,PROFESSIONAL SERVICES - DECEMBER 2016,8333.37; TIDEI JAMES,REIMBURSEMENT OF LTD PREMIUM,2.21; TRANS IOWA EQUIPMENT LLC,EQUIP MAINT,2300; TWIN CITY AUTO, INC,CUTTING EDGES AND CURB GUARDS FOR SNOW PLOWS,1347.96; TYLER TECHNOLOGIES, INC,INSITE TRANSACTION FEES - UTILITY BILLING,1963; UNIQUE MANAGEMENT SERVICES, INC,CONT. SRVCS,322.2; UPSTART ENTERPRISES, LLC,DEPT SUPP,137.37; US BANK,REGISTER 6 MEN FOR RECERTIFICATION FOR MOS. SPRAY,1094.41; VANTAGEPOINT TRANSFER AGENTS-300793,DEF COMP,645; VANTAGEPOINT TRANSFER AGENTS-705437,ROTH IRA,530; WELLS FARGO BANK, N.A., RETIREMENT, 32513.45; WESTERN PATHOLOGY CONSULTANTS, INC,PRE-EMPLOYMENT SCREENING,44.5; WESTERN STATES BANK,BOND FEES - PUBLIC SAFETY,400; WYOMING FIRST AID & SAFETY SUPPLY, LLC,DEPT SUPP,99.69; YOUNG MEN'S CHRISTIAN ASSOCIATION OF SCOTTSBLUFF, NE,YMCA,1552.75; ZM LUMBER INC,DEPT SUPPF,22.4; REFUNDS: MAGDALENO 79.66; PRESLEY 23.42; MUNOZ 36.77; VALETSKI 91.05.

Council reviewed the October, November and December 2016 Financial Reports. Mr. Johnson noted that the large payment in October was the insurance premium to LARM, and in November there were bond payments. He also reported that our sales tax revenue has been higher than projected.

Mr. Jim Carney, representing St. Agnes Church, was present to request a Special Designated Liquor License for the annual Fish Fry events during Lent. He said they have been holding these events for approximately 11 years, with no issues. They will have volunteers to check identifications during the event. Chief Spencer commented that they have never had a liquor compliance problem with these events. Moved by Mayor Meininger, seconded by Council Member Shaver, "to make a positive recommendation to the Nebraska Liquor Control Commission regarding the special designated liquor licenses for St. Agnes Church, 2314 3rd Ave., Scottsbluff, for events on March 10; March 24; and April 7, 2017," "YEAS", Meininger, Colwell, Shaver, Gonzales and McCarthy, "NAYS" None. Absent: None.

Mr. Mark Masterton, representing the Scottsbluff Celtic Festival Committee, explained that the location of the festival has been relocated to the Downtown 18th Street Plaza; therefore a new Community Festival Permit has been submitted. The event map shows where the Scottish Clan tents would be located and the fenced area where the alcohol would be served. Council Member Shaver asked why they needed a designated area to serve alcohol when there is a bar located across the street from the event. Mr. Masterton explained that the on-site alcohol will be more in line with the theme of the Festival. Moved by

Council Member Shaver, seconded by Council Member Gonzales, “to approve the revised Community Festival Permit for the Scottsbluff Celtic Gathering at the Broadway Plaza, including street closures, vendors, and noise permit for May 19, 2017 - 3:00 p.m. to May 21, 2017 5:00 p.m.,” “YEAS”, Meininger, Colwell, Shaver, Gonzales and McCarthy, “NAYS” None. Absent: None.

Regarding the Special Designated Liquor License for the Scottsbluff Celtic Festival, Mr. Cory Kilpatrick, owner of Kelley’s Liquor, explained that they will be supplying the alcohol for this event. The area will be fenced off and identifications will be checked by their employees. Chief Spencer explained that the plan for this event looks good and they will have double panels surrounding the area where alcohol is served. Moved by Mayor Meininger, seconded by Council Member Shaver, “to make a positive recommendation to the Nebraska Liquor Control Commission regarding the Special Designated Liquor License for Blackstone Spirits dba Kelley’s Liquor to serve beer, wine and spirits at the Scottsbluff Celtic Gathering event at the Broadway Plaza on May 20, 2017 from 10:00 a.m. to 12:00 a.m.,” “YEAS”, Meininger, Colwell, Shaver, Gonzales and McCarthy, “NAYS” None. Absent: None.

City Manager Johnson presented the Economic Development Assistance Agreement extension for Aulick Manufacturing, Inc. and HVS, LLP. The original agreement was entered into in June 2009 and provided for a grant of \$165,000, and provided for an opportunity to earn job credits through the end of 2014. At the end of 2014, the unearned amount was \$131,000.00. The applicants approached the Application Review Committee and requested an extension to this grant to 2019. The LB840 Committee made a favorable recommendation to the City Council. Deputy City Attorney Rick Ediger added that the company was filing reports as they are required, and in fact, a report had been received for an additional \$22,000 in job credits for 2015. The Application Review Committee has traditionally taken the position that if a business is viable and shows that it is maintaining job levels, they support an extension as opposed to repayment of the grant and adding to the financial burden on the company.

Jeanne McKerrigan, CFO for Aulick Industries, commented that additional jobs were added in 2015 and 2016. They have added three new products to their manufacturing line which will create more jobs. Mr. Johnson added that this will extend the agreement for five years from the original expiration, making the expiration date December 31, 2019. Moved by Mayor Meininger, seconded by Council Member Gonzales, “to approve the Extension and Amendment to the Economic Development Assistance Agreement with Original Equipment, Inc, Aulick Manufacturing, Inc. and HVS LLP to December 31, 2019 and authorize the City Manager to execute the agreement,” “YEAS”, Meininger, Colwell, Shaver, Gonzales and McCarthy, “NAYS” None. Absent: None.

The next item concerned the Economic Development Assistance application from Regional West Medical Center. Mayor Meininger indicated that he had a conflict of interest and needed to recuse himself from the meeting for this agenda item. Mayor Meininger is a shareholder and the President of Valley Ambulance, which will benefit if the grant is approved. Moved by Council Member Shaver, seconded by Council Member McCarthy, “to excuse Mayor Meininger from discussion and action regarding the Economic Development Assistance request from Regional West Medical Center due to his conflict of interest.” “YEAS”, Meininger, Colwell, Shaver, Gonzales and McCarthy, “NAYS” None. Absent: None. Council Member Colwell, Vice-President of the Council will chair this portion of the meeting.

Deputy City Attorney Rick Ediger explained that this item is before the City Council for review rather than the Application Review Committee because four of the five members of the Committee are on the Regional West Health Services Board of Directors. Regional West Health Services is the parent of

Regional West Medical Center. Based on research by the City Attorneys' office, members of the board of an applicant have conflicts of interest. As a result, only one of the members of the Application Review Committee could have taken action, and three affirmative votes would have been necessary. The Application is now before the City Council with no recommendation from the Application Review Committee, and the Council is therefore being asked to act in the traditional role of the Application Review Committee. Council Member Gonzales added that even if there had been a recommendation from the Application Review Committee, the Council is not required to and does not always follow the recommendations of the Committee.

Mr. Ediger also indicated that the City Attorney's office had researched whether Council Member Colwell had a conflict of interest and received an opinion from the Nebraska Accountability and Disclosure Commission. Council Member Colwell is employed by Regional West Physicians Clinic, which is a subsidiary of Regional West Health Services. However, since Council Member Colwell is not an officer or member of the board of Regional West Health Services or any of its subsidiaries, he has no conflict.

Mr. Paul Hofmeister, General Counsel for Regional West Health Services, presented the application and introduced Randy Meininger, Regional West Emergency Medical Services Manager and Dr. David Cornutt, Regional West EMS Medical Director. Mr. Hofmeister explained that Regional West Medical Center is the applicant with the full support of Valley Ambulance Services and their helicopter provider, Med Trans Corporation. This will be a cooperative effort to utilize grant funds for all three of these companies. The funds will be used to establish a workforce development plan to address a current shortage for EMS personnel. Funds will be used for recruiting, training, creating incentives and retraining the skilled employees that they currently have. The plan is to add 24 new jobs over a five year period, which will bring them to a total of 92 EMS providers in Trauma Region 4. They will create and standardize EMS recruitment activities and establish a retention plan.

Dr. David Cornutt explained that this grant will assist training and recruitment. The fact is that we have an aging population with a growing need for EMS services. It's getting harder to recruit and train individuals in this field nationwide. It is especially hard to recruit in rural areas and keep trained EMS personnel here. Through additional education and incentives we hope to keep employees in our region.

Mr. Randy Meininger explained that the service area is Trauma Region 4 which includes 16 Panhandle communities from Keith County, west to Wyoming. They provide ambulance service in Chadron, Gordon, Scottsbluff, Ogallala, Oshkosh, Sidney, and will be opening a station in Kimball in March or April. The key component of Economic Development is job creation, which they have done, with 22 new positions added in 2016. However, due to attrition, 15 of those have left. EMS is a young industry and it's critical to attract new young employees to this area.

The last year that WNCC offered EMT classes was 2012. The Federal requirements and accreditations have changed, so WNCC is working on getting the accreditation again. Dr. Cornutt has taken on the directorship for this program, hired a full time position and anticipates having the program ready by August; however, it takes two years for someone to graduate from the program. The program that RWMC is working on will allow them to recruit for the accelerated program, plus be able to pay a wage and benefit, and contract with them to stay in the area for a set amount of time. Due to additional opportunities since the application was filed, they are actually looking at about 101 positions that will

need to be filled. This is in addition to the possibility of four full time employees for the education of EMS providers.

EMS is unique to economic development as it results in funding from health insurance companies and Medicare to get back to our community and with an aging population, will have a big impact on Scottsbluff. This grant request only includes the three entities, and does not include Eagle Med as they previously received LB840 funding. All entities will work together. Vice President of the Council Colwell noted that their grant request is \$992,500.00 from Scottsbluff; and they will be making the same request from Gering. Mr. Meininger added that they need the entire amount from both communities to make the program work and get the necessary FTE's. Regarding reporting of the FTE's, Mr. Ediger noted that the company will report annually, which is reviewed by the LB840 Citizens Review Committee to make sure they are in compliance. These reports are then submitted to the City Council for review.

Council Member Shaver expressed his concern about a tax-exempt 501(c)(3) entity receiving funding since they did not pay into the fund through taxes. He understands the need for the jobs, but feels the hospital does quite well without city assistance. Deputy City Attorney Ediger responded that legally, there is no distinction between funding for a for profit or non-profit organization as long as they can demonstrate that their principle source of revenue is, for example, from the sale of services in interstate commerce. The City can award LB840 funds to a non-profit, but not to another political subdivision. For example, this funding could not go to the WNCC program, however, it could be used for scholarships for people attending the program. The decision to award a grant to a non-profit is not a legal decision, but rather a Council policy decision. We have previously awarded funding to Panhandle Mental Health, which is a non-profit (prior to the change in the law restricting grants to political subdivisions).

Council Member Gonzales commented that the employees who work at the hospital spend their money here, pay sales tax and property tax; he feels this is a good investment in our future. They have identified some needs that will soon be on our door step.

Mr. Ediger provided several options for the Council to consider regarding this application, and any motion should specify the conditions. City Manager Johnson noted that in the past, we have looked at the total number of employees eligible for job credits. In this situation, the request is to tie jobs to a combination of job creation and job retention. Mr. Ediger added that under LB840 the City Council has the power to tie a grant to both job creation and job retention, with repayment to the City if the total number of jobs in the application are not created or retained.

Mr. Johnson commented that administratively, we feel the plan is very complete and ties directly to the City's LB840 plan as a qualifying business. We look at job creation/job retention and workforce development. This impacts the whole region and merits the entire Economic Development Assistance request. Mr. Ediger asked the Council to consider if they were going to require accountability for job creation, and if the jobs aren't created there is a penalty or repayment of a portion of the grant. This plan goes out for five years, so the payments are spread out. Mr. Johnson noted that the City's LB840 balance is currently approximately \$6.5 million.

Council Member Colwell asked what the standard loan amount has been in the past. Mr. Ediger responded that the standard is \$1000 per year per job over a 5 year period – or \$5000 per job total. The City also has a program where this can be doubled for high paying jobs. Council Member Shaver asked

how this can get to over \$1 million even if we double the amount to \$10,000 per job. Mr. Meininger responded that this is based on retention plus adding more jobs at \$5000 per year; per job retroactive to January 1, 2016. The request then includes jobs created in 2017 at the same rate. Mr. Meininger responded that this is actually based on job retention and creation, so the number of jobs is actually greater. Until WNCC's program is up and going, we will need to recruit more employees. City Manager Johnson explained that the LB 840 committee wants to emphasize job creation and retention with local businesses. RWMC definitely has an impact on everyone in our community and we want them to be successful to bring more people into the community and retain the people we have.

Deputy City Attorney Ediger informed the Council that if we're using a higher per job credit amount, this will be included in the Agreement, which will come back to the Council for final approval. Legal will need some guidance regarding the amount of job credit. We don't want a situation where all of the job credits are created in the first year, as it should be spread over the entire time of the grant period to make sure the program keeps going. A business cannot earn credits in advance, but they can in arrears. The City of Gering will need to have the same agreement in order to fund the entire amount.

Moved by Council Member Gonzales, seconded by Council Member McCarthy, "to approve the application from Regional West Medical Center for Economic Development Assistance with the following provisions: \$2500 job credit, per job, per year for five years up to the maximum in the application," "YEAS", Colwell, Gonzales and McCarthy, "NAYS" Shaver. Abstain: Meininger. Absent: None.

City Manager Johnson presented the item regarding the cost share of the industrial property in Gering. The Application Review Committee considered this item at their recent meeting and made a positive recommendation to the City Council contingent upon an approved operating agreement with the City of Gering; rezoning of the property to allow heavy manufacturing; and annexation of the property. The Planning Commission also reviewed this item and gave a positive recommendation as it aligns with the Comprehensive plan.

Deputy City Attorney Ediger explained that the major concern of the Application Review Committee was the potential for red tape for potential buyers if they have to go through two separate processes in working with both communities. The concept is for both communities to get together and develop a process to evaluate the potential company and determine if any grants would be given for job creation. This cooperative effort would result in a cooperative operating agreement. Council Member Shaver commented that we recently got out of the property business because we didn't want people to have to wait so long to purchase property, and now we're getting back into the property business.

Mr. Paul Reed, Industrial Developer, approached the Council and explained that it's very difficult for him to compete with government in his business. He questioned whether or not land that is being purchased would be taxed. Mr. Ediger answered that it would be taxed since it will be speculative real estate, which is not considered a governmental purpose. Mr. Reed had many concerns about the proposed property including increased land value because the purchase price was more than the recent purchase price, required fill as it is located in the floodway, required infrastructure, competition with local developers and realtors, proximity to sewer lagoons, the need to build a lift station, among many other concerns. He does not feel that government should be involved in private enterprise and competing with land owners and developers. He also reminded the Council that annexation of this property into the City of Gering needs to be contiguous with other annexed property in Gering.

Moved by Council Member Gonzales, seconded by Council Member McCarthy, “to table the item dealing with cost sharing with the City of Gering for Industrial Property until the following three requirements are met: 1) Property is rezoned for Manufacturing; 2) Property is annexed into the City of Gering; 3) and approval of an Operating Agreement with the City of Gering,” “YEAS”, Meininger, Colwell, Gonzales and McCarthy, “NAYS” Shaver. Absent: None.

Regarding the Twin Cities Development eCenter report, City Manager Johnson commented that City Council had recommended that the eCenter businesses apply directly for LB840 funding. Mr. Sean Overeynder invited the following eCenter businesses to share information regarding the resources that Twin Cities Development provides for their businesses:

- 1) Polar Express HVS
- 2) Bradley Grote, Cetera Advisors
- 3) Brad Justice, Blue Prairie Brands Food Processing
- 4) Misty Spengler – Entrepreneur looking for a business to start

The businesses shared information regarding the valuable resources they have at the eCenter and the expertise of the staff available who serve as mentors to the businesses. They currently have access to financial advisors, computer classes which includes quick books, legal advice, an affordable transitional business space, and networking. They explained the need to have the eCenter, as most progressive cities have.

Mr. Overeynder added that they have a structured program with a matrix system and a number of resources. Most businesses meet their goals within the first 90 days. They have created an advisory panel and hold numerous workshops at the center to assist these organically growing businesses. Their job is to bridge the gap between being an entrepreneur to a business. They are beginning to advertise on the radio, and have gotten the word out mainly through social media and word of mouth. They have also worked with PADD and referred some businesses to them for help with gap financing and other assistance. He also is concerned that if the business would be required to repay the LB840 grant, this would place a burden on the applicants with additional payments. Mr. Johnson responded that these funds are grants and low interest loans, giving them flexibility to use other financial resources.

Deputy City Attorney Ediger noted that our plan is flexible; we have given smaller grants to businesses who don’t want to commit to a larger amount, but can earn more if they create more jobs than anticipated. We can provide additional funding without the applicant having to go through the whole process again since we pay in arrears.

Council Member Gonzales commented that the business should wait until it’s up and running, then apply for LB840 funds. Mayor Meininger added that it’s important to have a venue to get started; and the eCenter concept seems to be a good resource, which is part of Economic Development Plan. The goal is to grow the business. Mr. Johnson added that we don’t want to hinder the entrepreneurs from paying rent to Twin Cities Development, the LB840 funds would help the applicants pay rent at the eCenter and get the educational training they need. Mayor Meininger noted that the original eCenter agreement was \$1,000 per month per business up to \$60,000 per year. Using the LB 840 funds, the money would go directly to the business to get started rather than TCD.

Mr. Overeynder commented that the eCenter can't continue to offer classes and grow the programs without direct funding. If they continue to grow the eCenter, their costs for workshops, etc. also increase, and they don't charge for those. Council Member Shaver added that the businesses need to build their business plan with assistance of eCenter first, then apply for LB840 funding to grow their business.

Mayor Meininger added that the Council all voted in favor of the Economic Development Plan, which included the eCenter concept. We have two things to consider, however, they are not on tonight's agenda; the original eCenter contract with Twin Cities Development or have the businesses working with the eCenter apply for funding through the LB840 process. Both scenarios support the eCenter, it is a matter of who is the applicant. Council Member Shaver appreciated the information received tonight about the eCenter, which is the most information he's received since its inception.

Brad Justice with Blue Prairie Brands commented that he feels it's better to pool the risks through the eCenter rather than let them go on their own with LB840 funding. Entrepreneurship has a 80-90% failure rate when businesses try to build their business on their own.

Council concurred that we need to look at our options, and consider whether or not to extend the contract for the eCenter at the 2/6/17 meeting.

Terry Rajewich, Account Manager with Nebraska Public Power, explained that Amendment No. 1 to the NPPD Professional Operations agreement will extend the contract to 2037. The agreement will be in line with the length of the Community Solar Agreement. Mr. Johnson added that there is a provision for the City to enter into other Professional Operations Agreements in the NPPD pool if they are at a higher rate or have modifications that would further benefit the City. NPPD has guaranteed that we will have a place at the table to exercise this option. City Manager Johnson has asked NPPD to consider a 4-5% increase for our lease payments, which may help alleviate some of our budget concerns.

Council Member Colwell asked if we should stop the solar project until we negotiate the agreement contingent on a rate increase. Deputy City Attorney Ediger answered that if we didn't keep the retail agreement, we would still need to honor the agreement with the operator of the solar project for the 20 years of the contract. We are required to continue to buy power from the solar project whether NPPD or the City operates the electric system. Ms. Rajewich reported that the Community Solar project is 100% subscribed and they will continue to take names for the waiting list.

Moved by Council Member McCarthy, seconded by Mayor Meininger, "to approve Amendment No. 1 to the Professional Retail Operations Agreement between Nebraska Public Power District and the City, authorize the Mayor to execute the agreement and approve the Resolution No. 17-01-02," "YEAS", Meininger, Colwell, Gonzales, Shaver and McCarthy, "NAYS". Absent: None.

RESOLUTION NO. 17-01-02

APPROVING EXTENSION OF PROFESSIONAL RETAIL OPERATIONS AGREEMENT

WHEREAS, the City owns its electric distribution system, and

WHEREAS, the amendment to extend the term of the Professional Retail Operations Agreement on file with the Council has been proposed by Nebraska Public Power District (NPPD) and fully discussed and explained, and

WHEREAS, it is determined that it would be desirable to enter into said amendment to the Professional Retail Operations Agreement.

NOW, THEREFORE, BE IT RESOLVED:

1. The said amendment to the Professional Retail Operations Agreement is approved and the Mayor is authorized to execute it, and the City Clerk to attest it on behalf of the City.
2. Notice of this transaction shall be given by publication once each week for three (3) successive weeks, of the following Notice:

NOTICE OF TRANSACTION

The Council has approved a Resolution authorizing execution on behalf of the City of an amendment to the Professional Retail Operations Agreement (Agreement) between Nebraska Public Power District and the City of Scottsbluff, Nebraska. The Agreement is on file with the City Clerk and available for inspection. It contains provisions summarized as follows:

1. The City will extend the lease of its electric distribution system to Nebraska Public Power District for a term of not less than twenty (20) years from the effective date of the amendment; provided, if either party terminates the Agreement at any time between year fifteen (15) and year twenty (20) of the term, the City will continue to take service from NPPD under NPPD's standard Wholesale Power Contract, and such Wholesale Power Contract shall remain in effect through the remainder of the twenty (20) year term.
2. During the term of the Agreement, NPPD will pay to the City an amount equal to twelve percent (12%) of the retail revenues from the electric distribution system, adjusted to eliminate revenues from tax-supported agencies, fuel cost, and similar adjustments. NPPD will maintain the electric distribution system, will make payments in lieu of taxes as required by law, and will provide insurance, as set out in the Agreement.

This Notice will be published once each week for three (3) successive weeks. If, within thirty (30) days after the last publication thereof, a referendum petition signed by qualified electors of the City equal in number to at least twenty percent (20%) of the votes cast at the last general municipal election shall be filed with the City Clerk, this transaction shall not become effective until it has been approved by a vote of the electors. If no such petitions are filed, the transaction shall become effective at the expiration of said thirty (30) day period.

CITY OF SCOTTSBLUFF, NEBRASKA

Date: January 17, 2017

Mayor

Attest:

City Clerk

SEAL

Regarding the Community Solar program, moved by Council Member Colwell, seconded by Council member Shaver, "to approve the Community Solar Service Agreement with Nebraska Public

Power District and authorize the Mayor to execute the agreement,” “YEAS”, Meininger, Colwell, Gonzales, Shaver and McCarthy, “NAYS”. Absent: None.

City Manager Johnson explained that with the passage of LB886, the Council will need to certify the Volunteer Firefighter list to qualify for the tax incentive. Moved by Council Member Gonzales, seconded by Council Member Shaver, “to approve the Volunteer Fire Fighter names and authorize the Mayor to execute the letter to the Department of Revenue certifying their requirements for the Volunteer Emergency Responders Incentive LB886,” “YEAS”, Meininger, Colwell, Gonzales, Shaver and McCarthy, “NAYS”. Absent: None.

City Manager Johnson gave the Council an update on the progress of the city’s annexation plan. He informed them that the Scotts Bluff County Commissioners will meet next Monday to consider requesting the City of Scottsbluff to annex 42nd Street from Avenue I to 5th Avenue including the Landers Soccer Complex. We are also working on a five year plan to move forward with annexation and expanding city services.

Regarding the proposed rezone of properties located at 2214, 2218, and 2222 1st Ave., City of Scottsbluff, Nebraska, from R-1a Residential to C-1 Central Business District, Council introduced the Ordinance which was read by title on second reading. **AN ORDINANCE DEALING WITH ZONING, AMENDING SECTION 25-1-4 BY UPDATING THE OFFICIAL ZONING DISTRICT MAP TO SHOW THAT 2214, 2218, AND 2222 1ST AVE., ALSO KNOWN AS TAX LOT 4, THE SOUTH 1/3 OF THE NE 1/4, ALSO KNOWN AS TAX LOT 1, THE EAST 100 FEET OF THE NORTH 50 FEET OF THE NE 1/4, EAST 100 FEET OF THE SOUTH 1/2 OF THE NORTH 2/3 OF THE NE 1/4, AND WEST 50 FEET OF THE NORTH 100 FEET OF THE NE 1/4 OF BLOCK 22, NORTH SCOTTSBLUFF ADDITION, CITY OF SCOTTSBLUFF, SCOTTS BLUFF COUNTY, NEBRASKA, WHICH IS CURRENTLY ZONED AS R-1A RESIDENTIAL, WILL NOW BE INCLUDED IN C-1 CENTRAL BUSINESS DISTRICT, AND REPEALING PRIOR SECTION 25-1-4.**

Under Council Reports, Mayor Meininger reported that 911 Task force has selected three vendors to interview for the CAD and Records Management System. The Senior Center has replaced their lighting to LED lighting. Council Member Shaver encouraged everyone to tour the remodeled high school.

Moved by Council Member Shaver, seconded by Council Member Colwell, “to adjourn the meeting at 8:15 p.m.,” “YEAS”, Meininger, Colwell, Gonzales, Shaver and McCarthy, “NAYS”. Absent: None.

Mayor

Attest:

City Clerk
“SEAL”