

MINUTES OF THE REGULAR MEETING OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PAWNEE CITY, HELD ON MONDAY, FEBRUARY 13th, 2023, AT 7:00 P.M. AT CITY LIBRARY MEETING ROOM, 735 8TH STREET, ALL IN PAWNEE CITY, PAWNEE COUNTY, NEBRASKA.

Notice of this meeting was given in advance thereof by advertising in the Pawnee Republican, a designated method for giving notice as shown by the Affidavit of Publishing on file in the office of the City Clerk. Notice of this meeting was given to the Mayor and City Council and a copy of their acknowledgment of receipt of the notice and the agenda are on file in the office of the City Clerk. 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.

Present: Mayor Charlie Hatfield; Council Members: Donnie Fisher, Vickie Zelenka, Laura Poskochil and Susan Eisenhauer, (via telephone) and Tamela S. Curtis, City Clerk/Treasurer. **Absent:** Foreman Spencer Cumley. Mayor Hatfield called the meeting to order at 7:00 p.m. informing all those present of the Posters stating the Open Meeting Law Changes on the West meeting room wall accessible to the public. At this time all those present stood to recite the Pledge of Allegiance.

Council Member Eisenhauer moved to approve the January 23rd, 2023, regular meeting minutes. Council Member Fisher seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Council Member Eisenhauer moved to approve the January 26th, 2023, special meeting minutes. Council Member Fisher seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

The Treasurer submitted the following claims for consideration: **1/31 & 2/14/2023**
Payroll: 20,386.86 **UB&T**, FWH 5689.34; **NE Dept. of Rev**, SWH 865.68/sales & use tax 2196.71; **John Hancock**, retirement 2911.42; **Capital Business Syst**, Libr contract/City Elevate Phone 255.44; **Access Systems**, IT Hardware Contr 209.98; **Amazon**, rep parts/supplies 195.48; **ET's Lawn & Leisure**, Polaris Side Mirrors 185.00; **League of Municipalities**, 2023 Midwinter Conf 395.00; **Kyle's Service**, sludge wagon tires 294.00; **Lincoln WinWater**, pool plumbing sup 486.47; **Coral's Cleaning**, office cleaning 90.00; **NPPD**, elec 6600.48; **Pawnee Co Rural Water**, hydr 81.00; **OPPD**, elec-wells 374.44; **Turnbull Ag Tires**, Loader tire rep 227.50; **Ferebee Law Firm**, Febr. atty fee retainer 1000.00; **Matt Kuhlmann**, zoning-Febr 800.00; **OneCall Concepts**, digger locates 8.38; **Windstream**, Libr ph/int 143.80; **Casey's Business**, equip fuel 349.35; **Pawnee Republican**, publications 411.75; **MidWest Labs**, swr samp-s/h 192.00; **US Cellular**, emerg cellphone 47.87; **PC Fire Dept**, rmb 1987 Pierce Ladder Truck/Hauling 10,075.00; **Pawnee True Value**, rep parts/sup 340.57; **T. Hanna**, Wtr Dep Refund 38.79; **NE Pub Health Env Lab**, Wtr Samp 38.00; **H&H Auto**, rep/sup 97.47; **Verizon**, Fire Home Connect/Jetpack 64.57; **Quill**, Libr office sup 93.46; **Cornerstone Bldg Proj:** RG Miller, Proj Mgr/Consultant 2080.00; Pawnee True Value, Bldg Sup 62.77. Council Member Eisenhauer moved to approve the claims as submitted. Council Member Zelenka seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Review Treasurer's Report as of January 31st, 2023: Council reviewed the January 2023 Treasurer's Report. Council Member Eisenhauer inquired about why the ARPA Fund

didn't show funds coming out of it to partially pay for the new ladder fire truck? Clerk Curtis stated that those checks weren't written until in February and the Treasurer's report is how the funds are as of January 31, 2023. Mayor Hatfield inquired if the funds in the Demo Fund were all the City had left to spend on Demolitions? Clerk Curtis stated that \$15,554.49 was the money left in that fund, but the City had budgeted more to go into the Demo Fund, if needed for their Demolition Reimbursement Program. Council Member Eisenhauer stated that at the last Pawnee City Development Corporation (PCDC) meeting, they had approved allowing Demolition Reimbursement Assistance for up to four (4) additional houses at \$4,000 each as they had \$16,000 left in their Demo Fund.

Public Hearing to Discuss Pawnee City ReUse RLF Loan for SchillingBridge Winery:

Council Member Zelenka moved to open the Public Hearing to discuss Pawnee City ReUse RLF Loan for SchillingBridge Winery at 7:05 p.m. Council Member Poskochil seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried. **Hear Public Input:** Kelly Gentrup representing Southeast Nebraska Development District (SENDD), was present to discuss the Pawnee City ReUse Revolving Loan Fund program being taken over by the State so all loan funds collected will be turned over to the Nebraska Department of Economic Development (NDeD) semi-annually. Back in early November 2022 Ms. Gentrup and then City Attorney Emily Sisco made site visits to each ReUse Loan holder to review the criteria set out in their Loan Agreement and Memorandum of Understanding (MOU) to make sure the loan holders were in compliance and had met National Objective Requirements. SchillingBridge Winery took out a ReUse Loan for \$100,000 with the City of Pawnee City on June 13, 2019, with the borrower (SchillingBridge) to create three (3) jobs, which they have done with 51% made available to low to moderate income individuals. They are current on their ReUse loan payments. Ms. Gentrup stated she also wanted to mention that in the last year to 15 months ago the City Council approved to repurpose the ReUse Funds to the Pawnee City Fire Station Project. After that, all of the funds would be discontinued. There is money going into the ReUse Account and then those funds are then to go back to the Department of Economic Development (DED). Gentrup continued that to kind of speed up the process, the ReUse Committee met and is recommending loan forgiveness so that way the money can stay with the local business within the local community and then the money that is in the City's ReUse Account will be sent semi-annually to DED. Council Member Eisenhauer inquired what was spurring the thought process that the City should just forgive these loans? Ms. Gentrup stated that there is a lot of on-going compliance that has to be done with each of these ReUse loans, so it's a lot of time that Kellie and Tammy are spending on making sure the payments are being made, the ongoing reporting and there are no administrative fees that can be paid out of the ReUse Account to pay for the Clerk's time. Council Member Eisenhauer inquired what are they talking about timewise because as far as she knew it was just the posting of the payments once they are submitted and then turning around and cutting a check to DED twice a year. Clerk Curtis stated there was a lot more to it than that, especially gathering up all of the information for the semi-annual report that Kelly Gentrup assists the Clerks in preparing for the State. Council Member Eisenhauer inquired what all that consisted of as she wanted to know what the big drawback was to continue these loans. Clerk Curtis stated that Deputy Clerk Wiers could probably answer that question better than she could as Kellie has been the one completing most of that paperwork and reporting the past few years. Clerk Curtis stated she just knows that it is a lot of time and effort that we have to type everything up to email up to SENDD so they can work on the semi-annual report, then we have to make sure that we reconcile with what they have put together on that report. The Clerks also have to scan in all of the

bank statements and email them up to SENDD, also. Council Member Eisenhauer stated that she was going to be blatantly clear in her opinion and the rest of the Council can tell us what their opinions are, too. Eisenhauer stated she was completely against forgiving loans. She realizes it is not City Tax money, she realizes that it is Federal Tax money, but we are all paying federal taxes and as a Federal Taxpayer, she really does not like the idea of wiping totally out a loan where there is still \$40-\$50,000 left that is owed yet. That is a lot of money to just say hey, let's just clear the sheets because I don't want to deal with the paperwork as they're being paid to do the paperwork, not by DED but with City Funds and she gets that. Eisenhauer continued that she was willing to go through that expense at the city's expense to keep those loans going. Gentrup stated that a conversation that she has had with the DED is that based on the City's Revolving Loan Fund (RLF) Plan, the City is allowed to write off, to forgive, to make changes to any of these ReUse Loans, so the Department of Economic Development is actually kind of spearheading these initiatives with all of the Revolving loan funds across the State. They are trying to do away with program income. Council Member Eisenhauer inquired what other communities across the State have totally waived outstanding loans? Gentrup stated that they actually have two communities that SENDD works with for Economic Development and they have met the national objectives but they had agreed at the start of the loan to forgive 50% of it. The difference is that money is going to Southeast Nebraska Development, Inc (SEND, Inc). SEND, Inc. is a sister organization to SENDD who has a separate board of directors. They are a 501(c)3 designated Nonprofit Development Organization (NDO). That City itself had signed a Memorandum of Understanding (MOU) with their 501c3 so that way all of the payments go directly to SEND, Inc. So, it is a little bit different, but the other thing that Kelly G. wanted to mention, and it is of course the City's decision and she was just there to discuss the recommendations, is that the money has been discontinued, so you are still requesting loan payments through the loan maturity and that money is just getting sent back to the State on a routine basis. This is how DED is putting pressure on these communities to try and wrap up program income so this was an option for the community to forgive these loans so that you are not having that much money be sent back to the State. So, it is a little bit more than just the administrative side of it. Ms. Gentrup also wanted to add that based on her time that she is spending to advise the Council and advise the ReUse Committee, that is time that will be billed to the City, at \$85/hour, which can be paid for out of the ReUse Account, along with any Attorney fees the City might have. Ms. Gentrup just wanted to relay all of the situations as to why they are here and she completely understands where Council Member Eisenhauer is coming from but she just wanted to share how they got to this point and then leave it up to the City Council to make the final decision. Council Member Eisenhauer stated just to clarify that any work that Ms. Gentrup does on these loans, SENDD is going to bill the City and the City can use the ReUse Funds to pay that fee, and the same thing with anything the City Attorney might charge for doing on these ReUse Loans, but we just can't pay ourselves? Ms. Gentrup stated that was correct. CM Eisenhauer stated she was still fine with that but inquired what the rest of the City Council thought about any of this? At this time Mike Schilling asked if he could speak? Mr. Schilling stated that they had used these ReUse Loans now for several years and have repaid \$369,000 but they have also paid over \$76,000 in interest so the forgiveness of their loan won't be a negative as they have already paid more in interest than what they are going to get forgiven, so it is going to be a net positive of over \$20,000. Schilling continued, that it was not like they are leaving with \$55,000, as they have already paid over \$76,000 in interest so it is not going to be a negative income on the loan part of it. Mike also stated that it is sad that all of the money is going back to the State as that was a devastating blow and it is no longer helping out our community any longer. He stated

that they have rewritten their business plan over the last 18 years multiple times because things change, but probably the most devastating thing that happened was the 2020 Covid Epidemic because it completely altered their customers way of travel. They just stopped traveling, coming into their facility, so they had to take some pretty devastating losses, although they are thankful to still be open. Even though it is starting to come back a little bit, but it's been 18 months of devastating losses so he felt to keep a business going that's paid back well over \$360,000 to this ReUse Program plus the interest they paid of over \$76,000 is a good thing. He felt it helps the community and he would be happy to answer any questions the Council had for him. Council Member Poskochil stated that she felt that if it was money that was being taken away from other opportunities within our community, but the program is over and the State is pressuring the City to do forgiveness to wrap up that whole project so she would be in favor of that. Council Member Eisenhower inquired what if the City forgave a portion of the ReUse Loan on the condition that the business seek other financing for the balance of the outstanding portion of the loan. For example, let's say for SchillingBridge, the City forgave 25% of the loan, with the City giving them 60 days to pay off the remainder of the loan? Wouldn't that also take care of DED and satisfy the taxpayers faith in the Council to collect that loan money? Ms. Gentrup stated that is absolutely an option that the Council can consider. Ms. Gentrup stated she was going to put on her Economic Development Hat and state that the city approved a very reasonable interest rate to the business owners that took out ReUse Loans and they know where current interest rates are at right now with things, so if they are trying to bounce back from Covid, she didn't know if that would be a very appealing offer to the business owner. If this is something that the City Council is wanting to do, they can have their City Attorney draft language to that. CM Eisenhower stated that the only reason she was mentioning that was that she had spoken with quite a few different people within the last few days and none of them were in favor of forgiving these ReUse Loans. Eisenhower was surprised that some of them were not in attendance at tonight's meeting as she had told them there would be a public hearing and the Council would like to hear community members' input. Eisenhower continued that she had talked with a wide variety of people from community business owners to respected people in the community to a banker and none of them seemed positive on the council forgiving these loans. Council Member Zelenka inquired if she was understanding correctly that none of this ReUse loan money is staying locally, that it is all being returned back to the State Economic Development? Ms. Gentrup stated that was correct as the fund was discontinued after the funds were repurposed into the Fire Station Project. So, because it was discontinued, that money that is being returned into that fund, it can be paid for admin but it can't be paid for any more projects, so then that money is routinely sent back to the State. CM Zelenka inquired if that was the function that Tammy and/or Kellie would have to take part in with your assistance? Ms. Gentrup stated that was correct and the financial reporting process consists of the Clerks providing all bank statements for the past six months, the ledgers on each Loan, as the Clerks need to make sure that they are breaking the principal and interest payments based on the amortization schedule for each loan. They send all of that information to Ms. Gentrup so that she can go in and make sure that all of the numbers are right, double checking the principal balances. So it's a pretty extensive process just because of how many outstanding ReUse loans there are for all of us to prepare the Program Income Report. Ms. Gentrup stated that she felt the Clerks and herself had gotten into a pretty good groove with this whole reporting process. Since there are some loans that aren't in compliance, the Clerks have to reach out to them if they did not create the jobs, you're having to make sure that they are providing updates, putting the ReUse Committee together, so there's a lot of avenues for this. It's not directly tied to this loan in

question but it's an overall overview of all of the requirements that program income reporting requires. Council Member Eisenhower inquired if any other Council Member had any opinion on this? At this time, Mayor Hatfield stated that we should close the public hearing and go into the next agenda item, which was to review and discuss the recommendations from the ReUse Committee for loan forgiveness so we can keep moving forward as if there is no other public input or comments, if not, then we can go ahead and close the public hearing. **Close Public Hearing:** Council Member Zelenka moved to close the Public Hearing to discuss Pawnee City ReUse RLF Loan for SchillingBridge Winery at 7:23 p.m. Council Member Poskochil seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Review/Discuss ReUse Loan Recipient Site Visit Review Sheets on SchillingBridge Winery: Council reviewed the Site Visit Review Sheets on SchillingBridge Winery which stated that they were in compliance with their loan agreement and MOU between NDeD and the City of Pawnee City. **Discuss Recommendation of Approval from ReUse Committee to Forgive the remaining balance of \$55,196.26 of their ReUse Loan to SchillingBridge Winery who have met National Objective Requirements:** More discussion continued on possible different options instead of total loan forgiveness. Council Member Zelenka stated that she guessed she looked at it that she is sure that everyone out there would like to have a loan forgiven but as a private citizen she's not providing any jobs, she's not providing any services for the community and so that is a little bit different scenario or situation as far as she understands it. She has stayed, had a business and grew up in this town but she didn't have a problem so much as forgiving these loans. Council Member Poskochil stated that she thinks about the purpose of the funding and community development for job creation and encouraging growth in rural small towns and the national objective has been met, so she feels like.....Council Member Eisenhower interrupted stating that she wanted to make a point on that the objective has been met, yes, but it was on the condition that they repay the loan. Eisenhower continued that the City doesn't give loans out and then we say, we're only going to make you pay \$40,000 or the \$100,000 that you owe because you met all of your requirements. You met all of your requirements so you get to keep your loan, the City isn't going to "call it". Council Member Poskochil inquired if there was anything written on the original Memorandum that talked about forgiveness of any of these ReUse Loans? Ms. Gentrup stated that there was not, so that is where it came in that the City's RLF Plan was amended to allow for forgiveness so that is something that the Council can consider. Council Member Fisher stated that it seemed that once the program went away, it's not going into the "pool" of funds that the City can use anymore. Fisher continued that if that was the case because if you forgave the loan and it was still going into the reuse pool of funds, then that's hurting the next business that might want to use some of that funding. Ms. Gentrup stated that if the program income was kept in the community, then she feels that none of this would even be on the table for discussion. So this is something that the Dept. of Economic Development offers as an option so the ReUse Committee met and went through the options and they made the recommendations that are included in that memo in your agenda packet. Council Member Eisenhower stated, there's a memo? Clerk Curtis stated it is the letter in the agenda packet that's headed "Recommendation of Approval to Forgive the Following Loans". CM Eisenhower inquired who wrote the memo? Clerk Curtis stated that it is from the ReUse Committee. Eisenhower stated that the memo is from the ReUse Committee and not from the Department of Economic Development? Ms. Gentrup stated that the Department of Economic Development won't provide things in writing, as the Council has asked for documentation and verification from DED in writing and that is just

not something they can provide as she felt it was based on their own regulations and their guidelines, so they are more providing Ms. Gentrup with information and she has been strictly in an advisory capacity in just giving the Council all of the options that are available. So with that information, Ms. Gentrup stated if the council has more questions she would be happy to try and answer them. Council Member Eisenhauer stated she did have one more question, as she was sorry and understood that she was being so anti-against all of this. Eisenhauer inquired if there was any possibility, whatsoever that forgiving these loans or any portion of these loans will actually come back and bite the City if we apply for grants from the Department of Economic Development at a future time? Ms. Gentrup stated that she doesn't believe that it should, but she can't guarantee that there is anything that could possibly change in the future. Gentrup continued that as long as the City follows their own Revolving Loan Fund Plan and you have the language in there that allows you to do these things, then DED will go towards your RLF Plan.. Eisenhauer stated she was a federal employee for 32 years and she knows how these things can change, as what you see today, may not be the case next week so that is where her concern comes from more than anything else – what is this going to do to us, as a City, if we want some of these funds in the future. Ms. Gentrup stated that she wouldn't say that they were comparing apples to oranges, but this is your program income, so technically the Federal money has revolved, even though you still report on it, so her opinion is that based on if the City applied for a public works grant and because the Council forgave these two loans that are in question, that should have no bearing on a new application for a public works grant to the City. If it was something tied to the Fire Station Public Works project and there was something that the City did that maybe wasn't right, then that would have more of an impact on whether the City would get any future grant funding, but she can't guarantee that. Gentrup felt that was a very warranted concern, and she wished she could give the City more of an honest and straight answer but she felt the City knows the federal government fairly well that sometimes things change and with little warning. Council Member Eisenhauer agreed and not for the better either. Clerk Curtis stated that the City knows how many times that Tom Stephens from DED has changed his mind. Eisenhauer stated that was just one person changing his mind, not necessarily the policy changing, but it could be his interpretation of the policy. Council Member Eisenhauer just wanted to make sure that the other Council Members understand where she is coming from that we don't want anything we do to hurt us on a different project in the future. The City also wants to make sure that we are utilizing this process in the best way in the best way possibly for the Community and we don't want to upset the people in the community that are trusting us with their tax dollars, whether it be City tax dollars or Federal tax dollars. Mayor Hatfield inquired if there was any other input? If not, is there a motion to approve or deny the forgiveness? Council Member Eisenhauer inquired if they could table this matter? Clerk Curtis inquired to when she wanted it tabled to. Eisenhauer stated to when she gets back, which would be for the first meeting in April as she would really like to have her vote recorded on the record. Clerk Curtis stated that CM Zelenka inquired when CM Eisenhauer would be back? Eisenhauer stated she would be back the first week in April. Clerk Curtis stated that even if Council Member Eisenhauer doesn't get to vote on this she planned to type of the minutes just like it's been said here tonight, so CM Eisenhauer would be on record with how you feel no matter what. Curtis continued that even after they vote, no matter how they vote, CM Eisenhauer could say for the record, I want it known and then make a statement. CM Eisenhauer stated that was true. Clerk Curtis stated that one thing about putting it off another month was that then are these businesses supposed to make another payment because the public hearing had stated where they were at, as of tonight's meeting. CM Eisenhauer stated that in her opinion they need

to make payments until a decision is formally made by the Council. Clerk Curtis stated that is fine, but then do we need to hold another public hearing for each of them at that April 10th Council Meeting or just line items on the agenda? CM Eisenhower stated that not too much of the public showed up at tonight's meeting. Eisenhower inquired what everyone else wanted to do? Council Member Poskochil stated that she was okay with tabling the loan forgiveness decisions until all Council Members can have a vote. Clerk Curtis inquired to Kelly Gentrup if she felt the City would need to re-advertise for another public hearing. Ms. Gentrup stated she would double check with Tom Stephens on that question. Gentrup stated that the only thing that would really be changing is the ending balance of each loan as of a certain date. Gentrup continued she felt that letting the businesses know that until the Council makes a final decision that they would need to continue to make their loan payments otherwise they would be in default. Council Member Eisenhower stated that she would be open to if nobody wanted to do the 25% forgiveness she would open it up to 50%, she just didn't want to see the entire loan forgiven. Ms. Gentrup stated that was an option, too that the City could approve 50% of the loan to be forgiven and then it's more of principal for them to continue to make payments on the remaining balance and then with the understanding that it is going back to DED. CM Eisenhower stated that she would recommend doing it on an option that the City would forgive.... well the idea is to lessen the workload of the City staff and Ms. Gentrup, so her recommendation would be that if the City waives 50% that the business, as a condition of that 50% waiver, that they go get financing for the outstanding balance somewhere else. Council Member Poskochil inquired if CM Eisenhower was suggesting 50% of the original loan amount or the outstanding balance? CM Eisenhower stated, outstanding balance, so like in the case of SchillingBridge that would be somewhere around a \$27-28,000 write-off. She would think it would be worth it for them to turn around and if they can't pay it outright, turn around and get that financing somewhere else and then the city would be over and done with it with no more reporting on it at all. CM Fisher stated that wouldn't end it all though because there are more loans still out than the two that could be forgiven, right? Ms. Gentrup stated that technically there are five outstanding ReUse Loans but the one loan to Transportation Tech the City would want them to continue to make their full payments because they are not an ongoing business currently in the community. Clerk Curtis inquired if anybody else had any thoughts about what CM Eisenhower just proposed? CM Zelenka inquired to Susan if she understood her correctly that the most concern she has is not only just forgiving the tax dollar but also the fact that the City doesn't know what kind of condition this will put the City in down the road? CM Eisenhower stated that was correct as that was a big concern of hers because she knows how things can change within the Federal Government because what looks fine one day can bite you in the rear the next and forgiving \$100,000s worth of outstanding debt, when we're trying to acquire, let's say \$250,000 for some project. Is the Feds going to wonder what the City is going to do with it, are they just going to write it off or what, so that is a major concern – how is this going to look for the City in the future when we are trying to get grants or other funding from the Department of Economic Development because they are going to have the record of this. CM Fisher stated he wondered if that was really comparing apples to apples or what because if they were wanting a grant for streets in two years is that the same as this, where the program has been discontinued? Ms. Gentrup stated she felt it was different personally, but she understands what the City's concerns are, as she deals with this on a daily basis, where they can tell you one thing and then another representative the next day says something completely different, but she does have documentation in an email where this was an option provided by the Department of Economic Development, so it actually is in writing. CM Fisher stated so it wasn't like the City is going off on a tangent it is within the rules they have set forth

for us to follow. Ms. Gentrup stated that was correct. CM Zelenka inquired if that recommendation came from DED basically because they didn't want to mess with that anymore? Ms. Gentrup stated yes and there are many of these across the state that have program income and it was just not being utilized correctly, so sometimes it just one of those things where if one community does something wrong, then the rest get penalized for it, so thinking back to when these loans were provided, she believed that all of the communities in the State who had open balances and had program income received a letter that said either you approve loans to have some sort of activity done within 12 months or DED is going to take the funds back. So now DED is being a little stricter on this program income, so that is where the City is seeing the discontinuance of the local funds and DED is saying the Cities have to send it back because these are not being done on the local level any longer. There is still the community Development Block Grant Economic Development category so if SchillingBridge would need a brand new piece of equipment or a new kettle to actually manufacture the wine, they can always submit an application to the Dept of Economic Development to be able to obtain a loan, but this loan can also be forgivable depending on what the City decides, it just doesn't go back to the local communities. So, what the city would do is they would sign a Memorandum of Understanding with SEND, Inc and then SEND, Inc. would actually close the loan based on the terms that the City has outlined, so there is still resources out there for these businesses who want to come to Pawnee City. They have five (5) Revolving Loan Funds within SENDD and SEND, Inc for businesses to obtain financing that's outside of the traditional lender. Gentrup continued that there are still opportunities out there. Zelenka inquired if the City would still have to maintain these loans and who would a business go to in order to obtain one of these loans? Ms. Gentrup stated, no the City would not need to maintain these loans, but the business would go to DED, just like you would for a public works grant and then it would be kind of a "pass-through" from the city but then that's where the City signs an MOU with SEND, Inc. and then they would handle all of the paperwork and make sure that the business stays in compliance with the loan and they are receiving the loan payments back. CM Fisher inquired if something like this would affect these businesses if let's say SchillingBridge wanted to do something in the future, would the loan forgiveness hurt them at that time? Ms. Gentrup stated that it should not, but she cannot guarantee anything as it is not her program and she doesn't work for the State DED or HUD, but she is here based on conversations that she has had with DED, conversations that she has had with the business owners, with the ReUse Committee and City Staff so this is just something that I am here to tell you that these funds can no longer be used locally as it has been discontinued so at this point the City is just sweetening the pot for the Dept. of Economic Development. Ms. Gentrup understands all of the comments that have been shared tonight and are definitely warranted. Clerk Curtis inquired what the current interest rate if one of these businesses wanted to do what CM Eisenhower was proposing in going through another financial institution in taking out a loan right now? Ms. Gentrup stated that she believed that 7.75% was the current interest rate and it might be nearing 8% based on a conversation that she just had with her Dad, who is a loan officer for a bank and then for SENDD based on their loan funds, they charge 75% of that rate and 50% of that prime interest rate through SEND, Inc. Clerk Curtis stated that SchillingBridge's ReUse Loan is currently sitting at 2.75% and Shirley's Place, LLC's loan is at 3.00%. Council Member Zelenka inquired to Mayor Hatfield where we were at with this, do they have it on the table or what? Mayor Hatfield stated that nothing has been decided as the Council is still discussing and nothing has been decided on whether to table it or to vote as he is just sitting here letting the Council air out all of their ideas. Council Member Fisher stated that he agreed with Laura if we wanted to wait and put more thought into it until we can have a

full Council in person, versus making something decided tonight. CM Eisenhower stated that if three of you Council Members are all in favor of this loan forgiveness, then there is no reason to postpone the vote until I am back able to vote but if the three of you are not together on your decision, then I think it is important that the fourth Council Member be there to cast a vote and there is no way of knowing that without you three talking. Council Member Zelenka stated that she thought she had her mind made up, but with everything that has been discussed here tonight it was a tough decision. CM Eisenhower stated that we also need to remember that once we do it for one ReUse Loan, then the City has to do it for all of them if they have met the National Objectives and you really have to think about what this is going to look like to our constituents. CM Zelenka stated that she felt everyone knew that the “wind” changes more in Washington worse than it does in Nebraska and we’re never going to be able to “outthink” them or figure them out because they change chairman so easy and then that can change everything. CM Eisenhower stated that the only problem is that once the City makes this decision, then it’s done, we don’t get to go back and change our minds later on. CM Fisher stated that the Council cannot out-guess the Government so we just have to go with what we feel at the time and what it best at the time with the information that has been given to us and it is just going to have to be what it is. CM Poskochil stated she really would feel better about the loan forgiveness if it had been written in the original MOU. CM Eisenhower stated and not just an email. Clerk Curtis stated that it is written in the City’s ReUse Plan now. Ms. Gentrup stated that the City could always ask if they could re-write or amend the businesses original Memorandum of Understanding, but it’s also going to take more time, but she could at least ask DED if that is a possibility. Clerk Curtis stated that the City had to have a ReUse Plan in order to even ever have this ReUse Revolving Loan Fund Program and it has been amended to include the option of loan forgiveness in it. Ms. Gentrup stated that she felt that plan was amended in the Fall, 2022. CM Zelenka stated that if we have the City’s ReUse Plan already amended then could DED really come back on the City? Ms. Gentrup stated she wouldn’t think so as long as the City follows their own amended ReUse Plan. Gentrup stated she has an addendum and it is not in these original ReUse Plans, but there is another page that has been added that has been signed by the Mayor and she is going to have to double check on at least one thing with this addendum, so it might be good if the City decides to table this matter, so she can check out a couple items and confirm things with DED, but it is at the discretion of the DED. Council Member Eisenhower stated she remembered going through all of that with amending the City’s ReUse Plan but understood that it wasn’t committing the City to anything, but giving the City options on loan forgiveness, as she was not for it at that time either, but it added some flexibility for the City. CM Eisenhower inquired to Mike Schilling, since he was at the meeting, if the City waived 50% of SchillingBridge’s outstanding ReUse Loan, with the contingent that you pay off the remaining balance, within a certain amount of time, is that something you would be interested as opposed to waiving the whole loan amount or letting it continue in its full state, leaving like \$26,000 or so? Mike stated that he would like to know the timeframe would be. Eisenhower stated she was thinking 60-90 days when she was thinking about all of this stuff and the ramifications and how it might effect everybody, is that something potentially that SchillingBridge might be interested in doing or not? Mr. Schilling stated part of something beats nothing but he sees it a little bit different because it’s not like there is any loss since they have already paid more in interest than what is being forgiven. CM Eisenhower stated that SchillingBridge has paid interest based on what their outstanding loans have been, right? Mr. Schilling stated that was correct and all of those loans have been paid off except this last one so that is where all of that interest was accumulated but if the City can tell him if they are going into a recession then I can tell you whether I am going to borrow any

more money or not. CM Fisher stated that this could lead to a situation that if we are going to do that for one and that is the precedent for the others, what if they couldn't get that money, what does that do? CM Eisenhauer stated that is an option available if they can or we could waive 50% of it and then leave the rest of it going as well, but then it doesn't do a lot for.... CM Fisher stated but then we've changed the precedent from what we are doing.... Eisenhauer stated, exactly because then they are continuing on it at 2.75 or 3% and others have gone somewhere else for 7.75 or 8%. CM Fisher stated that doesn't quite seem fair to him that one loan might be still at 2.75% and then the other loan is not at 8%. Discussions were had on what terms the loans were, which went from 2029 to 2033. CM Eisenhauer stated that SchillingBridge's term was 2029, so what if the City keeps the loan payments the same but have the term, so like you make your payments for three years down the road, as long as you have been making your regular payments, you're done, the City would erase the balance. Schilling stated that the City would still have all of their administrative work to do. Eisenhauer stated yes, but that way the City could make sure that every loan was treated the same way if they were in compliance with their loan. Schilling stated that he felt everyone would be treated the same way, no matter what decision the City makes because if the City makes a 50% reduction for SchillingBridge and he has to pay off the rest of that loan within 60 days, then that's the City's precedent, if another business can't do it, then the City would also have to make the decision now..... Ms. Gentrup stated that there were only two loans that are being entertained for forgiveness because they are in compliance with their loans and they have been current on their payments whereas the other two either aren't in compliance with payments or they have not created the jobs. So until they are right on their loan agreement and what they signed on, the City Council should not even consider forgiveness until they are no longer delinquent or in default based on their program income report. CM Eisenhauer stated she totally agreed with that, but she was just saying that if the City does this for one business, then the City has to remember what they did, so they can apply it to future businesses with ReUse Loans, once they are in compliance. Mr. Schilling stated he felt the 50% offer had some legitimacy, but like he said he is a little concerned about our economic future but he guessed we all should be concerned about our economic futures. CM Poskochil stated that if we were only going to forgive a portion of the Loan, she would be in favor of allowing the business to continue to make their repayment of the remainder of the balance of their ReUse loan. CM Eisenhauer stated so the City would reduce it by a certain percentage and then the business would continue to make their payments until the remaining balance is paid in full? CM Poskochil stated that she preferred that option rather requiring them to seek other financial funding at a much higher rate. CM Fisher stated he agreed because that could really put a business in a lot of financial jeopardy which could hurt more. Eisenhauer stated the other option would have been a lot more appealing when interest rates were lower. Council were all in agreement that they did not feel the interest rates were going to be lowering that much in the near future. Clerk Curtis inquired so what does the Council want to do are we going to table this until the April 10th Council Meeting or make a decision tonight? Council Member Zelenka moved to table any decisions on forgiving the ReUse Loan to SchillingBridge Winery until the April 10th, 2023 City Council meeting. Council Member Eisenhauer seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Public Hearing to Discuss Pawnee City ReUse RLF Program on Shirley's Place, LLC: Council Member Zelenka moved to open the Public Hearing to discuss Pawnee City ReUse RLF Loan for Shirley's Place LLC at 7:59 p.m. Council Member Eisenhauer

seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried. **Hear Public Input:** No public input heard at this time. **Close Public Hearing:** Council Member Eisenhauer moved to close the Public Hearing to discuss Pawnee City ReUse RLF Loan for Shirley's Place LLC at 8:00 p.m. Council Member Zelenka seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Review/Discuss ReUse Loan Recipient Site Visit Review Sheets on Shirley's Place: Council had reviewed the ReUse Loan Recipient Site Visit Review Sheets on Shirley's Place LLC which stated that they were in compliance with their loan agreement and MOU between NDeD and the City of Pawnee City. The Site Reviewers recommendation was to forgive the remaining loan to Shirley's Place contingent they provide an expense report showing how the loan was used. Shirley's Place had provided proof of how the loan was used in purchasing equipment and used on payroll. **Discuss Recommendation of Approval from ReUse Committee to Forgive the remaining balance of \$40,152.81 of their ReUse Loan to Shirley's Place, LLC who have met National Objective Requirements:** Council Member Eisenhauer moved to table any decisions on forgiving the ReUse Loan to Shirley's Place, LLC until the April 10th, 2023, City Council meeting. Council Member Poskochil seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Review/Discuss ReUse Loan Recipient Site Visit Review Sheets on Pawnee Inn & Café: Council reviewed the ReUse Loan Recipient Site Visit Review Sheets on Pawnee Inn & Café which stated that the site visitors would recommend that once the Pawnee Inn & Café have met the national objective of jobs created being fulfilled, this loan could be considered for forgiveness by the ReUse Committee and City Council at that time. **Review/Discuss Recommendation of Approval from ReUse Committee to grant 12-month extension to Pawnee Inn & Café to provide documentation on job creations to meet Nat'l Objective:** Council reviewed the Recommendation of Approval from the ReUse Committee to grant a 12-month extension to December 1, 2023, to the Pawnee Inn & Café to provide documentation on job creations to meet the National Objective. Council Member Zelenka moved to approve the recommendation of the ReUse Committee to grant a 12-month extension to December 1, 2023, to the Pawnee Inn & Café to provide documentation on job creations to meet the National Objective. Council Member Eisenhauer seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Review/Discuss ReUse Loan Recipient Site Visit Review Sheet on Pawnee Republican: Council reviewed the ReUse Loan Recipient Site Visit Review Sheet on the Pawnee Republican with site visitors noting that they would recommend sending this business a Notice of Right to Cure that all delinquent payments must be paid in full before the ReUse Committee/City Council would look at forgiving this loan. Kelly Gentrup stated that when they visited the newspaper office, Mr. Sterup had stated that he planned to get caught up with his back ReUse payments in the month of December, but there had not been any payments made towards the Pawnee Republican's ReUse Loan as of today's date. **Review/Discuss Recommendation of Approval from ReUse Committee to not grant forgiveness of ReUse Loan to Sterup Enterprises dba Pawnee Republican.** The ReUse committee had stated on their recommendation letter that the Borrower must become current on payments before ReUse Committee will look at forgiving remainder of loan.. **Discuss/Approve approving City Attorney Ferebee to send Notice of Right to Cure to the**

borrower who is delinquent on their ReUse Payments: Kelly Gentrup had passed around a copy of the updated Notice of Right to Cure that the City Attorney would sign and send out if Council was in agreement with that form of action. The Notice of Right to Cure state that he may correct the default by the following options: making payment of the missed payments of \$6,109.29 to be current as of February 1, 2023; or making payment of the remaining principal balance of \$17,503.27, as of December 19, 2022, either by paying with own cash or refinancing debt with a local lender. Council Member Eisenhower moved to approve City Attorney Ferebee to send a Notice of Right to Cure to Sterup Enterprises, dba The Pawnee Republican, who is delinquent on their ReUse Payments. Council Member Zelenka seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

Sheriff Braden Lang & City Atty Ferebee: Discuss City ROW, City Streets & Parking Issues; Review past meeting minutes re: ROW Parking; Parking Reminder Sheet; Current City Ordinances on Parking: Sheriff Braden Lang and City Attorney Betsy Ferebee met with Council to discuss the parking on City ROW. Council reviewed the past meeting minutes where the same ROW Parking Issues had been discussed many times in the past two years. City Attorney Betsy Ferebee was there to discuss the ongoing City ROW issues that has been brought up and talked about again and again the past few years. City Atty Ferebee stated that in reading through the past meeting minutes there was some confusion as to what a ROW is. Ferebee went on to state that the City has Streets and Alleys. The owner can have an easement on their land and a Right of Way on their land. With a ROW that is not taking their use of their property away from them. What it is saying is that in the event that the City needs to act on that portion of the property to maintain utilities, to remove snow, to do City business, then the owner of the land has to make that ROW land available. So as long as a person moves whatever is on the ROW at the request of the City, then they are complying with the ROW. The property owner is allowed to still use that portion of their property however they want, as long as the City is still able to utilize it when they need it. So, for non-emergency issues, it would be reasonable for a property owner to request 24-hours to remove whatever was on the City ROW. If there was an emergency and the property owner wasn't there at that moment to be able to remove whatever was on the City ROW, then the City could have whatever was in their way on the City ROW removed and charge the property owner, i.e.: renting a tow truck to remove a vehicle off of the City ROW. City Attorney Ferebee stated that the City cannot require that the property owner leave that ROW constantly open because it's still their property. The Mayor and Council thanked Ms. Ferebee for clarifying what rights the City had on City ROWs. The Council further discussed with Sheriff Lang people parking on the street when it snows more than 2" and how difficult that makes snow removal for the City Crew Members. Sheriff Lang stated that he would be issuing parking tickets to vehicles that are left parked on the street when it snows more than 2". Council approved putting the "Parking Reminder" (that is in your packet) in with the March 1st Water Bill.

Review the Library's 2021-2022 Annual Statistical Report: Council reviewed the Library's 2021-2022 Annual Statistical Report.

Review Choices Treatment Center, Inc. email & letter; review/pass Proclamation for Gambling Awareness Month: Mayor Hatfield proclaimed March as Problem Gambling Awareness month for the City of Pawnee City, Nebraska. The purpose of the proclamation is to provide awareness that problem gambling does exist. Council Member Eisenhower moved to accept the Proclamation of March as Problem Gambling Awareness month.

Council Member Zelenka seconded the motion. Roll call vote indicated all present in favor of the motion; whereupon motion carried.

Review NE Affordable Housing Trust Fund's (NAHTF) Housing Owner Occupied Rehab Grant Pre-Application Deadline March 2nd, 2023; Jim Warrelmann, SENDD has stated he would assist the City in applying for this grant: Council reviewed the Nebraska Affordable Housing Trust Fund's Housing Owner Occupied Rehab Grant Informational Flyer that Jim Warrelmann with SENDD had emailed the Clerks to share with the City Council. The good things about this Housing Rehab Grant were that instead of a \$24,999 maximum that the CDBG Housing Rehab (federal) program had, the NAHTF (State) Housing Rehab program's maximum amount per property is \$40,000. Mr. Warrelmann had stated to the City Clerks that this NAHTF State Housing Rehab is a very good State grant program with not near as many hoops to jump through as the CDBG Housing Rehab program had because it was a Federal Program. Council Member Eisenhower moved to approve working with SENDD to fill out the Pre-Application for the NE Affordable Housing Trust Fund's (NAHTF) Housing Owner Occupied Rehab Grant Program. Council Member Fisher seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried. Council suggested that we might put something in the next water bill to let people know that we could possibly have this housing rehab grant program available in the near future. Clerk Curtis stated she would visit with Mr. Warrelmann on if he had any examples they could put in an upcoming water bill. Clerk Curtis will also inquire to Mr. Warrelmann if a past recipient of a CDBG Housing Rehab Project could also apply for the NAHTF State Housing Rehab Project and will report back to Council what she finds out.

Correspondence: Council reviewed the flyer on Cyber Security Exercise to be held on March 2nd in Lincoln. Clerk Curtis stated that the Emergency Management strongly suggested someone attend from the City. The Council wanted Clerk Curtis to attend the Cyber Security Exercise on March 2nd in Lincoln and suggested she check with Foreman Cumley if he or City Crew Member Barloon would also attend. Clerk Curtis stated she will check with them both and also check to see if anyone from the County is attending as they may all be able to carpool together. Council Member Zelenka moved to adjourn the meeting. Council Member Eisenhower seconded the motion. Roll call vote indicated all present voting in favor of the motion, whereupon motion carried, and meeting adjourned at 8:42 p.m.

ATTEST: Tamela S. Curtis, City Clerk

Charlie Hatfield, Mayor