

AGENDA FOR THE REGULAR MEETING OF
THE MAYOR AND CITY COUNCIL OF THE
CITY OF AUBURN, NEMAHA COUNTY,
NEBRASKA, TO BE HELD AT 7:00 P.M.
NOVEMBER 12, 2019

1. **PLEDGE OF ALLEGIANCE**

2. **ANNOUNCE** – “I am required by law to inform the public that a copy of the Open Meetings Act is posted on the North wall of these Chambers by the entrance door.”

3. **ROLL CALL**

4. **RECOGNITION OF VISITORS***

*The Mayor may fix the time allotted for each individual or topic. A five-minute limit will apply for each speaker, unless otherwise specified. Speakers are expected to address the Council when making presentations. Speakers who feel a need to give more information, than can be presented in that time frame, may submit written material for distribution to City Hall; such materials should be provided so they may be included in the Council meeting packets.

The Council may make and enforce reasonable rules and regulations regarding the conduct of persons attending its meetings and regarding their privilege to speak. The Council is not required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings.

5. **APPROVAL OF MINUTES OF PREVIOUS MEETING(S).**

6. **APPROVAL OF FINANCIAL REPORT.**

7. **CLAIMS.**

8. **APPROVAL** for Attendance at Meeting(s).

9. **PROCLAMATION** – National Adoption Month (November 2019).

10. **REQUEST BY AUBURN EAGLES & AUBURN FIRE DEPARTMENT**, for the City 2020 public fireworks display at the Auburn High School on July 4th, 2020 with consideration for approval of requested funds for the display. (before Council by Lee Conner)

11. **REQUEST BY GIRL SCOUTS**, Scout project – placing “buddy benches” on City property, may include a request for sponsorship and-or funding. (before Council with Charlotte Dickerson)

12. **7:00 p.m., or as soon as possible thereafter, - PUBLIC HEARING** concerning the use of \$41,000.00 of Community Development Block Grant – Economic Development Program Income Reuse Loan Fund (CDBG-EDLF) funding for financing under the approved Economic Development Plan for the City of Auburn, Nebraska, for use of Program Income of a prior Community Development Grant for Economic Development.

Recommendation made and approved by the CDBG ED RLF Reuse Committee/Loan Review Committee. Action proposed by Resolution after completion of Public Hearing.

13. **CONSIDERATION FOR APPROVAL** – To enter into a Memorandum of Understanding (MOU) Between the Southeast Nebraska Development, Inc. (SEND, Inc) and the City of Auburn.

14. **7:10 p.m., or as soon thereafter as possible, - PUBLIC HEARING** for presentation of the proposed proprietary budget statement for 2020 Board of Public Works (“BPW”) Budget.
Action proposed by Motion after completion of Public Hearing.
15. **RESOLUTION Authorizing the Redemption of the Combined Utilities Revenue Bonds, Series 2009** – Resolution authorizing the redemption of the City’s Combined Utilities Revenue Bonds, Series 2009, dated July 13, 2009, issued to Nebraska Department of Environment and Energy.
16. **ORDINANCE Authorizing the Issuance of Combined Utilities Revenue Refunding Bonds, Series 2019, in the principal amount of not to exceed \$4,000,000** – Ordinance authorizing the issuance by the City of not to exceed \$4,000,000 principal amount of Combined Utilities Revenue Refunding Bonds, Series 2019, for the purpose of refunding the City’s outstanding 2009 Bonds and paying for costs of issuance.
17. **CONSIDERATION OF APPROVAL** – Subsequent Agreement to the Interlocal Agreement between the City of Auburn, Nebraska and the County of Nemaha (NE), and the Nemaha County Sheriff’s Office for law enforcement/code enforcement.
18. **RESOLUTION for Approval** of DTR Projects – Recommendation by DTR Committee.
19. **REQUEST** for Special Designated Liquor License Applications for Ruth Heywood at Gallery 75 at 1122 J Street.
20. **UPDATE** on status of 1206 “J” St by Ruth Heywood (owner) with her request for release of nuisance declaration on said property by the City Council.
21. **HOUSING PROGRAM REHABILITATION GRANT** – Ben Bohling for rehabilitation on residence at 1220 O Street, pursuant to the recommendation of Housing Committee.
22. **MOTION TO PROCEED** with an application through the Economic Development Administration for potential funding related to community facilities and the 2019 declared disaster and further to authorize the Mayor to sign application and related documents on behalf of the City of Auburn, NE.
23. **DISCUSSION AND POSSIBLE ACTION ON DECLARATION BY THE CITY COUNCIL OF NUISANCE PROPERTIES BY RESOLUTION** declaring the following properties as a public nuisance to the community of Auburn, NE and directing nuisance abatement by legal remedy on and for the properties identified as follows:
 - (a) 714 Central Ave. Parcel I.D. No. 640012590, (Nathan Corey Allison previous Vandelay Inv.)
 - (b) 901 “L” St., Parcel I.D. No. 640010962, (Ronald R. Munson)
24. **REPORTS/RECOMMENDATIONS** - - From Dept. Heads.
 - a. Street Department
 - b. Fire Department
 - c. Library
 - d. Treasurer
 - e. Airport Report
25. **REPORTS/RECOMMENDATIONS** - - From Committees.
 - a. Street Committee
 - b. Keep Auburn Beautiful

- c. Economic Development
- d. Safety Committee
- e. Building Committee
- f. Legislative
- g. Parks and Pool Committee
- h. Housing
- i. Other Committees & Reports

26. **ADJOURNMENT.**

Auburn, Nebraska
October 14, 2019

The Mayor and Council of the City of Auburn, Nemaha County, Nebraska, were called to meet at the City Hall at 1101 "J" Street on October 14, 2019, at 7:00 o'clock P.M., in Regular Meeting, open to the general public. Advance notice of said Regular Meeting, the designated method of giving notice including the agenda for said meeting, or the availability thereof having been posted at the west front door of the City Hall, at the east door of the Nemaha County Courthouse and in the Auburn State Bank, and having been transmitted to all members of the City Council, all done on or before October 11, 2019. Mayor Dan White presided over the meeting. The City Clerk of the City of Auburn, Nemaha County, Nebraska, recorded the proceedings

The meeting was called to order by Mayor Dan White. Upon roll call, the following members of the City Council were present: Billings, Shawn Clark, Tom Clark, Erickson, and Jeanneret. Absent: Janssen.

Mayor White announced the following: "I am required by law to inform the public that a copy of the Open Meetings Act is posted on the North wall of these Chambers by the entrance door".

Council Member Jeanneret moved to dispense with the reading of the September 9, 2019 meeting's minutes and to approve the same as written. The foregoing motion was seconded by Council Member Tom Clark and upon roll call vote, the following Council Members voted "YEA": Shawn Clark, Tom Clark, Erickson, Jeanneret, and Billings. The following voted "NAY": No one. Motion: Carried.

Council Member Tom Clark moved to approve the financial report; Seconded by Council Member Jeanneret and upon roll call vote, the following Council Members voted "YEA": Tom Clark, Erickson, Jeanneret, Billings, and Shawn Clark. The following voted "NAY": No one. Motion: Carried.

The following September claims were presented before the Council for ratification: AFLAC, Wh-73.80; Auburn State Bank, Certificate of Deposit-100,000.00; Black Hills, Ut-56.85; Blue Cross Blue Shield, Ins-4,875.01; Capital Business Systems, Se-Su-507.86; Mid-American Benefits Inc., Ins-51.25; Nemaha County Treasurer, Reim-CRA Ad Valorem Taxes-17,142.99; Reditech, Se-211.00; Region V-SENDS, Se-755.00; The Standard, Ins-350.05; Time Warner Cable, Se-701.58; Verizon Wireless, Se-130.52; Windstream, Ut-144.83. The following claims (not previously approved by motion or resolution) were presented: Amazon, Bk-AV-658.83; American Lawncare Inc., Se-1,200.00; Auburn Board of Public Works, Ut-Su-256.02; Auburn Memorial Library Petty Cash, Su-112.23; Auburn Newspapers, Se-651.48; Auto Air & Repair, Se-Su-407.92; Baker & Taylor, Bk-502.26; Bohl Plumbing & Heating Inc., Se-74.62; Bulldog Auto Supply Inc., Su-102.79; Casey Agency Inc., Bond-125.00; Center Point Large Print, Bk-AV-159.42; Concrete Industries Inc., Su-1689.10; Cornhusker Press, Su-12.60; Demco, Su-282.50; Eakes Office Solutions, Su-552.11; Eggers Bros. Inc., Se-Su-1,007.18; First National Bank Omaha, Card Transactions-872.80; Gilbert Services, Su-73.64; IIMC, Mem-170.00; JEO Consulting Group Inc., Se-1,250.00; JP Cooke Co., Su-81.00; Keep Nebraska Beautiful, Mem-50.00; Mellage Truck & Tractor, Se-Su-318.63; Menards, Su-62.82; Meyer Laboratory Inc., Su-69.28; Microfilm Imaging Systems, Inc., Equip-Se-860.001 Nebraska Municipal Clerks Association, Mem-35.00; Nemaha County Clerk, Fe-244.00; Nichols Masonry, Se-Su-300.00; OCLC Inc., Sub-62.44; Petty Cash, Se-Su-139.68; Ricoh USA Inc., Su-14.73; Sack Lumber Co., Su-5.99; State Treasurer of NE, Fe-190.36; USPS, Su-110.00; Wilson Electric., Se-147.98.

Abbreviations for this legal: AV-Audio Visual; Bk-Book; Contrib-Contribution; CRA-Community Redevelopment Authority; DTR-Downtown Revitalization; Equip-Equipment; Ex-Expense; Fe-Fee; Ins-Insurance; Inspect-Inspection; Int-Interest; Inv-Economic Development Investment; Lic-Licenses; Maint-Maintenance; Mem-Membership; Pen-Pension; Per-Periodical; Re-Repairs; Ref-Reference Materials; Reg-Registration; Reim-Reimbursement; Se-Service; Su-Supplies, Material & Parts; Sub-Subscription; TIF-Tax Increment Financing; UA-Uniform Allowance; Ut-Utilities; Wh-Withholding.

Council Member Billings moved to approve the claims which have not been previously approved by motion or resolution and ratify the ordinary and necessary expenses allowed and in accordance with Resolution No. 7-11 that was approved February 28, 2011. The foregoing motion was seconded by Council Member Erickson and upon roll call vote, the following Council Members voted "YEA": Erickson, Jeanneret, Billings, Shawn Clark, and Tom Clark. The following voted "NAY": No one. Motion: Carried.

Council Member Janssen entered the City Council Chambers at 7:09 p.m.

Dave Davis, Amber Kinnaman, and Kim Beger requested approval to attend the NPZA (Nebraska Planning & Zoning Association) fall workshop in Nebraska City on October 30 – 31. Council Member Erickson moved to allow attendance as requested; Seconded by Council Member Jeanneret and upon roll call vote, the following Council Members voted "YEA": Janssen, Jeanneret, Billings, Shawn Clark, Tom Clark, and Erickson. The following voted "NAY": No one. Motion: Carried.

Mary Kruger spoke regarding concerns about the parks, safety, the Legion Memorial Park Eagle Scout project (historic fly wheel) and landscaping.

Board of Public Works General Manager Dave Hunter presented information on the potential savings that might be achieved by refinancing the current BPW Water Plant, Raw Waterline & Well SRF Loan into new 20 year bonds. Preliminary information from First National Capital Markets indicates a potential savings of around \$302,549.72 over the 20 year period. Following discussion, Council Member Erickson moved that the Board of Public Works seek to pursue refinancing of the BPW Water Plant, Raw Waterline & Well SRF Loan into new 20 year bonds. The foregoing motion was seconded by Council Member Janssen and upon roll call vote, the following Council Members voted "YEA": Jeanneret, Billings, Shawn Clark, Tom Clark, Erickson, and Janssen. The following voted "NAY": No one. Motion: Carried.

Dave Hunter updated the Mayor and City Council on how the Board of Public Works is using GWorks with mapping, inventorying and other matters. Mr. Hunter explained how the City might also benefit in working in association with the BPW and GWorks. Geneie Andrews with GWorks presented additional information and answered questions. Council Member Janssen moved that approval be given for the expenditure of \$9,000 towards GWorks web-based products in association with future plans for additional gis software projects plus the expenditure for the purchase of 3 iPads/Tablets. The foregoing motion was seconded by Council Member Jeanneret and upon roll call vote, the following Council Members voted "YEA": Billings, Erickson, Janssen, and Jeanneret. The following voted "NAY": Shawn Clark and Tom Clark. Motion: Carried.

Public Hearing was held for consideration of 2019 Auburn Comprehensive Plan. Jeff Ray with JEO Consulting Group was present to provide information and answer questions. After allowing time for comments and input, the public hearing was closed. Council Member Billings moved to approve the adoption of 2019 Auburn Comprehensive Plan by the passage and adoption of Resolution No. 32-19. The foregoing motion was seconded by Council Member Janssen and upon roll call vote, the following Council Members voted "YEA": Shawn Clark, Tom Clark, Erickson, Janssen, Jeanneret, and Billings. The following voted "NAY": No one. Motion: Carried. A true and correct copy of said resolution is as follows:

RESOLUTION NO. 32 -19
OF
THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA

A RESOLUTION FOR THE ADOPTION OF THE CITY AUBURN COMPREHENSIVE PLAN 2019; TO REPEAL ALL CONFLICTING PLANS THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Comprehensive Plan is a long-range policy guide to decisions about the physical development of the City, addressing: land use, community character, economic development, public facilities, utilities, housing, transportation, community makeup and implementation;

WHEREAS, the Comprehensive Plan gives long-range and comprehensive context and support for the infrastructure Capital Improvement Program, Community Development Block Grant (CDBG) infrastructure development grants, as well as, other State and Federal grants and loans that the City may apply for;

WHEREAS, the City of Auburn, NE, adopted a Comprehensive Plan Update in October 2009 that needed to be updated based on changes in the community, city priorities, and policy direction;

WHEREAS, the City developed the 2019 Comprehensive Plan through a detailed review of the previous Comprehensive Plan Update in 2009, and research and analysis of current demographic and socioeconomic information, various analysis of land use, streets, city facilities, parks, infrastructure, house, and City Code regulations; which was performed by agreement with JEO Consulting Group.

WHEREAS, JEO's Planning Consultants worked with City Staff, the Comprehensive Planning Advisory Group, the Planning Commission, and citizens of Auburn, Nebraska to develop the future vision for the City;

WHEREAS, after legal publication for notice to the public as provided by law, the Auburn Planning Commission held a public hearing on September 19, 2019, to hear public comment and concern on the proposed Comprehensive Plan; and thereafter unanimously recommended approval of the proposed Auburn Comprehensive Plan 2019 with amendments to be made by JEO Consulting Group to the Auburn City Council.

WHEREAS, after legal publication for notice to the public as provided by law, the Auburn City Council held a public hearing on October 14, 2019 at City Council Chambers to solicit public comment on the Auburn Comprehensive Plan 2019.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Auburn, Nebraska:

1. The attached Auburn Comprehensive Plan 2019 is hereby adopted.
2. The Comprehensive Plan 2019 is a long-range policy guide to decisions about the physical development of the City of Auburn, Nebraska.
3. The previous Comprehensive Plan for the City, updates thereto or Plans previously adopted in conflict with the Auburn Comprehensive Plan 2019 are hereby repealed.
4. This Resolution shall be in effect upon its passage, approval and adoption, as provided by Nebraska Law.

Council Member Billings moved to approve issuance of Special Designated Liquor License Applications for Ruth Heywood at Gallery 75 located at 1122 J Street to be held on October 31, November 9 & 10, November 14, November 16, November 21, November 23, December 7, December 12, December 14, December 19, and December 21, 2019. The foregoing motion was seconded by Council Member Erickson and upon roll call vote, the following Council Members voted "YEA": Tom Clark, Erickson, Janssen, Jeanneret, Billings, and Shawn Clark. The following voted "NAY": No one. Motion: Carried.

Ruth Heywood spoke regarding her recent purchase of the 1206 J Street and 1005 Central Avenue properties.

Ordinance No. 5-19 to Amend City Code Section 75.50 to conform with State Statute was presented for consideration. The Mayor announced that the introduction of the proposed ordinance was in order.

ORDINANCE NO. 5-19
To Amend City Code Section 75.50
(Note: Was introduced, read and passed by suspension of 3 reading)

Council Member Erickson moved that these proceedings be kept in a separate and distinct volume known as the "Ordinance Record of the City of Auburn, Nemaha County, Nebraska", and that said volume be made part of these proceedings the same as though it were spread at large herein, which motion was seconded by Council Member Billings. Upon roll call vote, the following Council Members voted "YEA": Erickson, Janssen, Jeanneret, Billings, Shawn Clark, and Tom Clark. The following voted "NAY": No one.

Council Member Billings moved for the adoption of Resolution No. 33-19 authorizing the Mayor to sign the Municipal Annual Certification of Program Compliance form. The foregoing motion was seconded by Council Member Janssen and upon roll call vote, the following Council Members voted "YEA": Billings, Shawn Clark, Tom Clark, Erickson, Janssen and Jeanneret. The following voted "NAY": No one. Motion: Carried. A true and correct copy of said resolution is as follows:

RESOLUTION
SIGNING OF THE
MUNICIPAL ANNUAL CERTIFICATION OF PROGRAM COMPLIANCE FORM
2019

Resolution No. 33-19

Whereas: State of Nebraska Statutes, sections 39-2115, 39-2119, 39-2120, 39-2121, and 39-2520(2), requires an annual certification of program compliance to the Nebraska Board of Public Roads Classifications and Standards; and

Whereas: State of Nebraska Statute, section 39-2120 also requires that the annual certification of program compliance by each municipality shall be signed by the Mayor or Village Board Chairperson and shall include a copy of a resolution of the governing body of the municipality authorizing the signing of the certification form.

Be it resolved that the Mayor of the City of Auburn is hereby authorized to sign the attached Municipal Annual Certification of Program Compliance form.

Reports from department heads were given. Kendall Neiman gave an update on the fuel upgrade project at the airport. Reports from Council committees were given with the street committee reporting that they are ready to proceed with the salt shed building that was included in the budget. A written financial report was provided by the Auburn Community Redevelopment Authority. A written report of law enforcement activity within the City of Auburn for September 2019 was also provided.

Tom Bliss with Southeast Nebraska Development District addressed potential funding sources for community projects. It was decided that it would not be feasible to try to submit a CDBG Planning Grant Application before the end of October. Representation from SENDD will be providing additional information as opportunities become available.

There being no further business to come before the Mayor and Council, Council Member Erickson moved for adjournment to meet at the call of the Mayor. Council Member Billings seconded the foregoing motion and upon roll call vote, the following Council Members voted "YEA": Shawn Clark, Tom Clark, Erickson, Janssen, Jeanneret, and Billings. The following voted "NAY": No one. Motion: Carried.

Mayor White declared the meeting adjourned.

Dan White, Mayor

ATTEST:

Sherry Heskett, City Clerk

STATE OF NEBRASKA)
COUNTY OF NEMAHA) ss.
CITY OF AUBURN)

I, the undersigned, City Clerk for the City of Auburn, Nebraska, hereby certify that the foregoing is a true and correct copy of proceedings had and done by the Mayor and Council on October 14, 2019; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the City Clerk; that such agenda items were sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting; and that a current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, posted during such meeting in the room in which such meeting was held.

Sherry Heskett, City Clerk

City Council Proceedings
October 14, 2019

AGENDA ITEM
NO 5

The Mayor and Council of the City of Auburn, Nemaha County, Nebraska, were called to meet at the City Hall at 1101 "J" Street on October 14, 2019, at 7:00 o'clock P.M., in Regular Meeting, open to the general public.

The meeting was called to order by Mayor Dan White. Upon roll call, the following members of the City Council were present: Billings, Shawn Clark, Tom Clark, Erickson, and Jeanneret. Absent: Janssen.

Mayor White announced the following: "I am required by law to inform the public that a copy of the Open Meetings Act is posted on the North wall of these Chambers by the entrance door".

The City Council approved the September 9, 2019 meeting's minutes as written.

The City Council approved the financial report.

The following September claims were presented before the Council for ratification: AFLAC, Wh-73.80; Auburn State Bank, Certificate of Deposit-100,000.00; Black Hills, Ut-56.85; Blue Cross Blue Shield, Ins-4,875.01; Capital Business Systems, Se-Su-507.86; Mid-American Benefits Inc., Ins-51.25; Nemaha County Treasurer, Reim-CRA Ad Valorem Taxes-17,142.99; Reditech, Se-211.00; Region V-SENDS, Se-755.00; The Standard, Ins-350.05; Time Warner Cable, Se-701.58; Verizon Wireless, Se-130.52; Windstream, Ut-144.83. The following claims (not previously approved by motion or resolution) were presented: Amazon, Bk-AV-658.83; American Lawncare Inc., Se-1,200.00; Auburn Board of Public Works, Ut-Su-256.02; Auburn Memorial Library Petty Cash, Su-112.23; Auburn Newspapers, Se-651.48; Auto Air & Repair, Se-Su-407.92; Baker & Taylor, Bk-502.26; Bohl Plumbing & Heating Inc., Se-74.62; Bulldog Auto Supply Inc., Su-102.79; Casey Agency Inc., Bond-125.00; Center Point Large Print, Bk-AV-159.42; Concrete Industries Inc., Su-1689.10; Cornhusker Press, Su-12.60; Demco, Su-282.50; Eakes Office Solutions, Su-552.11; Eggers Bros. Inc., Se-Su-1,007.18; First National Bank Omaha, Card Transactions-872.80; Gilbert Services, Su-73.64; IIMC, Mem-170.00; JEO Consulting Group Inc., Se-1,250.00; JP Cooke Co., Su-81.00; Keep Nebraska Beautiful, Mem-50.00; Mellage Truck & Tractor, Se-Su-318.63; Menards, Su-62.82; Meyer Laboratory Inc., Su-69.28; Microfilm Imaging Systems, Inc., Equip-Se-860.001 Nebraska Municipal Clerks Association, Mem-35.00; Nemaha County Clerk, Fe-244.00; Nichols Masonry, Se-Su-300.00; OCLC Inc., Sub-62.44; Petty Cash, Se-Su-139.68; Ricoh USA Inc., Su-14.73; Sack Lumber Co., Su-5.99; State Treasurer of NE, Fe-190.36; USPS, Su-110.00; Wilson Electric., Se-147.98.

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The City Council approved the claims which have not been previously approved by motion or resolution and ratified the ordinary and necessary expenses allowed and in accordance with Resolution No. 7-11 that was approved February 28, 2011.

Approval was given for Dave Davis, Amber Kinnaman, and Kim Beger to attend the NPZA (Nebraska Planning & Zoning Association) fall workshop in Nebraska City on October 30 – 31.

Mary Kruger spoke regarding concerns about the parks, safety, the Legion Memorial Park Eagle Scout project (historic fly wheel) and landscaping.

Approval was given for the Board of Public Works to seek to pursue refinancing of the BPW Water Plant, Raw Waterline & Well SRF Loan into new 20 year bonds.

With 4 Council Members (Billings, Erickson, Janssen, and Jeanneret) voting in favor and 2 Council Members (Shawn Clark and Tom Clark) voting against, approval was given for the expenditure of \$9,000 towards GWorks web based products in association with future plans for additional gis software projects plus the expenditure for the purchase of 3 iPads/Tablets.

Public hearing was held for consideration of 2019 Auburn Comprehensive Plan. After allowing time for comments and input, the public hearing was closed and 2019 Auburn Comprehensive Plan was approved by the passage and adoption of Resolution No. 32-19.

The City Council approved issuance of Special Designated Liquor License Applications for Ruth Heywood at Gallery 75 located at 1122 J Street to be held on October 31, November 9 & 10, November 14, November 16, November 21, November 23, December 7, December 12, December 14, December 19, and December 21, 2019.

Ruth Heywood spoke regarding her recent purchase of the 1206 J Street and 1005 Central Avenue properties.

Ordinance No. 5-19 to Amend City Code Section 75.50 to conform with State Statute was approved by suspension of rules.

Resolution No. 33-19 authorizing the Mayor to sign the Municipal Annual Certification of Program Compliance form was approved.

Reports from department heads were given. Kendall Neiman gave an update on the fuel upgrade project at the airport. Reports from council committees were given with the street committee reporting that they are ready to proceed with the salt shed building that was included in the budget. A written financial report was provided by the Auburn Community Redevelopment Authority. A written report of law enforcement activity within the City of Auburn for September 2019 was also provided.

Tom Bliss with Southeast Nebraska Development District addressed potential funding sources for community projects. It was decided that it would not be feasible to try to submit a CDBG Planning Grant Application before the end of October. Representation from SENDD will be providing additional information as opportunities become available.

There being no further business to come before the Mayor and Council, the City Council adjourned.

Sherry Heskett
City Clerk

R. Daniel White
Mayor

A complete copy of the minutes is available for inspection at City Hall.

TREASURER'S REPORT
CALENDAR 10/2019, FISCAL 1/2019

AGENDA ITEM
 NO 6

ACCOUNT TITLE	LAST REPORT ON HAND	RECEIVED	DISBURSED	BALANCE
GENERAL CHECKING	826,812.01	141,043.46	119,813.86	848,041.61
STREET CHECKING	296,801.07	52,850.05	33,384.57	316,266.55
STREET BOND/WARRANT CHECKING	11,105.65			11,105.65
TOTAL CHECKING:	1,134,718.73	193,893.51	153,198.43	1,175,413.81
TOTAL FIRE DEPT SINKING	50,070.49	.00	.00	50,070.49
TOTAL KENO RESERVE MMA:	30,879.59	5.24	98.82	30,786.01
TOTOL KENO CHECKING	42,533.27	364.21	237.00	42,660.48
TOTAL CDBG CHECKING	8,873.95	.00	.00	8,873.95
TOTAL CDBG ED MMA:	41,182.45	7.00	.00	41,189.45
TOTAL CDBG DTR REUSE	129,719.89	1,737.69	.00	131,457.58
TOTAL CDBG HD SAVINGS:	71,645.58	483.42	.00	72,129.00
TOTAL CRA CHECKING	626,187.08	26,463.91	.00	652,650.99
TOTAL CITY REC CHECKING	58,035.32	.00	.00	58,035.32
GENERAL CD	100,000.00			100,000.00
TOTAL C.D.'S:	100,000.00	.00	.00	100,000.00
TOTAL CASH ON HAND:	2,293,846.35	222,954.98	153,534.25	2,363,267.08

AGENDA ITEM NO. 7

REPORT NOTATION: Please remember that the “Reference” field of this report is not large enough to print a description of each invoice being paid to the Vendor. Examples include but are not limited to: Board of Public Works. For a full description, please contact me.

Sherry Heskett

**ACCOUNTS PAYABLE ACTIVITY
 CLAIMS REPORT**

VENDOR NAME	REFERENCE	AGENDA ITEM NO
ACCOUNTS PAYABLE CLAIMS		

GENERAL FUND		
AFLAC	AFLAC WH	73.80
AMERICAN RECYCLING SANITATION	GARBAGE SERVICE/RECYCLING	335.00
BCom Solutions, LLC	DIGITAL MARKETING	750.00
AUBURN BPW	ELEC	388.35
CAPITAL BUSINESS SYSTEMS	COPIER LEASE/SUPPLIES	528.01
CODY BRADLEY	FINAL HALF CONSTRUCTION GRANT	5,000.00
LEAGUE ASSOC OF RISK MANAGEMEN	19-20 GEN PROPERTY COVERAGE	13,315.26
MID-AMERICAN BENEFITS INC	HEALTH INSURANCE	20.50
NE PLANNING & ZONING ASSOC.	REGISTRATION	150.00
NEMAHA CO DISTRICT COURT	FILING FEES	249.00
NEMAHA COUNTY SHERIFF	SERVICE FEES	111.00
REDITECH	COMPUTER SERVICE	211.00
REGION V-SENDS	CUSTODIAL SERVICE	135.00
THE STANDARD	LIFE INSURANCE	86.86
TIME WARNER CABLE	PHONE ACCT	452.42
WINDSTREAM NEBRASKA INC	PHONE ACCT	16.22
		=====
		21,822.42
POLICE DEPARTMENT		
NEMAHA COUNTY	LAW/CODE ENFORCEMENT	27,500.00
		=====
	POLICE DEPARTMENT	27,500.00
FIRE DEPARTMENT		
BLACK HILLS ENERGY	GAS BILL ACCT	2.21
AUBURN BPW	ELEC	252.35
LEAGUE ASSOC OF RISK MANAGEMEN	19-20 FIRE DEPT PROP COVERAGE	10,217.33
REGION V-SENDS	CLEANING SERVICE	50.00
THE STANDARD	LIFE INSURANCE	182.66
TIME WARNER CABLE	PHONE ACCT	114.35
WEX BANK	FUEL EXPENSE	77.74
		=====
	FIRE DEPARTMENT	10,896.64
PARK DEPARTMENT		
AUBURN BPW	ELEC	2,954.69
LEAGUE ASSOC OF RISK MANAGEMEN	19-20 PARKS PROP COVERAGE	6,666.83
REGION V-SENDS	CLEANING SERVICE LEGION PARK	350.00
TIME WARNER CABLE	PHONE ACCT	59.71
WEX BANK	FUEL EXPENSE	441.07

**ACCOUNTS PAYABLE ACTIVITY
 CLAIMS REPORT**

VENDOR NAME	REFERENCE	VENDOR TOTAL
	PARK DEPARTMENT	10,472.30
	SR. CENTER DEPARTMENT	
BLACK HILLS ENERGY	GAS BILL ACCT	38.62
AUBURN BPW	ELEC	508.51
REGION V-SENDS	CUSTODIAL SERVICE	190.00
	SR. CENTER DEPARTMENT	737.13
	LIBRARY DEPARTMENT	
AMERICAN RECYCLING SANITATION	GARBAGE SERVICE/RECYCLING	39.66
AUBURN BPW	ELEC	396.87
LEAGUE ASSOC OF RISK MANAGEMEN	19-20 LIBRARY PROP COVERAGE	4,526.21
LINDA BANTZ	CUSTODIAL SERVICES	400.00
MID-AMERICAN BENEFITS INC	HEALTH INSURANCE	10.25
THE STANDARD	LIFE INSURANCE	29.59
VERIZON WIRELESS	PHONE ACCT	160.04
	LIBRARY DEPARTMENT	5,562.62
	POOL DEPARTMENT	
BLACK HILLS ENERGY	GAS BILL ACCT	20.45
AUBURN BPW	ELEC	3,107.29
LEAGUE ASSOC OF RISK MANAGEMEN	19-20 POOL PROP COVERAGE	4,739.95
NE DEPT. OF REVENUE	SALES AND USE TAX RETURN POOL	1,034.99
TIME WARNER CABLE	PHONE ACCT	114.97
	POOL DEPARTMENT	9,017.65
	GENERAL FUND	86,008.76
	STREET FUND	
BLACK HILLS ENERGY	GAS BILL ACCT	24.49
AUBURN BPW	ELEC	382.87
GOES CONSTRUCTION LLC	BUILDING DOWN PAYMENT	3,500.00
LEAGUE ASSOC OF RISK MANAGEMEN	19-20 STREET PROP COVERAGE	12,556.92
MARK HARMS	LAND USE	500.00
MID-AMERICAN BENEFITS INC	HEALTH INSURANCE	20.50
THE STANDARD	LIFE INSURANCE	58.04
TIME WARNER CABLE	PHONE ACCT	41.92
VERIZON WIRELESS	PHONE ACCT	49.42
WEX BANK	FUEL EXPENSE	681.09
		17,815.25

ACCOUNTS PAYABLE ACTIVITY
CLAIMS REPORT

VENDOR NAME	REFERENCE	VENDOR TOTAL
	STREET FUND	=====
		17,815.25
	KENO FUND	
	KENO BETTERMENT	
NE DEPT. OF REVENUE	FORM 51C JUL-SEPT 2019	237.00
		=====
	KENO BETTERMENT	237.00
		=====
	KENO FUND	237.00
		=====
**** PAID TOTAL ****		104,061.01
		=====
***** REPORT TOTAL *****		104,061.01
		=====

**ACCOUNTS PAYABLE ACTIVITY
 CLAIMS REPORT**

VENDOR NAME

REFERENCE

AGENDA ITEM
 NO 7

ACCOUNTS PAYABLE CLAIMS

GENERAL FUND

AMERICAN LAWCARE INC.	LAWCARE REPAIR KITS BACKFLO	100.00
AMERICAN LEGAL PUBLISHING	CODE PROGRAM SUBSCRIPTION	399.00
ANGELO M. LIGOURI	LEGAL FEES	8,144.26
AUBURN NEWSPAPERS	PUBLISHING	54.45
BCom Solutions, LLC	FINAL PAYMENT WEBSITE DESIGN	3,150.00
BEAR GRAPHICS INC	SUPPLIES LASER CHECKS	415.67
EAKES OFFICE SOLUTIONS	SUPPLIES	543.00
FIRST NATIONAL BANK OMAHA	CARD TRANSACTION	1,313.19
gWorks	ACCTG SOFTWARE LICENSE/SUPPORT	2,419.69
JEO CONSULTING GROUP INC.	COMP PLAN UPDATE/HOUSING STUDY	332.10
KIM BEGER	REIM MILEAGE NPZA CONFERENCE	56.61
LYNCH'S HARDWARE & GIFTS	SUPPLIES	9.79
MEYER LABORATORY INC	SUPPLIES	36.78
MICROFILM IMAGING SYSTEMS INC	LASERFICHE GROUP SERVER	3,324.00
NEMAHA COUNTY	REIM APPLIANCE DISPOSAL	1,998.70
NEMAHA COUNTY SHERIFF	SERVICE FEES	2.66
PET PICK-UPS	SUPPLIES	85.93
PETTY CASH	PETTY CASH	51.25
REDITECH	COMPUTER SERVICE	607.50
THE LUMBERJACK COMPANY	PROPERTY CLEANUP 2001 N STREET	3,650.00
USPS	STAMPS	110.00

=====

26,804.58

FIRE DEPARTMENT

AMERICAN LAWCARE INC.	LAWCARE REPAIR KITS BACKFLO	100.00
LYNCH'S HARDWARE & GIFTS	SUPPLIES	98.97

=====

198.97

PARK DEPARTMENT

AMERICAN LAWCARE INC.	LAWCARE	750.00
AUBURN PLUMBING,HTG & AC INC.	PLUMBING SERVICE	18.76
BULLDOG AUTO SUPPLY INC	PARTS/SUPPLIES	15.45
FIRST NATIONAL BANK OMAHA	CARD TRANSACTIONS	9.98
FRONTIER COOPERATIVE	CHEMICALS	62.50
LYNCH'S HARDWARE & GIFTS	SUPPLIES	2.76
PETTY CASH	PETTY CASH	12.78
SACK LUMBER COMPANY	MAINTENANCE SUPPLIES	3.49
Trade Well Pallet,Inc.	WOOD CHIPS	1,700.00

=====

2,575.72

SR. CENTER DEPARTMENT

ACCOUNTS PAYABLE ACTIVITY
CLAIMS REPORT

VENDOR NAME	REFERENCE	VENDOR TOTAL
AIRSTREAM HEATING AND COOLING	HVAC SERVICE	130.25
	SR. CENTER DEPARTMENT	130.25
	LIBRARY DEPARTMENT	
ADAM RADEMACHER	PEST CONTROL SPRAYING	170.00
AMAZON	BOOKS/AVS	212.08
AUBURN MEM. LIBRARY PETTY CASH	POSTAGE/ILL	72.16
BAKER & TAYLOR	BOOKS/AVS	1,011.46
BLACKSTONE PUBLISHING	BOOKS/AVS	907.43
GALE G	BOOKS/AVS	260.64
MICHAEL FREDERICK	BOOK/AVS	24.00
OCLC INC	ILL SUBSCRIPTION	62.44
OVERDRIVE, INC.	BOOKS/AVS	411.96
RICOH USA, INC	EQUIPMENT COPIES	14.57
	LIBRARY DEPARTMENT	3,146.74
	GENERAL FUND	32,856.26
	STREET FUND	
AUBURN NEWSPAPERS	PUBLISHING HELP WANTED	33.00
AUTO AIR & REPAIR	PARTS AND LABOR	1,888.80
BEARD'S SALVAGE INC.	PARTS	22.98
BENNETTS AUTOBODY	WINDSHIELD/BODY WORK	385.80
BULLDOG AUTO SUPPLY INC	PARTS/SUPPLIES	327.11
EGGERS BROTHERS INC	PARTS/SUPPLIES	681.88
FILTER CARE	CLEANED FILTER	16.50
FIRST NATIONAL BANK OMAHA	CARD TRANSACTION	1,045.88
LYNCH'S HARDWARE & GIFTS	PARTS/SUPPLIES	5.98
MELLAGE TRUCK & TRACTOR	PARTS/SUPPLIES	51.40
STUTHEIT IMPLEMENT CO.	PARTS/SUPPLIES	206.53
WHETROCK INC	ROCK	1,395.36
	STREET FUND	6,061.22
**** PAID TOTAL ****		38,917.48
***** REPORT TOTAL *****		38,917.48

**ACCOUNTS PAYABLE ACTIVITY
 CLAIMS REPORT**

VENDOR NAME

REFERENCE

AGENDA ITEM
 NO

7

ACCOUNTS PAYABLE CLAIMS

GENERAL FUND

AMERICAN RECYCLING SANITATION	GARBAGE SERVICE/RECYCLING	335.00
BCom Solutions, LLC	WEBSITE HOSTING/DIGITAL MARKET	980.00
BLUE CROSS-BLUE SHIELD	HEALTH INSURANCE	2,672.51
AUBURN BPW	HEALTH INSURANCE	356.41
CAPITAL BUSINESS SYSTEMS	COPIER LEASE/SUPPLIES	490.91
TIME WARNER CABLE	PHONE ACCT :	25.04
		=====
		4,859.87

POLICE DEPARTMENT

NEMAHA COUNTY	LAW/CODE ENFORCEMENT	27,500.00
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		=====
		27,500.00

FIRE DEPARTMENT

AUBURN BPW	ELEC	267.43
WEX BANK	FUEL EXPENSE	12.20
		=====
	FIRE DEPARTMENT	279.63

PARK DEPARTMENT

AUBURN BPW	ELEC	1,955.13
WEX BANK	FUEL EXPENSE	232.15
		=====
	PARK DEPARTMENT	2,187.28

SR. CENTER DEPARTMENT

AUBURN BPW	ELEC	421.66
		=====
	SR. CENTER DEPARTMENT	421.66

LIBRARY DEPARTMENT

BLUE CROSS-BLUE SHIELD	HEALTH INSURANCE	888.46
AUBURN BPW	HEALTH INSURANCE	410.59
LINDA BANTZ	CUSTODIAL SERVICE	400.00
WINDSTREAM NEBRASKA INC	PHONE ACCT	254.30
		=====
	LIBRARY DEPARTMENT	1,953.35

POOL DEPARTMENT

AUBURN BPW	ELEC	267.31
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ACCOUNTS PAYABLE ACTIVITY
CLAIMS REPORT

VENDOR NAME	REFERENCE	VENDOR TOTAL
	POOL DEPARTMENT	267.31
	GENERAL FUND	37,469.10
	STREET FUND	
BLUE CROSS-BLUE SHIELD	HEALTH INSURANCE	1,314.04
AUBURN BPW	HEALTH INSURANCE	588.03
MARK HARMS	LAND USE	500.00
WEX BANK	FUEL EXPENSE	620.24
		3,022.31
	STREET FUND	3,022.31
**** PAID TOTAL ****		40,491.41
***** REPORT TOTAL *****		40,491.41

ITEM FOR NOVEMBER 12th CITY COUNCIL MEE

On July 4th, the Auburn Eagles and Fire Department would like to set off a public fireworks display at the Auburn High School.

In event of inclement weather, the fireworks display would be held on Sunday, July 5th.

The display will be similar to the last several years, with fireworks set off on both City and District 29 Schools property. Public seating will be on school practice fields and the city park area east of the ball fields. The display will not impact any landscaping in the area.

The display is insured through our distributor, Premier Pyrotechnics.

Our request is at this early date in order to take advantage of a 15% discount on our fireworks purchase for advance orders.

We would like this request discussed at the November 12th City Council Meeting.

Thank you for your time,

Lee Conner



AUBURN EAGLES AERIE #3767
1017 CENTRAL AVENUE
AUBURN, NE 68305

Members of the Auburn City Council,

The Auburn Eagles Fireworks Committee is asking for donations from organizations, individuals, and businesses in Auburn and the surrounding areas for financial support of the annual Fourth of July fireworks display held at the Auburn High School. For the 2019 display, the City of Auburn donated \$3,000 to help support the fireworks display. Please help support this community event and consider a donation of \$3,000 or more for 2020.

Public donations supply a large portion of the funds used by the Eagles for Auburn's annual fireworks display. The previous success of the display would not have been possible without support from members of the local community and the City of Auburn. Your donation will be a big help in planning the celebration. Any support will be greatly appreciated.

Thank you for your time,

Lee Conner



SEND D

Southeast Nebraska Development District

AGENDA ITEM
NO

12

AUBURN, NEBRASKA
Community Development Block Grant (CDBG) Reuse Loan Program
Economic Development Plan
AUBURN CDBG ED RLF REUSE COMMITTEE/LOAN REVIEW COMMITTEE

Date: September 30, 2019

Auburn CDBG Reuse Loan Review

Application received from: *Bryan Mellage*
MondoCat, LLC
#19-ED-001

1. Project:

A. **Project Description:** MondoCat, LLC is requesting funds from the Auburn Community Development Block Grant (CDBG) Program Income Reuse Loan Fund for the following project:

The proposed project will create an additional two (2) new job(s) in the City of Auburn. The project will be partially financed with funding from the Auburn EDRLF and private investment, for total costs estimated at \$148,593. Injection of equity in the project is proposed at \$107,593. The facility is in place and improvements will be made to accommodate equipment and upgrades. The facility will, however, not be changed in size or capacity by more than 20%. The activity does not involve a change in land use, such as residential to non-residential, commercial to industrial, or from one industrial use to another. The CDBG funded activities are unlikely to result in the residential displacement of people, and should such displacement occur it will be minimized and resolved pursuant to the Auburn's anti-displacement and relocation plans.

The proposed project is to solicit funding to assist with the purchase of equipment and working capital for startup costs for the manufacturing facility to be located in Auburn, NE. Funds will be used for the purchase of equipment and working capital to assist in the startup of a catfish bait manufacturing facility. The business will be operated and managed by Bryan Mellage of MondoCat, LLC. For more information about the project, please see the project narrative included in the packet.

B. **Job Creation/Retention and Maintenance Requirements:** Borrower must create one (1) job per \$35,000 requested. This project must create at least 1.18 (\$41,000 / \$35,000) Full Time Equivalent (FTE) positions within 12 months from the date of project approval and will maintain those job positions for at least twelve (12) months from the date of employment of each position. Temporary employees will not be credited in assessing whether the job retention and maintenance requirements have been satisfied and only employment positions at the business location in Auburn, Nebraska will count toward satisfaction of the job creation/retention and maintenance requirements.

C. **Loan Request:** The total loan request is for a \$41,000 loan from the Auburn CDBG EDLF. Total project costs = \$148,593.00. Additional funding is to come from a cash injection from the owner. It is proposed for consideration that Auburn utilize the SEND, Inc. Non-Profit Development Organization (NDO) as a pass-through

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2100 Fletcher Ave., Ste. 100
Lincoln, NE 68521-5862
Office: 402-475-2560

www.sendd.org

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PO Box 308
Humboldt, NE 68376
Office: 402-862-2201

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to de-federalize the loan proceeds. Funds would be retained by the SEND, Inc. NDO to be re-lent to businesses in the SEND, Inc. service area. The suggested loan terms are a 0% fixed interest rate, with a loan term of 5 years (60 months). Final terms will be determined by the Auburn CDBG ED RLF Reuse Committee/Loan Review Committee. Proposed security for the loan will be a blanket UCC filing on all business assets, as well as personal guarantees from the primary owners.

2. Project Development:

Source and Use of Funds

Source & Use of Funds - MondoCat, LLC

Items	Total Cost	Owner	Auburn ED-RLF
Rent/Improvements	\$9,000.00	\$9,000.00	
Equipment	\$30,000.00		\$30,000.00
Working Capital	\$17,833.00	\$6,833.00	\$11,000.00
Administration	\$20,000.00	\$20,000.00	
Labor	\$71,760.00	\$71,760.00	
Project Totals:	\$148,593.00	\$107,593.00	\$41,000.00
Project Percentages:	100%	72.41%	27.59%

3. CDBG National Objective:

The primary CDBG National Objective met by the applicant under the Economic Development Category is the benefit to low- to moderate-income persons.

Job Creation/Retention Requirements: The primary national CDBG objective is to expand employment opportunities, principally for low-and-moderate-income persons (LMI persons). To be eligible, a CDBG project must guarantee at least 51 percent of the permanent full-time equivalent jobs (FTE's) created or retained are available to or taken by LMI person. Definitions for these terms are:

1. Full Time Equivalent (FTE): Jobs are computed on a full time equivalent basis of 2,080 hours per year or 40 hours per 52 weeks per year.
2. LMI Person: A person whose family income is equal to or less than the income limits for their resident country.
3. Permanent Jobs: A job is permanent if it is a full- or part-time position and will be, or can reasonably be expected to be, available for at least six continuous months. Seasonal jobs may be considered. Not eligible are temporary jobs (i.e. construction jobs related only to the project's new or renovated real estate) and jobs indirectly related to the assisted business. (i.e., trickle-down jobs). Generally contracted workers are not considered.

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4. **Available To:** Jobs will be considered to be available to LMI person if special skills that can only be acquired with substantial training or work experience beyond high school are not a prerequisite to fill the jobs and LMI person are given first consideration for such jobs.
5. **Retained Jobs:** Retained jobs would be lost without CDBG assistance. Documentation is necessary to show that at least 51% of the jobs are known to be held by LMI person, or steps will be taken to ensure that at least 51% of the jobs which can reasonably be expected to become available through turnover within the following two years will be filled by or made available to, LMI persons.

Purpose:

- A. **Create or Retain Jobs Which Will Benefit Lower Income Persons.** This project will allow for the creation of at least 1.18 Full-Time Employment (FTE) job positions. All of these positions are subject to the Job Creation/Retention and Maintenance requirements stated above, including the employment of persons, the majority (51% or more) of whom are LMI persons.

Eligible Activities:

- A. **Economic Development Activities Including Purchase of Land and Buildings and Working Capital.** This project involves the purchase of business assets, as well as start-up working capital.
- B. **Equipment and Machinery Purchase, Both New & Used.** This project involves the purchase of equipment and machinery to set up a factory capable of manufacturing catfish bait products and accessories within the City limits of Auburn.

***Note: Program Administrator will request a determination on the financial feasibility of this project. See attached business plan and financial analysis spreadsheets.*

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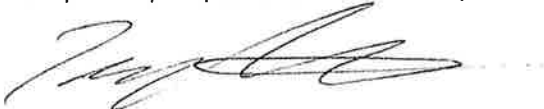
Southeast Nebraska Development District

CONSIDERATION FOR LOAN: *Based upon the above information and documentation from application materials, the Auburn CDBG ED RLF Reuse Committee/Loan Review Committee consider the following request: \$41,000.00 to MondoCat, LLC as a "CDBG EDLF Reuse Loan."*

- Project Loan considerations in reference to the Auburn CDBG Economic Development Plan:
 1. Consideration of participation in the SEND, Inc. Non-Profit Development Organization.
 2. Execution of a Loan Agreement between the Borrower and Lender outlining the terms and conditions of the loan.
 4. Security consisting of a UCC filing on all business assets and accounts receivable owned or hereafter acquired by MondoCat, LLC.
 5. A Deed of Trust on the property owned by Bryan Mellage, Mellage Truck & Tractor, Inc.
 6. Creation of at least 1.18 FTE – Full Time Equivalent positions within 12 months from the date of project approval and will maintain those positions for at least 12 months from the date of employment for each position.
 7. Personal Guaranty from the primary owner, to be in place during the term of the loan.
 8. Proof of Insurance on the business assets listing the Auburn CDBG Reuse Loan Program as the Loss Payee.
 9. Any other documents as deemed necessary by the City of Auburn and SEND, Inc., NDO.
 10. Further Compliance with all CDBG Requirements.

- Project Specific Items for Consideration:
 1. Recommendation of utilizing Nebraska Business Development Center's consulting services for a minimum of one (1) year to help the owners develop a strategic plan and strategy to help ensure the sustainability of the business.
 2. It is recommended that the fund not be forgivable and that the owner submit documentation for what the funds are to be used for.

Respectfully Prepared and Submitted By:



Trey Ertmer
Program Administrator
Auburn CDBG Reuse Economic Development Plan

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**AUBURN, NEBRASKA
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND
APPLICATION**

APPLICANT NAME: Bryan Mellage TITLE: Owner

COMPANY NAME: MondoCat, LLC

ADDRESS: 73160 U.S. Hwy 75 Auburn, NE 68305
Street City State Zip

TELEPHONE: (402) 274-4097 FAX: (402) 274-3989

CONTACT PERSON (If different than applicant): _____

TELEPHONE: () _____ - _____ E-MAIL: _____

BUSINESS TYPE: CORPORATION PARTNERSHIP SOLE PROPRIETORSHIP
IF CORPORATION OR PARTNERSHIP LIST OFFICERS/PARTNERS:

NAME: Bryan Mellage TITLE: Owner OWNERSHIP: 100%

NAME: _____ TITLE: _____ OWNERSHIP: _____ %

NAME: _____ TITLE: _____ OWNERSHIP: _____ %

NAME: _____ TITLE: _____ OWNERSHIP: _____ %

PROJECT TYPE: BUSINESS START-UP BUSINESS EXPANSION

BUSINESS ACTIVITY (PRODUCT OR SERVICE): Expansion:

prepared cat-fish dip bait along with sponge and worm hooks. YEARS IN BUSINESS: 5

CURRENT EMPLOYMENT: 1 (FULL-TIME EQUIVALENT)

PROPOSED EMPLOYMENT: 2 (NEW/ADDED JOBS RELATED TO PROJECT)

PROJECT NARRATIVE: See attached

TYPE OF ASSISTANCE REQUESTED:

FINANCING AMOUNT: \$41,000⁰⁰ TERM: _____ YEARS RATE: _____ %

USE OF FUNDS: (Check all that apply)

PURCHASE LAND PURCHASE BUILDING

CONSTRUCTION RENOVATION

MACH/EQUIP WORKING CAPITAL

OTHER (Describe) _____

SOURCES AND USES OF ALL PROJECT FUNDS

ACTIVITY DESCRIPTION	TOTAL COST	(Breakdown)		
		LENDER	CITY	EQUITY
LAND/BUILDING <i>rent + improve</i>	<u>\$9,000</u>	\$ _____	\$ _____	\$ _____
MACH/EQUIP	<u>\$30,000</u>	\$ _____	\$ _____	\$ _____
WORK CAPITAL	<u>\$17,833</u>	\$ _____	\$ _____	\$ _____
INTERIM FINANCE	\$ _____	\$ _____	\$ _____	\$ _____
ADMINISTRATION	<u>\$30,000</u>	\$ _____	\$ _____	\$ _____
OTHER: <u>Labor</u>	<u>\$71,760</u>	\$ _____	\$ _____	\$ _____
PROJECT TOTALS:	<u>\$148,593</u>	\$ _____	\$ _____	\$ _____

ACKNOWLEDGEMENTS and ATTACHMENTS:

- A. A signed Certification of Assurances (Attachment A – included with application)
- B. Resume of Principal(s)
- C. Business Plan (including):
 - 1) Cash flow/income projections, monthly for first year and annual for years two and three, with assumptions
 - 2) Management plan
 - 3) Market demand summary/Purchase orders
- D. Preliminary (site/building) plans and/or equipment list and cost estimates
- E. Options to Purchase (land/buildings/equipment)
- F. Appraisal of land/buildings and equipment (equity)
- G. Personal Financial Statement of Principal(s)
- H. Commitment Letters from bank/lender
- I. Income Statements for the last 3 years (except startup)
- J. Balance sheets for the last 3 years (except startup)

The Applicant hereby certifies that all information in this application, and all information furnished in support of this application is given for the purpose of obtaining assistance under the Economic Development Plan and is true and complete to the best of the Applicant's knowledge and belief. Verification may be obtained from any source named herein, provided that any and all information related to the financial status of the business shall be held confidential and not subject to review by the public.

Signature of the Applicant: Byron Mellage

Title: Member

Date signed: 9/11/19

#####

REFERRED TO REVIEW COMMITTEE:

_____ Date

RECOMMENDATIONS – REVIEW COMMITTEE:

___ APPROVAL Letter of Recommendation: _____

___ DISAPPROVAL (Reasons):

#####

CITY ACTION:

_____ Date

___ APPROVAL Resolution: _____

___ DISAPPROVAL (REASONS):

Economic Development Revolving Loan Fund Application

- **Application**
- **Attachments**
 - **Executive Summary**
 - **Narrative**
 - **Certificate of Assurances**
 - **Resume – Bryan Melage**
 - **Business Plan**
 - **Cash Flow**
 - **Management Plan**
 - **Marketing**
 - **Equipment List**
 - **Personal Financial Statement – Bryan Melage**
 - **Statement of Credit Denial, Termination or Change**
 - **Certificate of Good Standing**

Executive Summary

MondoCat LLC, fishing poles and equipment has become the brand name of choice for fisherman looking to catch catfish, especially big catfish. MondoCat LLC is set to expand its product offerings of high quality fishing equipment and accessories to include a line of prepared catfish dip baits along with complementary sponge and worm hooks. MondoCat will begin to manufacture this line of dip baits and accessories in the fall of 2019. This business expansion will require the need to hire more employees, purchase tooling and equipment, and add to stocking inventory of this new product. MondoCat LLC is looking to secure working capital financing for this business expansion.

Narative

In May of 2014, Bryan Mellage formed the corporation, MondoCat, LLC. This company was formed to sell products to the niche market of people fishing for catfish, specifically large catfish.

MondoCat was primarily an internet based business at the beginning that was based on the building and selling the specialty item of high quality catfish fishing poles and has grown to include a full product line of products directed to the niche market of catfish fishermen, a dealer network spanning the entire U.S. and a direct ship product division.

The American fishing market place is dominated by the bass market with people fishing for walleye a close second. In a survey done by the United State Census, National Survey of Fishing, Hunting, & Wildlife Associated Recreation (FHWAR) 2016, published in 2018 shows that there are between 30 and 40 million people who fish in the United States at varying degrees of frequency. The overall dollar value of the recreational fishing market is estimated at over \$46.6 billion per year. The numbers of people who target bass number in the U.S. are @15 million people and those who are going after walleye number @12 million people. The market for those going for catfish is currently just over 8 million.

With 5% of the total fishing, the U. S. catfish fishing market is valued at nearly \$2.325 billion. The catfish fishing popularity and the marketplace value is on the rise and has been for several years now. The catfish fishing market is projected to compete for a place among the leaders in the fishing market in the coming years. This growth of market share is attributed to the size of catfish compared to other species of fish, the thrill of catching a big fish, and the lower cost of going catfishing compared to targeting other types of fishing.

MondoCat's business plan is to capitalize on the U.S. projected growth of the catfish fishing market and even further specialize on the niche of the catfishermen who want to catch the biggest catfish that they can find. MondoCat is promoting their brand as the product name to buy if you want to catch catfish and especially big catfish. MondoCat is building a merchandise line of high quality products that fulfill this niche market of catfishermen that are targeting catfish and particularly big catfish.

MondoCat's product line of catfishing poles has become a standard for this group of fishermen looking to catch catfish and especially those targeting big catfish. MondoCat is getting ready to launch a line of dip nets that are produced here in the U.S. that will be of the highest quality of construction and strength to handle the biggest of the catfish species found in the biggest of the U.S Rivers such as the Mississippi and Missouri Rivers.

It is now MondoCat's intention to begin to manufacture and retail a line of catfish prepared dip baits, sponge and worm hooks to go with the catfish bait. To accomplish this, MondoCat is purchasing a long standing name in the catfish bait business world, Doc's Catfish Bait from Parkersburg, IA. Doc's Catfish Bait Company has been in constant operation since 1927.

MondoCat will be bringing the manufacturing facility to its hometown of Auburn, NE.

To make this happen, MondoCat will need to build, from scratch a complete factory capable of manufacturing the catfish bait product and the accessory hooks. This new catfish dip bait product will be called "Mondo Mash".

The manufacturing of the Mondo Mash and hooks will require a physical location, purchasing of new manufacturing tooling and equipment and the hiring of new employees, to be located in Auburn, NE.

Doc's Catfish Bait Company had wholesale contracts with Scheels, Dick's Sporting Goods & Walmart, as well as 12 distributors that sold to the smaller Mom & Pop bait shops all across America. MondoCat will be given access to these old Doc's Catfish Bait Company's contacts with the purchase of the company. MondoCat's purchase of Doc's Catfish Bait company will include the companies old sales contacts, the Doc's secret catfish bait recipe, company trademark rights, as well as the help and guidance of Doc's Catfish Bait' owner and holder of its integrity knowledge, Robert Horsch.

The purchase of Doc's Catfish Bait Company will be completed by the end August of 2019. MondoCat has already secured a location, which it will rent for the initial manufacturing of the new product. MondoCat will need to purchase needed equipment and do minimal restoration to the rental location to accommodate the production equipment.

It is MondoCat's intention to make enough of the new catfish bait product and hooks for retail sales for the winter fishing show season which begins in January of 2020. This will coincide with a social media marketing advertising plan to promote this new product. MondoCat has already signed up for 8 fishing shows across the Midwest in cities such as, Fargo, ND, Chicago, IL, Louisville, KY, St. Louis, MO, and others.

MondoCat has a strong presence on social media, using Facebook, a MondoCat YouTube account and blogs. MondoCat regularly advertises and does boosting on social platforms, such as Facebook, Google, & Bing to promote its products.

MondoCat also has its own fishing ProStaff network of professional fishermen that helps take MondoCat branded products directly to the masses, through catfishing tournaments and the ProStaff personal social networking.

In the spring of 2020, after the fishing show season, following the social media blast promoting the introduction of the Mondo Mash Catfish bait product, MondoCat looks to expand its market place presence in the prepared catfish bait market. MondoCat will reestablish contracts with the old Doc's Catfish Bait Company's distributor network.

After securing signed contracts with a distributor network, MondoCat will start to expand its manufacturing capabilities in the Auburn factory.

In 2021, MondoCat will be selling Mondo Mash along with the paired sponge and worm hooks through Amazon, on MondoCat business website as well as being sold across the U.S. through a distributor wholesale network.

By 2022, MondoCat will be working to reestablish contacts with big store chains, such as Dick's, Scheele's and Walmart.

MondoCat's long term plan is to locate its fishing pole manufacturing facility, which is also currently located in Auburn, NE, along with its new catfish dip bait and accessory hook production

facility into one location. To this end, MondoCat will be looking to move both production lines into one existing building or build a new structure to house both manufacturing lines.

MondoCat is committed to place its brand at the top of the niche catfish fishing market, today and into the future, through high quality products, above average service and aggressive social media marketing.

MondoCat is looking for working capital to help with its manufacturing expansion. This capital will be used to make the rented space ready to be used to produce the Mondo Mash, purchase needed production equipment, buy needed ingredients for the production of the Mondo Mash, to make payroll for at least two new employees along with the need to be able to stock inventory of the product before sales of the Mondo Mash produce a cash flow of income making the startup expansion financially self-sustaining.

ATTACHMENT A

CERTIFICATION OF ASSURANCES

To the best of my knowledge and belief, as a condition of obtaining assistance through the **Economic Development Loan Fund**, the applicant will, if assistance is approved, comply with all Federal and State requirements, including the following:

- A. The Civil Rights Act of 1964 (PL 88-352) and Title VIII of the Civil Rights Act of 1968 (PL 90-284);
- B. Housing and Community Development Act of 1974, as amended;
- C. Age Discrimination Act of 1975
- D. Section 504 of the Rehabilitation Act of 1973
- E. Davis Bacon Act, as amended (40 U.S.C. 276a-276a-5), where applicable under Section 110 of the Housing and Community Development Act of 1974, as amended;
- F. Fair Labor Standards Act of 1938, as amended, (29 U.S.C., 102 et, seq);
- G. Preservation of Historical and Archaeological Data Act of 1974 (PL 93-291);
- H. National Historic Preservation Act of 1966, Section 106 (PL 89-665);
- I. National Environmental Policy Act of 1969;
- J. Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1979, Title II and Title III;
- K. Nebraska Community Development Law, Section 18-2101 to 18-2144, Revised Statutes of Nebraska, 1943.

Bryan Mellage
Signature

Bryan Mellage, Member
Typed Name and Title

Date Signed: 9/11/19

Company: MondoCat, LLC

Address: 73160 75 Hwy
Street

Auburn NE 68305
City State Zip Code

Attest: [Signature]

Date: 9-11-19

BRYAN MELLAGE

73160 US HWY 75, Auburn, NE 68305 · 402-274-8367

bryan.mellage@gmail.com

EXPERIENCE

Mellage Truck & Tractor, Inc.

President/Owner

Self-employed owner operator of Mellage Truck & Tractor for over 35 years.

MondoCat, LLC

President/Owner

Fishing rod manufacturing and sales. Established May 2014. MondoCat produces catfish fishing poles in Auburn, Nebraska. Poles are sold both on-line and in a retail setting. MondoCat's new line of Stink Bait will be available in 2020.

Aug 2016 – Current

Nemaha County Commissioner

Nemaha County Commissioner, District 2

Administer county governmental services such as prisons, courts, public health oversight, property registration, building code enforcement, and public works such as road maintenance

2019

Published Author

Don't Eat Stink Bait

Recently published Never Eat Stink Bait – Lessons Learned from the Creek Bank.

Sept 2012 – Current

CentUSA Advisory Board

Advisor

Working on the promotion of next generation biofuels.

2010

Southeast Nebraska Partners for Progress (P4P)

Founding Member

Create a diverse industrial manufacturing hub in the 5-county region, utilizing a diversified workforce.

May 2009 – Current

Nu Nebraska RC, L.L.C.

Member

Regional Center for EB-5 investment opportunities

EDUCATION

Aug 1969 – May 1973
Auburn High School, Auburn, Nebraska

2013
University of Nebraska at Lincoln
Climate Masters Course

REFERENCES

References are available upon request

AUBURN, NEBRASKA

Meeting:

**AUBURN ECONOMIC DEVELOPMENT APPLICATION REVIEW
COMMITTEE**


MINUTES

- A. CALL TO ORDER**—Program Administrator, Trey Ertmer called the meeting to order at 4:00 p.m. Members present were Committee members Gerdes, Collins, Crotty, Snyder, and Janssen. Also present was Trey Ertmer, Program Administrator
- B. CURRENT BUSINESS** -- Received project proposal for consideration on an Auburn CDBG EDLF application from Mondocat, LLC (#19-ED-001-ARLF) for an economic development reuse loan, consider action:

The Program Administrator directed the committee to the project proposal and financial/project documents. The total loan proposal is for a \$41,000 loan from the Auburn CDBG EDLF. Total project costs = 148,593. Mondocat, LLC has committed to creating at least 1.18 FTE jobs. The Reuse Committee met and reviewed the application, financial statements and other business records. After careful consideration, Janssen made a motion, to recommend a 60-month term loan at 0% interest to Mondocat, LLC, with funds to be disbursed upon documentation of eligible business expenses. Security interest will consist of a UCC filing on all business assets, Purchase Money Security Interest on new equipment purchases, and personal guarantees from the primary owners. Motion was seconded by Snyder. Motion passed unanimously on a vote by acclamation.

With no other business to come before the Auburn Reuse Committee/Loan Review Committee, the meeting was adjourned at approximately 4:45 p.m.

MINUTES PREPARED BY:


Trey Ertmer, Program Administrator
Auburn CDBG Revolving Loan Fund



RESOLUTION NO. _____

**To Use Community Development Block Grant (CDBG) Program Income
from the Economic Development Loan Fund (EDLF)
Under the approved Economic Development Plan**

WHEREAS, the City of Auburn, Nebraska, has adopted an “Economic Development Plan” for use of Community Development Block Grant (CDBG) Program Income funds from previous CDBG projects; and

WHEREAS, funds collected under the Economic Development Loan Fund (EDLF) are to be used for projects or programs providing direct or indirect financial assistance to qualifying businesses; and

WHEREAS, the Auburn CDBG ED RLF Reuse Committee/Loan Review Committee has recommended a project, presented through application by an eligible business, for a “Reuse Loan” of \$41,000.00 under specified conditions; to assist to assist with the development of a new manufacturing facility capable of manufacturing of catfish bait and equipment located at 1611 29th Street. This includes leasehold improvements, the purchase of equipment, furniture and fixtures, and inventory, as well as start-up working capital expenditures. Total project costs are estimated at \$148,593.00. The remaining \$107,593 will be financed by the owner; and

WHEREAS, the City of Auburn, Nebraska has obtained its citizens’ comments on community development and housing needs; and has conducted a public hearing upon the proposed use of the CDBG EDLF financing; all of the CDBG EDLF funds will be used for activities that will meet the CDBG National Objective of benefiting low-to-moderate income persons and will retain/create at least 1.18 full time equivalent (FTE) jobs,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Auburn, Nebraska, that approval of the application and obligation of funds is authorized according to the recommendations of the Auburn CDBG ED RLF Reuse Committee/Loan Review Committee, and the Mayor of the City of Auburn is hereby authorized to proceed with the formulation of any and all contracts, documents or other memoranda, as well as execute all necessary and appropriate documents on behalf of the City of Auburn prior to closing on the project for “**Mondocat, LLC**” contingent upon approval of the City Attorney as to form.

Passed and adopted on the 12th Day of November, 2019, by the City Council of Auburn, Nebraska.

Mayor

ATTEST: _____
City Clerk

MEMORANDUM OF UNDERSTANDING BETWEEN
SOUTHEAST NEBRASKA DEVELOPMENT, INC. AND THE CITY OF AUBURN, NEBRASKA

This Memorandum of Understanding ("MOU") is entered into between the Southeast Nebraska Development, Inc. (SEND, Inc.) and the City of Auburn, Nebraska.

WHEREAS, the City of Auburn, Nebraska is the recipient of a Community Development Block Grant (CDBG) Funds and,

NOW, THEREFORE, in consideration of the mutual promises, covenants and provisions contained herein and the mutual benefits to be derived therefrom, the parties hereto agree program income from the CDBG economic development funds are as follows:

All current CDBG (program income) and future CDBG (new grants) economic development projects funded through the City of Auburn, Nebraska will be assigned to SEND, Inc.'s Non-profit Development Organization (NDO), as defined by NDED and will be reused for economic development activities as outlined in SEND, Inc.'s NDO Reuse Plan as approved by NDED (*See Attachment A*).

This MOU is hereby executed by its duly authorized representatives.

BOARD PRESIDENT, SEND, INC.

DATE

MAYOR, CITY OF AUBURN, NEBRASKA

DATE

**SOUTHEAST NEBRASKA DEVELOPMENT, INC. (SEND, Inc.)
NON-PROFIT DEVELOPMENT ORGANIZATION (NDO)
ECONOMIC DEVELOPMENT PLAN FOR USE OF NDO PROCEEDS**

PART I: TYPE OF PLAN

A. REGIONAL

The Southeast Nebraska Development Inc., (SEND, Inc.) NDO Regional Revolving Loan Fund (SEND, Inc. -RLF) must be used within the 15-county service area of SEND, Inc.

Seward	Saunders	Cass	Johnson	Otoe
Pawnee	Richardson	Nemaha	Thayer	Jefferson
Saline	Fillmore	Gage	York	Polk

PART II: GOALS AND OBJECTIVES

A. LOCAL OBJECTIVES

1. Provide financing for start-up and existing businesses that cannot obtain sufficient conventional financing or to attract new businesses within the SEND, Inc. service area
2. Provide financing to construct or rehabilitate single-family housing or market rate multi-family housing which is designed to address a housing shortage that impairs the ability to attract new businesses or impairs the ability of existing businesses to recruit new employees within the SEND, Inc. service area
3. To create and retain jobs principally for low-to-moderate income persons
4. To diversify the region's economy by assisting businesses which are not presently in the region
5. To encourage the redevelopment of vacant or blighted buildings and land
6. To promote entrepreneurship and new business development
7. To stop "leakage" of dollars from leaving the region
8. To provide necessary public infrastructure to business and industry
9. Help businesses and industry with job training costs



PART III: ELEMENTS OF THE PLAN

A. ELIGIBLE BUSINESSES

1. Manufacturing assembling, fabricating or processing of tangible personal property
2. Storing, warehousing, distributing, transporting, or selling of tangible personal property
3. Conducting research, development, or testing for scientific, agricultural, animal husbandry, food product, or industrial purposes
4. Performing data processing, telecommunications, insurance, or financial services
5. Transportation, retail, service and tourism that are for profit and/or not for profit
6. Any business that derives its principal source of income from the construction or rehabilitation of workforce intended housing
7. The administrative management of any activities, including headquarter facilities relating to such activities

B. ELIGIBLE ACTIVITIES

Eligible activities, for which loan funds may be used, shall be limited to:

1. Acquisition of land and buildings

2. Construction or renovation of real estate either leased or owned
3. Acquisition of machinery, equipment, property or services
4. Providing funds for the purpose of guarantying loans for any of such purposes
5. Working Capital
6. Equity Investment
7. Job Training costs
8. Public Infrastructure (streets, water, sewer, electrical) necessary to accommodate businesses
9. Any business that derives its principal source of income from the construction or rehabilitation of workforce intended housing
10. Miscellaneous activities that continue to support economic development as approved by the board

C. TYPES, AMOUNTS AND TERMS OF ASSISTANCE

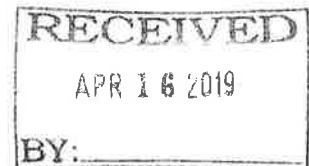
Assistance shall only be provided when other sources of funds under like terms are not otherwise available. Funds will be provided in the least amount necessary when used with other sources and in accordance with the other restrictions contained in this plan to make the project feasible. Funding will be based on job creation/retention criteria.

The amount of assistance for any single application shall not exceed the amount of funds available or expected to be available to the SEND, Inc. RLF at the time of approval of the application; provided that the SEND, Inc. RLF shall only be obligated for funds actually available on the date of the approval.

For direct loans involving bank participation, no application shall provide more than fifty (50%) percent of the cost of fixed assets to be purchased and/or working capital including interim financing (required by the project). Micro loan applications up to \$35,000 with no bank participation may provide 100% of the funds needed to successfully complete the project. In either case, applicant must provide equity injection and evidence of the ability to participate. The minimum participation amounts shall be equal to ten (10%) percent of the total project cost for projects including expansion of an existing business (existing at least three years) or twenty (20%) percent of the total project cost of a start-up business (to be created or existing less than three years). In the event such funds are used to guarantee a loan no equity participation shall be required of applicant, but applicant shall endeavor to provide as much equity for such purpose as is possible. The application shall state the proposed terms of the loan. However, SEND, Inc. reserves the right to negotiate the amount, the interest rate and term of the loan with the applicant. Generally, interest rates shall not be less than ½ prime rate in the Wall Street Journal, or three (3%) percent.

Terms of the loan are dependent upon the type of financing provided and in no case shall be the term exceed useful life of assets finances. Standards for terms shall be:

1. Working capital – up to 3 years
2. Machinery and equipment – up to 7 years.
3. Land and buildings – up to 15 years.



It should be noted that the above guidelines are established as a reference standard and may be amended or waived on a case-by-case basis, depending on the impact the business may have on the economy.

All applicants of approved projects shall provide adequate assurances that the project will be started and completed. Security for loans will include but will not be limited to a promissory note, mortgage or deed of trust, security agreement, assignment of life insurance and personal and/or corporate guarantees, as appropriate. The security may be in a subordinate position to the primary (participating) lender in the project. The collateral pledged by the business must adequately secure the amount of funding provided by the NDO on the project. Personal assets may be considered if there are not sufficient assets available to be pledged by the business.

PART IV: APPLICATION AND REVIEW PROCESS

A. APPLICATION PROCESS

Businesses may obtain an application from the SEND, Inc. office during normal business hours or via the website www.sendd.org. Completed applications are to be submitted to the SEND, Inc. NDO Program Administrator. Applications will be reviewed in the order in which they are received. When considering multiple projects, priority will be given to projects in which other sources of funds under like terms are not otherwise available.

B. REVIEW AND APPROVAL PROCESS

SEND, Inc. staff shall be responsible for preparing loan applications for Southeast RLF Committee review. This can include 1) meet with the applicant, if necessary, 2) request additional information, if necessary, 3) determine that the activities are eligible as required in this plan and by other federal and state requirements, 4) consider and make recommendations for changes to the original application, and 5) present the loan request to the Southeast RLF Committee.

C. REVIEW AND APPROVAL PROCESS

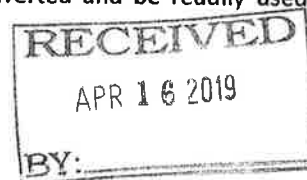
SEND, Inc. will utilize a Southeast RLF Committee as their advisory body. The Southeast RLF Committee shall 1) meet with the applicant, if necessary, 2) accept additional information, 3) accept recommendations from the SEND, Inc. NDO Program Administrator, 4) Consider and make recommendations for changes to the original application, and 5) determine that the activities are eligible as required in this plan and by other federal and state requirements.

Once an application is reviewed, The SEND, Inc. Board of Directors shall receive a recommendation from the Southeast RLF Committee. With the information provided the SEND, Inc. Board of Directors will make final determination on the project. The SEND, Inc. Board of Directors will have responsibility of ratifying all decisions made by the RLF Committee.

PART V: PROGRAM FUND AND REPAYMENTS

SEND, Inc. shall deposit all repayments from loans approved prior to and after the adoption of this plan and other program income into its revolving loan fund accounts. These accounts shall be interest bearing accounts. The amount of money in this account shall be no larger than the amount insured by the FDIC, FSLIC or approved pledges securities. SEND, Inc. may also invest funds from the fund in secured instruments, as provided by law that can be converted and be readily used for approved applications.

PART VI: PROGRAM ADMINISTRATION



SEND, Inc. will serve as administrator of this fund and charges for such services shall be paid for entirely or in part with the funds provided by this plan. SEND, Inc. will charge administration fees on a cost reimbursement basis, not to exceed 8%.

PART VII: PRIORITY RANKING SYSTEM

Priority will be given to activities that are described as eligible activities under this plan. Priority will also be given toward the following 1) Industrial Job Creation and Job Retention, 2) Back Office/Service Operations targeting job creation/job retention, 3) Workforce housing development that addresses housing shortages or enhances the ability to attract new businesses or to recruit new employees, 4) Retail Business, 5) Public Works Infrastructure to support Industrial, Service, Commercial, and Retail.

PART VIII: CONFLICT OF INTEREST CLAUSE

Regarding any members of the SEND, Inc. Board of Directors, Southeast RLF Committee, or SENDD staff involved with administration of this Non Profit Development Organization, confidential business information may be shared from time to time so that with these individuals in order to participate in discussions regarding applications for economic development assistance. These individuals will be required to acknowledge an obligation to disclose for the public record any personal and/or professional financial interest(s) in the project which is the subject of an application for economic development assistance. Further, they must acknowledge that anyone who makes such a disclosure shall not participate in discussion and review of the application, nor shall this individual vote on any recommendation, nor approve of any further negotiations or recommendations regarding the application.

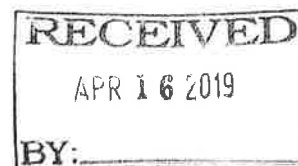
PART IX: GRIEVANCE PROCEDURES

In the event that any applicant feels he or she is aggrieved by any decision of the NDO process, he or she may file a grievance with the President of SEND, Inc., 2100 Fletcher Ave, Ste. 100, Lincoln, NE 68521 within thirty (30) days of notification of a funding decision.

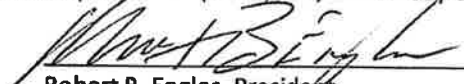
PART VII: PLAN AMENDMENTS

SEND, Inc. may consider amendments to this plan at any time provided that prior to making any changes to this plan, the Southeast RLF Committee, SEND, Inc. staff and any other persons as may be designated by SEND, Inc. shall consider any proposed changes and make a recommendation to the SEND, Inc. Board of Directors for their consideration. Changes shall be adopted by resolution and approved by the State of Nebraska Department of Economic Development.

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This plan is hereby approved by action of the Board of Directors of Southeast Nebraska Development Inc. (SEND, Inc.) this 9th day of April, 2019.



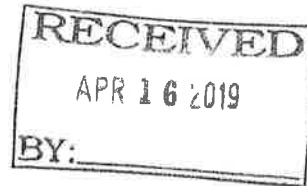
Robert B. Engles, President

This reuse plan is hereby approved by the Nebraska Department of Economic Development (NDED) this 16th day of April, 2019.



NDED Representative

TOM STEPHENS, FINANCIAL PKGER, NDED



**BOARD OF PUBLIC WORKS
2020 BUDGET STATEMENT**

ELECTRIC DEPARTMENT

Summary of all Funds	Actual 2018	Actual/Est. 2019	Budget 2020
Beginning Balance	\$ 10,086,215	\$ 10,433,793	\$ 10,356,653
Total Revenue	6,477,371	6,438,495	6,532,608
Funds Available	16,563,586	16,872,288	16,889,261
Total Expenditures	6,453,357	6,353,812	9,232,161
Accrual Reconciliation +/-	323,564	(161,824)	(169,071)
Ending Unrestricted Balance	10,433,793	\$ 10,356,653	\$ 7,488,029
Ending Restricted Balance	147,872	\$ 161,824	\$ 169,071

WATER DEPARTMENT

Summary of all Funds	Actual 2018	Actual/Est. 2019	Budget 2020
Beginning Balance	\$ 779,788	\$ 805,471	\$ 193,779
Total Revenue	973,128	994,609	943,502
NDEQ Loan	249,018	249,000	248,000
Funds Available	2,001,934	2,049,080	1,385,281
Total Expenditures	1,522,952	1,314,029	2,178,629
Accrual Reconciliation +/-	326,489	(541,272)	(542,122)
Ending Unrestricted Balance	\$ 805,471	\$ 193,779	\$ (1,335,469)
Ending Restricted Balance	\$ 539,989	\$ 541,272	\$ 542,122

WASTEWATER DEPARTMENT

Summary of all Funds	Actual 2018	Actual/Est. 2019	Budget 2020
Beginning Balance	\$ 3,237,264	\$ 3,924,124	\$ 3,689,928
Total Revenue	1,068,827	1,050,638	1,068,312
Wastewater Bond Payment	1,923,264	488,222	451,312
Funds Available	6,229,355	5,462,984	5,209,552
Total Expenditures	2,592,197	1,295,539	1,286,880
Accrual Reconciliation +/-	286,966	(477,517)	(474,067)
Ending Unrestricted Balance	\$ 3,924,124	\$ 3,689,928	\$ 3,448,605
Ending Restricted Balance	\$ 328,142	\$ 477,517	\$ 474,067

Notice is hereby given that the Board of Public Works has filed a proposed proprietary budget statement with the Auburn City Clerk. The Mayor and City Council shall conduct a public hearing on the proposed budget statement. Said public hearing will be held on the 12th day of November, 2019 at 7:10 P.M or as soon as possible thereafter at the City Council Chambers, 1101 J Street, for the purpose of hearing testimony related to the proposed proprietary budget statement. The Board of Public Works Budget Statement is available for public review at City Hall, the Board of Public Works Offices during normal business hours and on the Board of Public Works website www.auburnbpw.com

Sherry Heskett - Auburn City Clerk	November 6, 2019		
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CALL RESOLUTION

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CITY OF AUBURN, NEBRASKA (THE "CITY"), IN THE STATE OF NEBRASKA, as follows:

Section 1. The following bonds, in accordance with their option provisions, are hereby authorized to be called for redemption and payment on a date to be determined pursuant to a Call Direction (defined below), after which date interest on the bonds will cease:

Combined Utilities Revenue Bonds, Series 2009, dated July 13, 2009 (the "2009 Bonds"), pursuant to a Resolution adopted by the City on April 13, 2009, issued in the original principal amount of \$6,006,000 to Nebraska Department of Environment and Energy ("NDEE") pursuant to a Loan Agreement between the City and NDEE dated July 13, 2009 (the "Loan Agreement")

Said 2009 Bonds are subject to redemption at any time at the principal amount thereof plus accrued interest to date fixed for redemption, and said interest is payable semiannually.

Section 2. The 2009 Bonds, as determined by an Authorized Officer in the Call Direction (defined in Section 4 below) are hereby authorized to be irrevocably called for redemption on such date as determined by an Authorized Officer (the particular 2009 Bonds called for redemption as set forth in the Call Direction are referred to as the "Refunded Bonds").

Section 3. The Refunded Bonds are to be paid off at the office of the City Treasurer of the City of Auburn, Nebraska, in its capacity as paying agent and registrar for the Refunded Bonds (the "Paying Agent").

Section 4. The Mayor or the City Clerk (each, an "Authorized Officer") are each individually hereby authorized at any time on or after the date of this resolution to direct the call of the Refunded Bonds on behalf of the City and such direction, when made in writing (the "Call Direction"), shall constitute the action of the City without further action of the Council. The Call Direction shall include a description of that portion of the Refunded Bonds called for redemption as determined appropriate by the Authorized Officers. The Call Direction shall be made by an Authorized Officer not later than June 30, 2020, after which date the Authorized Officers shall have no authority to make any such determination hereunder without further action of the Board and this resolution shall be of no further force and effect.

Section 5. An executed Call Direction shall be filed with Paying Agent, which delivery is necessary in order for the call of the Refunded Bonds as called for redemption in the Call Direction to be effective hereunder. The Paying Agent shall be directed in the Call Direction to mail notice to all registered owners of the Refunded Bonds as called for redemption to be redeemed in accordance with the Loan Agreement authorizing the issuance of the Refunded Bonds and to take all other actions deemed necessary in connection therewith.

Passed and approved _____, 2019.

City Clerk

Mayor

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF COMBINED UTILITIES REVENUE REFUNDING BONDS, SERIES 2019, OF THE CITY OF AUBURN, NEBRASKA, IN THE PRINCIPAL AMOUNT NOT TO EXCEED FOUR MILLION DOLLARS (\$4,000,000) TO REFINANCE CERTAIN OUTSTANDING BONDS OF THE CITY WHICH WERE INCURRED TO PAY THE COSTS OF CONSTRUCTING A WATER TREATMENT PLANT, A NEW WELL AND A TRANSMISSION MAIN; AUTHORIZING OFFICERS OF THE CITY TO DESIGNATE FINAL TERMS FOR SAID BONDS WITHIN STATED PARAMETERS; PRESCRIBING THE FORM OF SAID BONDS; PLEDGING AND HYPOTHECATING THE REVENUES AND EARNINGS OF THE WATERWORKS PLANT AND DISTRIBUTION SYSTEM, SANITARY SEWER SYSTEM AND ELECTRIC DISTRIBUTION SYSTEM OWNED BY THE CITY FOR THE PAYMENT OF SAID BONDS; ENTERING INTO A CONTRACT ON BEHALF OF THE CITY WITH THE HOLDERS OF SAID BONDS; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; PROVIDING FOR THE DISPOSITION OF THE BOND PROCEEDS AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF AUBURN, NEBRASKA (THE "CITY") AS FOLLOWS:

Section 1. The Mayor and Council hereby find and determine:

(a) that the City owns and operates a waterworks plant and distribution system, sanitary sewer system and electric distribution system (hereinafter collectively, the "combined utilities") which combined utilities are hereby determined to be revenue producing utilities for which revenues bonds may be issued pursuant to Sections 18-1803 to 18-1805, Reissue Revised Statutes of Nebraska, 2012, as amended;

(b) that the City presently has issued and outstanding its Combined Utilities Revenue Bonds, Series 2009, dated as of July 13, 2009, (issued as a single promissory note to Nebraska Department of Environment and Energy) in the outstanding principal amount of \$3,574,741 (the "Refunded Bonds"), which were issued pursuant to Sections 18-1803 to 18-1805, R.R.S. Neb. 2012 to pay costs of constructing a water treatment plant, a new well and a transmission main (collectively the "Project") and to pay costs of issuance;

(c) that other than the Refunded Bonds, the City presently has outstanding the following indebtedness for which the revenues and earnings of the Combined Utilities have been pledged (the "Outstanding Bonds"):

Combined Utilities Revenue Refunding Bonds, Series 2018, dated April 12, 2018, of the City in the original stated principal amount of \$2,910,000 of which the principal amount of \$2,345,000 remains outstanding and unpaid;

(d) that since the Refunded Bonds were issued, rates of interest have so declined that by taking up and paying off the Refunded Bonds, a substantial savings in the amount of yearly running interest will be made to the City and that for purposes of paying off the Refunded Bonds in accordance with their call provisions on a date to be determined by an authorized officer of the City (the "Redemption Date") (including paying costs of issuance of bonds as herein authorized) it is necessary for the City to issue Combined Utilities Revenue Refunding Bonds;

(e) that under the terms of the ordinance(s) authorizing the Outstanding Bonds (the "Outstanding Bond Ordinances"), the City is permitted to issue "Additional Bonds" payable from the revenues of the combined utilities of the City on a parity with the lien of the Outstanding Bonds and equally and ratably secured therewith and entitled to the security and benefits of the Outstanding Bond Ordinances provided, however, that before any such Additional Bonds are actually issued, the revenues of the combined utilities, for the fiscal year next preceding the date of the authorization of such Additional Bonds after deducting therefrom all costs of operation and maintenance of the combined utilities for such fiscal year and before deduction of depreciation or interest as based on a certified public accountants report shall have been equal to 1.25 times the average annual bond requirements of the Outstanding Bonds, any Additional Bonds then outstanding and the Additional Bonds proposed to be issued (and if a statement from a certified public accountant for the year next preceding the date of authorization of such Additional Bonds is not yet available, the City may use the statement of a certified public accountant for the year immediately preceding the year next preceding the date of authorization of the proposed Additional Bonds; provided that the Treasurer for the City shall certify, based upon the unaudited financial information then available, that there were no material events (including results of operations of the combined utilities) which would adversely affect the determination of debt service coverage based upon such prior year's statement);

(f) the revenues of the combined utilities, for the fiscal year ending December 31, 2018, after deducting therefrom all costs of operation and maintenance of the combined utilities for such fiscal year and before deduction of depreciation or interest as based on a certified public accountants report, are not less than \$1,906,404;

(g) average annual bond requirements of the Outstanding Bonds and the Bonds (determined by adding all of the principal and interest which will become due when computed to the absolute maturity of the Outstanding Bonds and all of the principal and interest of the Bonds to be issued, and dividing such total by the number of years remaining that the longest bond of any such issue of bonds (including the Bonds) has to run to maturity) is not more than \$353,533; and

(h) that all conditions, acts and things required by law to exist or to be done precedent to the issuance of the Combined Utilities Revenue Refunding Bonds, Series 2019, of the City do exist and have been done in due form and time as provided by law, which bonds will be payable from the revenues of the combined utilities and are equally and ratably secured therewith.

Section 2. Unless the context shall clearly indicate otherwise, the following terms shall have the following meanings when used in this ordinance:

(a) "Additional Bonds" shall mean any bond including refunding bonds, authorized and issued pursuant to the provisions of Section 16 of this ordinance at any time outstanding, which are equally and ratably secured therewith.

(b) the "combined utilities" shall mean the waterworks plant and distribution system, the sanitary sewer system and the electric distribution system of the City, as now existing and all additions (including any additional utility systems which might hereafter be lawfully included with the combined utilities of the City pursuant to Section 16 of this Ordinance), extensions and improvements hereafter made;

(c) "revenues" shall mean all the rates, rentals, fees, charges, earnings and other monies from any source whatever derived by the City through its ownership and operation of its combined utilities;

Section 3. For the purposes as set out in Section 1 hereof, there shall be and there hereby are ordered issued Combined Utilities Revenue Refunding Bonds, Series 2019 (the "Bonds"), of the aggregate principal amount of not to exceed Four Million Dollars (\$4,000,000), with said Bonds to mature and become due on such dates and in such years and in such amounts and bear interest at the rates per annum as shall be determined in a written designation (the "Designation") signed by the Mayor or City Clerk (each, an "Authorized Officer") on behalf of the City and which may be agreed to by First National Capital Markets, Inc. (the "Underwriter"), which Designation may also determine or modify the mandatory redemption provisions (if any), and pricing terms as set forth in Section 23 below, all within the following limitations:

- (a) the aggregate principal amount of the Bonds shall not exceed \$4,000,000, provided, however, in the event the Bonds are sold at a net original issue discount such aggregate principal amount may be increased in such amount as is necessary to compensate for any such net original issue discount;
- (b) the aggregate amount of original issue premium and original issue discount (if any) may result in an aggregate net original issue discount (if any) not in excess of two percent (2.00%) of the stated principal amount of the Bonds;
- (c) the longest maturity of the Bonds may not be later than December 31, 2040;
- (d) the Bonds shall bear interest at such rates per annum so that debt service payable on the Bonds provides at least a net present value savings to the City over the debt service payable on the Refunded Bonds in an amount satisfactory to the City (the execution of the Designation by an Authorized Officer shall be conclusive evidence that such net present value savings is satisfactory to the City);

- (e) two or more of the principal maturities may be combined and issued as “term bonds” and the Authorized Officer may determine the mandatory sinking fund payments and mandatory redemption amounts. Any Bonds issued as “term bonds” shall be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and may be selected for redemption by any random method of selection determined appropriate by the Registrar (as hereinafter designated) or by the Depository (as hereinafter designated).

The Authorized Officers are hereby authorized to make such determinations on behalf of the Mayor and City Council and to evidence the same by execution and delivery of the Designation and such determinations, when made and agreed to by the Underwriter, shall constitute the action of the City Council of the City without further action of the City Council of the City.

The Bonds shall be in the denomination of \$5,000 or any integral multiple thereof and shall be numbered from 1 upward in the order of their issuance. No Bonds shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the Bonds issued shall be as directed by the initial purchasers thereof. Interest on the Bonds shall be payable semiannually on June 15 and December 15 of each year, starting June 15, 2020 (or such other date or dates as may be determined in the Designation, each an “Interest Payment Date”). The interest due on each interest payment date shall be payable to the registered owners of record as of the close of business on the fifteenth day immediately preceding the interest payment date (the “Record Date”), subject to the provisions of Section 4 hereof. Payment of interest due on the Bonds prior to maturity shall be made by the Paying Agent and Registrar, as designated pursuant to Section 4 hereof, by mailing a check in the amount due for such interest on each interest payment date to the registered owner of each Bond, as of the applicable Record Date, to such owner’s registered address as shown on the books of registration, as required to be maintained in Section 4 hereof. Payment of principal due at maturity, or at any date fixed for redemption prior to maturity, together with any accrued interest then due, shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to said Paying Agent and Registrar. The City and said Paying Agent and Registrar may treat the registered owner of any Bond as the absolute owner of such bond for the purpose of making payments thereon and for all other purposes and neither the City nor said Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary whether such bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any Bond shall be valid and effectual and shall be a discharge of the City and said Paying Agent and Registrar, in respect of the liability upon the Bonds or claims for interest to the extent of the sum or sums so paid. If any Bond is not paid upon presentation of such bond at maturity or any interest installment is not paid when due, the delinquent bond or delinquent interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01, R.R.S. Neb. 2010, as now existing or as the same may be amended from time to time by the Nebraska Legislature.

Section 4. Unless as otherwise provided in the Designation, the City Treasurer of Auburn,

Nebraska, is hereby designated as Paying Agent and Registrar for the Bonds. The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. Any Bond may be transferred pursuant to its provisions at the office of the Paying Agent and Registrar by surrender of such bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent and thereupon the Paying Agent and Registrar on behalf of the City will register such transfer and will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new Bond or Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Bonds by this ordinance, one Bond may be transferred for several such Bonds of the same interest rate and maturity and for a like aggregate principal amount, and several such Bonds may be transferred for one or several such Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bond or Bonds shall be canceled and destroyed. All Bonds issued upon transfer of the Bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the Bonds surrendered and shall be entitled to all the benefits and protection of this ordinance to the same extent as the Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any Bond during any period from any Record Date until its immediately following interest payment date or to transfer any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption. In the event that payments of interest due on the Bonds on an interest payment date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such interest payment date and shall be payable to the registered owners of the Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 5. The Bonds shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary of the date of original issue thereof (or such other date as provided in the Designation), at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. Any Bonds issued as term bonds (as may be determined in the Designation) shall be redeemed for the years and in the principal amounts as determined in the Designation. Any scheduled mandatory redemptions shall be at a price equal to 100% of the principal amount redeemed plus interest accrued on the principal amount being redeemed to the date fixed for redemption. The Paying Agent and Registrar shall select the Bonds issued as term bonds for mandatory redemption using any random method of selection deemed appropriate by the Paying Agent and Registrar. The City may select the Bonds to be redeemed for optional redemption in its sole discretion. The Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Bonds redeemed in part only shall be surrendered to said Paying Agent and Registrar in exchange for a new Bond evidencing the unredeemed principal thereof. Notice of redemption of any Bond called for redemption shall be given, at the direction of the City by said Paying Agent and Registrar in the case of optional redemption and without further direction in the case of mandatory redemption, by said Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Bond at said owner's registered address. Such notice shall designate the Bond or Bonds to be redeemed by maturity or

otherwise, the date of original issue, series and the date fixed for redemption and shall state that such Bond or Bonds are to be presented for prepayment at the office of said Paying Agent and Registrar. In case of any Bond partially redeemed, such notice shall specify the portion of the principal amount of such Bond to be redeemed. No defect in the mailing of notice for any Bond shall affect the sufficiency of the proceedings of the City designating the Bonds called for redemption or the effectiveness of such call for Bonds for which notice by mail has been properly given and the City shall have the right to direct further notice of redemption for any such Bond for which defective notice has been given. In the event term maturities and mandatory redemption amounts are determined in the Designation, the provisions of this Section 5 shall apply generally to mandatory redemptions.

Section 6. If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City where the office of the Paying Agent and Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 7. The Bonds shall be executed on behalf of the City by being signed by the Mayor and the City Clerk, both of which signatures may be facsimile signatures, and shall have the City seal impressed on each Bond. The City Clerk shall make and certify a transcript of proceedings had and done precedent to the issuance of said Bonds which shall be delivered to the purchaser of said Bonds. After being executed by the Mayor and City Clerk, said Bonds shall be delivered to the Treasurer of the City who shall be responsible therefor under his/her official bond. Such Treasurer shall maintain a record of information with respect to said Bonds in accordance with the requirements of Section 10-140, R.R.S. Neb. 2012, as amended, and shall cause the same to be filed with the Auditor of Public Accounts of the State of Nebraska. The Paying Agent and Registrar shall register each Bond in the name of its initial registered owner as designated by the initial purchaser. Each Bond shall be authenticated on behalf of the City by the Paying Agent and Registrar. The Bonds shall be issued initially as "book-entry only" bonds using the services of The Depository Trust Company (the "Depository"), with one typewritten bond per maturity being issued to the Depository. In such connection said officers of the City are authorized to execute and deliver a letter of representations and inducement (the "Letter of Representations") in the form required by the Depository (which may be in the form of a blanket letter, including any blanket letter previously executed and delivered by the City), for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Bonds. Upon issuance of the Bonds as "book-entry-only" bonds, the following provisions shall apply:

(a) The City and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds as securities depository (each, a "Bond Participant") or to any person who is an actual purchaser of a Bond from a Bond Participant while the Bonds are in book-entry form (each a "Beneficial Owner") with respect to the following:

(i) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the Bonds;

(ii) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption; or

(iii) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Bonds.

The Paying Agent and Registrar shall make payments with respect to the Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable to or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (ii) to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such bonds shall designate.

(c) If the City determines that it is desirable that certificates representing the Bonds be delivered to the ultimate Beneficial Owners of the Bonds and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the Bonds may be delivered in physical form to the following:

(i) any successor securities depository or its nominee; or

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section and the terms of the Paying Agent and Registrar's Agreement (if any).

(f) In the event of any partial redemption of a Bond unless and until such partially redeemed Bond has been replaced in accordance with the provisions of this Ordinance, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such Bond as is then outstanding and all of the Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository resigns and is not replaced or upon termination by the City of book-entry-only form, the City shall immediately provide a supply of bond certificates for issuance upon subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement bond certificates upon transfer or partial redemption, the City agrees to order printed an additional supply of bond certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any Bond shall cease to be such officer before the delivery of such Bond (including any bond certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption) such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such bond. The Bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication.

Section 8. Said Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF NEMAHA
CITY OF AUBURN

COMBINED UTILITIES REVENUE REFUNDING BOND, SERIES 2019

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	_____	_____, 2019	

Registered Owner: _____

Principal Amount: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Auburn, in the County of Nemaha, in the State of Nebraska (the "City"), hereby acknowledges itself to owe and for value received promises to pay, out of the special sources herein designated, to the registered owner specified above the principal amount specified above in lawful money of the United States of America on the maturity date specified above, with interest thereon from date of original issue specified above or most recent interest payment date to which interest has been paid or provided for, whichever is later, to maturity (or earlier redemption) at the rate per annum specified above. Said interest shall be payable semiannually on the _____ day of _____ and _____ in each year, starting _____. If this bond is not paid upon presentation of the bond at maturity or if any interest installment is not paid when due, such bond or interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01 R.R.S. Nebraska 2010, as now existing or as the same may be amended from time to time by the Nebraska Legislature. The interest hereon shall be paid on each interest payment date by the City Treasurer, as Paying Agent and Registrar for the City by wire transfer, check or draft mailed to the registered owner hereof as of the close of business on the fifteenth day immediately preceding the interest payment date, at such owner's registered address as it appears on the books of registration of the City (the "Record Date"). The principal of this bond and the interest due at maturity or upon call for redemption prior to maturity are payable on presentation and surrender to said Paying Agent and Registrar at its office in Auburn, Nebraska. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

The Bonds shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary of the date of original issue thereof, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. Notice of any such redemption shall be given by mail, sent to the registered owner of any bond to be redeemed at said registered owner's address in the manner provided in the ordinance authorizing said bonds. Individual bonds

may be redeemed in part but only in the amount of \$5,000 or integral multiples thereof. Any bond redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new bond or bonds evidencing the unredeemed principal thereof.

This bond is one of an issue of fully registered bonds of the total principal amount of \$ _____, of like tenor herewith except as to denomination, date of maturity and rate of interest issued by the City for the purpose of refinancing the City's outstanding Combined Utilities Revenue Bond, Series 2009, dated July 13, 2009, which was incurred to pay the costs of constructing improvements to the combined utilities of the City, in pursuance of the provisions of Sections 18-1803 to 18-1805, R.R.S. Neb. 2012. This bond and the others of said issue have been duly authorized by an ordinance duly passed and adopted by the Mayor and Council of said City.

The revenue and earnings derived and to be derived from the operation of the waterworks plant and distribution system owned and operated by the City, and all extensions and additions thereto and all improvements thereof hereafter made, the sanitary sewer system owned and operated by the City, and all extensions and additions thereto and all improvements thereof hereafter made and the electric distribution system owned and operated by the City, and all extensions and additions thereto and all improvements thereof hereafter made (hereinafter collectively, the "combined utilities") are pledged and hypothecated, equally and ratably for the payment of the bonds and the Outstanding Bonds (as defined in the ordinance authorizing this bond), all of which bonds of said issue are equally and ratably secured by said pledge and are of equal priority as to lien upon the revenues of said combined utilities owned and operated by the City. The City agrees to maintain and collect rates and charges for the combined utilities which shall be reasonable and adequate to produce revenues and earnings sufficient at all times to pay the interest and principal of all of said bonds as such interest and principal become due and to maintain and operate said combined utilities efficiently. The ordinance which authorized the issuance of the bonds of this series constitutes a contract between the City and the holders of said bonds and reserves the right to the City to issue bonds equal in lien to the bonds of this series of bonds or junior lien bonds or notes under certain conditions. The bonds of this issue are not general obligations of the City and are payable solely from the revenues of said combined utilities as so pledged.

Under the ordinance authorizing this issue of bonds, the City has agreed to establish and maintain a special fund known as the Combined Utility Fund into which it will pay all of the gross revenues collected and received from the operation of its said combined utilities and will use the monies in said fund only for the operation and maintenance of said combined utilities and for the payment of the interest on and principal of the bonds of this series, the Outstanding Bonds and Additional Bonds authorized in accordance with the terms of said ordinance and for such other purposes as are permitted by said ordinance and will apply the monies in said fund to the payment of said bonds as the principal and interest thereof become due.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond or bonds of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the ordinance authorizing said issue of bonds, subject to the limitations therein prescribed. The City, its Paying Agent and Registrar and any other

person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

AS PROVIDED IN THE ORDINANCE REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE ORDINANCE, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE ORDINANCE TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT AND REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE ORDINANCE.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT AND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT AND REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

This bond shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond and the series of which this bond is a part in order to make the same legal and binding obligations of said City according to the terms thereof, do exist, have happened and have been performed in due time, form and manner as required by law, and that before the issuance of this bond provision has been duly made for the collection and segregation of the revenue of the City's combined utilities and for the application of the same as hereinbefore provided.

IN WITNESS WHEREOF, the Mayor and Council of the City of Auburn, Nebraska, have caused this bond to be executed on behalf of the City by being signed by the Mayor and Clerk of the City, both of which signatures may be facsimile signatures, and by causing the official seal of the City to be affixed hereto all as of the date of original issue shown above.

CITY OF AUBURN, NEBRASKA

By _____ (Do not sign)
Mayor

ATTEST:

(Do not sign)
City Clerk

(S E A L)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by an Ordinance passed and approved by the Mayor and Council of the City of Auburn as described in said bond.

(Do not sign)
City Treasurer of Auburn, Nebraska, as
Paying Agent and Registrar

(FORM OF ASSIGNMENT)

For value received _____ hereby sells, assigns and transfers unto _____ the within bond and hereby irrevocably constitutes and appoints _____ Attorney, to transfer the same on the books of registration in the office of the within mentioned Paying Agent and Registrar with full power of substitution in the premises.

Date: _____

SIGNATURE GUARANTEED

Registered Owner

By _____

Authorized Officer

Note: The signature(s) of this assignment MUST CORRESPOND with the name as written on the face of the within bond in every particular without alteration, enlargement or any change whatsoever, and must be guaranteed by a commercial bank or a trust company or by a firm having membership on the New York, Midwest or other stock exchange.

Section 9. For the payment of the Bonds, the Outstanding Bonds and any Additional Bonds, the City hereby pledges and hypothecates the entire revenues derived and to be derived of the combined utilities subject only to the payment of reasonable expenses of operating and maintaining said combined utilities.

Section 10. The City will maintain and collect rates and charges for all electric and water furnished from its combined utilities adequate to produce revenue and earnings sufficient at all times:

(a) to provide for the payment of interest on and principal of the Bonds, the Outstanding Bonds and any Additional Bonds as such interest and principal become due;

(b) to pay all reasonable costs of operation and maintenance of the combined utilities, including adequate insurance as provided by this ordinance and to pay for the necessary and reasonable repairs, replacements and extensions of said combined utilities;

(c) to establish and maintain an Combined Utility Bond Reserve Account as hereinafter set forth; and

(d) to meet all contractual obligations of the City pursuant to or with respect to the Bonds, the Outstanding Bonds and any Additional Bonds, all as then outstanding;

Section 11. The entire revenue and earnings derived from the operation of the combined utilities of said City shall be set aside as collected and deposited in a separate fund which is hereby created and designated as the "Combined Utility Fund". The monies in the Combined Utility Fund shall be deposited in a separate bank account properly identified as such in a bank or banks designated by the Council and shall be secured as provided by law for public deposits. The City shall set up and maintain as long as the Bonds, the Outstanding Bonds or any Additional Bonds are outstanding the following accounts for the administration of said fund:

I. OPERATION AND MAINTENANCE ACCOUNT: There is hereby established within the Combined Utility Fund a separate account designated as the "Operation and Maintenance Account". The City shall set aside in this account each month an amount sufficient for the operation and maintenance of its combined utilities and the expenses of maintenance and operation of said combined utilities shall be paid out of this account.

II. COMBINED UTILITY REVENUE BOND ACCOUNT: Out of the Combined Utility Fund there shall be credited monthly on or before the first day of each month to the Combined Utility Revenue Bond Account, starting with the month immediately following the month the Bonds were issued, the following amounts:

(1) Commencing on the first day of the month following the month in which the Bonds are issued (the "Initial Deposit Date"), and continuing on the corresponding day of

each month thereafter an amount which, when combined with additional equal monthly amounts to be deposited pursuant to this subparagraph prior to the next falling Interest Payment Date, will be sufficient to provide funds to pay the installment of interest due with respect to the Bonds on such Interest Payment Date;

(2) Commencing on the Initial Deposit Date, and continuing on the corresponding day of each month thereafter an amount which, when combined with additional equal monthly amounts to be deposited pursuant to this subparagraph prior to the next principal maturity date (or mandatory sinking fund redemption date, if applicable) with respect to the Bonds will be sufficient to provide funds to pay such maturing principal amount (or make such mandatory sinking fund redemption payment, if applicable) on such date; and

(3) during such periods, such amounts as are required for payments of principal and interest on the Outstanding Bonds and any Additional Bonds.

III. COMBINED UTILITY BOND RESERVE ACCOUNT: There is hereby established within the Combined Utility Fund a separate account designated as the "Combined Utility Bond Reserve Account". From cash on hand, the City will deposit the sum of \$0 (or such other amount as set forth in the Designation, the "2019 Required Balance") into a separate sub-account within the Combined Utility Bond Reserve Account for the Bonds (the "2019 Sub-account"), which amount shall be maintained in the 2019 Sub-account as long as any of the Bonds are outstanding. Monies in the Combined Utility Bond Reserve Account, but only from the designated sub-account for a specific issue, are to be applied to prevent any default in payments due on such specific issue for such purpose in the Bond Payment Account established by the Ordinance. In the event that monies are withdrawn from the 2019 Sub-account, but subject to allocation among other sub-accounts in the Combined Utility Bond Reserve Account which may be established as described in this Ordinance, all revenues of the combined utilities remaining after making payments required to be made to the Operation and Maintenance Account and the Combined Utility Revenue Bond Account are to be credited to the 2019 Sub-account until the balance in such account has been restored to the 2019 Required Balance. In the event that Additional Bonds are issued, the amount to be maintained in the Combined Utility Bond Reserve Account, in a separate sub-account for such Additional Bonds, shall be set in the discretion of the Mayor and Council of the City (which amount may be \$-0-). Additional amounts may be provided for by deposit of available City funds or by monthly credits from revenues. Each sub-account in the Combined Utility Bond Reserve Account shall be held solely for the specific issue for which it is established. In the event of withdrawal from any such sub-account which results in the amount in such sub-account being deficient to meet the required balance, available amounts for restoring sub-account balances shall be credited to each deficient sub-account on a pro rata basis in accordance with the respective outstanding principal amounts for those issues for which the respective sub-accounts are then deficient. When the Bonds or any issue of Additional Bonds for which a sub-account has been established are no longer outstanding, the particular sub-account for such issue shall no longer be required to be maintained. The maximum amount required to be maintained in the Combined Utility Bond Reserve Account shall not exceed the maximum amount permitted to be invested without yield restriction under the regulations of the

United States Treasury Department relating to Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended.

IV. SURPLUS ACCOUNT: There is hereby established within the Combined Utility Fund a separate account designated as the "Surplus Account". After provisions have been made for each of the foregoing accounts, all remaining funds shall be transferred into the Surplus Account to be used as follows:

- 1) To fill any deficiency in the foregoing accounts.
- 2) To pay on an accelerated basis the required fund balance of the Combined Utility Bond Reserve Account.
- 3) To be used for any lawful purpose connected with the combined utilities including paying principal and interest on general obligation bonds or junior lien revenue bonds or notes of the City authorized to pay the cost of constructing improvements to the combined utilities.
- 4) Retiring the Bonds, the Outstanding Bonds and Additional Bonds prior to their maturity under their option provisions or by purchase on the open market.
- 5) To be transferred to the general fund of the City for any lawful municipal purpose.

Monies on deposit in the Combined Utility Fund, which have not as yet been credited to an account therein in accordance with this section, and monies credited to the Operation and Maintenance Account and the Combined Utility Revenue Bond Account may, to the extent practicable and reasonable, be invested in direct general obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America, maturing in the case of unallocated monies invested from the Combined Utility Fund not later than the first business day of the month next following such investment and maturing in the case of monies invested from the Operation and Maintenance Account and the Combined Utility Revenue Bond Account at such times and in such amounts as shall be required to provide monies to make the payments to be made from said accounts. Monies credited to the Combined Utility Bond Reserve Account shall be invested in direct obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America, maturing or redeemable at stated fixed prices at the option of the holder, by not more than eight years from the date of such investment. Monies credited to the Surplus Account shall be invested in such obligations as are permitted by law for cities of the class of which the City is one, maturing at such times not later than ten (10) years of the date of such investment and in such amounts as shall be determined by the City in accordance with its estimate of the payments to be made from said Accounts and, if permitted by law, in Bonds, the Outstanding Bonds or Additional Bonds, which bonds so purchased shall be held for the credit of said Accounts and not cancelled, and in Revenue Bond Anticipation Notes of the City and in paving, sewer and water warrants of the City which are to be funded by the issuance of bonds of the City. All interest

and income derived from monies to the credit of the Combined Utility Fund, the Operation and Maintenance Account, and the Surplus Account shall, when realized and collected, be credited to the said Fund or to the respective Account from which such investments were made. All monies and income from investments made from monies credited to the Combined Utility Bond Reserve Account and the Combined Utility Revenue Bond Account shall, when realized and collected, be credited to the respective Account from which such investments were made, unless there shall then be credited thereto the respective full amounts required by paragraphs II and III of this section, in which event such interest and income shall be credited to the Surplus Account. All investments held for the credit of any Fund or Account may be sold when required to make payments to be made from such Fund or Account.

It is understood that the revenues of the combined utilities are to be credited to the various accounts hereinabove established in the order in which said Accounts have been listed, and if within any period the revenues are insufficient to credit the required amounts in any of the said Accounts, the deficiencies shall be made up the following period or periods after payments into all Accounts enjoying a prior claim on the revenues have been made in full.

Section 12. The City is hereby authorized and directed to keep proper records, books and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the said combined utilities and all of the funds and accounts established hereby. Within 120 days after the close of each fiscal year a certified public accountant's report on the financial condition and results of operation shall be furnished to the underwriter of the Bonds (which shall specifically include, without limitation, the number of customers served as of the close of the fiscal year). The expense of such reports shall be considered an operating expense. Any holder or holders of twenty-five per cent (25%) in aggregate principal amount of the Bonds at the time then outstanding shall have the right at all reasonable times to inspect the combined utilities and all records, accounts and data of the City relating thereto.

Section 13. The City Treasurer and the City Clerk shall be bonded, in addition to their official bond, by an insurance company or bonding company licensed to do business in Nebraska, in amounts sufficient to cover at all times all the revenues of the combined utilities placed in their hands. Any other person employed by the City in the collection or handling of monies derived from the operation of said property shall also be bonded in an amount sufficient to cover all monies which may at any time be placed in such person's hands. The amount of such bonds shall be fixed by the Council and the cost thereof shall be paid from the earnings of said combined utilities and they shall secure the faithful accounting of all monies.

Section 14. The City will carry adequate insurance on the combined utilities in such amounts as are normally carried by private companies engaged in similar operations, including, without limiting the generality of the foregoing, fire and windstorm insurance, public liability insurance or workers compensation insurance and any insurance covering such risks as shall be recommended by a consulting engineer. The cost of all such insurance shall be regarded and paid as an operation and maintenance expense.

All such insurance policies shall be in such form and amount as shall be approved or recommended by a consulting engineer. All insurance proceeds, except proceeds from public

liability insurance shall be used in making good the loss or damage in respect of which they were paid either by repairing the property damaged or replacing the property destroyed, and expenditures from said monies shall be made only upon a certificate issued by a consulting engineer and filed with the City Clerk stating that the proceeds, together with any other monies available for such purposes, are sufficient for the repair or replacement of any such properties; and when the City shall have been furnished with a certificate of a consulting engineer stating that the property damaged or destroyed has been fully repaired or replaced and such repairs or replacements have been fully paid for, the residue, if any, of such insurance proceeds shall be transferred to the Combined Utility Revenue Bond Account to make up any deficiency in said account, if any such deficiency exists, and if no such deficiency exists said residue shall be transferred to the Combined Utility Fund and credited to the accounts provided for in Section 11 in the same manner as other revenues of the combined utilities.

If the proceeds of any insurance shall be insufficient to repair or replace the property damaged or destroyed, the City may use and shall pay out for such purpose, to the extent of such deficiency, any money remaining in the Surplus Account. If in the opinion of a consulting engineer the proceeds of any insurance, together with any amount then available for that purpose in the Surplus Account shall be insufficient to fully complete and pay for such repairs or replacements and if the City shall fail to supply such deficiency from other sources within a period of six (6) months after receipt by the City of such insurance monies, or if in the opinion of a consulting engineer it is to the best interest of the City not to repair or replace all or any part of the damaged properties and that failure to repair or replace the damaged properties shall not affect the sufficiency of the income and revenue from the remaining properties to properly maintain and operate the same and provide funds for the Combined Utility Revenue Bond Account and Combined Utility Bond Reserve Account, as herein provided for, then such insurance monies to the extent not applied to repair or replace the damaged properties shall be deposited in the Combined Utility Bond Reserve Account as described in Section 11 hereof and used for the purposes for which said account has been created, so as to fill said account to its required balance, or if said account is filled to its required balance, and any amount which may be in excess of the amount required shall be credited to the Surplus Account.

If the holders of sixty percent (60%) or more in principal amount of the Bonds, Outstanding Bonds and any Additional Bonds at the time outstanding hereunder shall at any time direct the City in writing to do so, then any insurance monies theretofore credited to Surplus Account and then in the hands of the City may be used for extensions and betterments of said combined utilities properties or applied to the pro rata payment of the principal of and accrued interest on all such bonds then outstanding hereunder.

The proceeds of any and all policies for public liability or workers compensation insurance shall be paid to the respective claimants or to the City Treasurer to be held and used in paying the claims on account of which they were received.

Section 15. The City will maintain the combined utilities in good condition and operate the same in an efficient manner and at a reasonable cost. The City agrees with the holders from time to time of the Bonds that the City will continue to own, free from all liens and encumbrances (other than the pledge of revenues as provided herein and other than purchase money security interests in

equipment in favor of the seller thereof and the lessor's interest in leased property, as long as such security interest or lessor's interest extends only to the equipment financed or leased), and will adequately maintain and efficiently operate said combined utilities; provided, however, the City may sell for cash property which is recommended to be sold by the manager or superintendent of utilities, or an independent Consulting Engineer, and which is determined as a matter of record by the Council to have become obsolete, non-productive or otherwise unusable to the advantage of the City.

Section 16. Nothing in this ordinance shall be construed in such a manner as to prevent the issuance by the City of Additional Bonds payable from the revenues of the combined utilities of the City on a parity with the lien of the Bonds and Outstanding Bonds equally and ratably secured therewith and entitled to the security and benefits of this ordinance; provided, however, that before any such Additional Bonds are actually issued, the revenues of the combined utilities, for the fiscal year next preceding the date of the authorization of such Additional Bonds, after deducting therefrom all costs of operation and maintenance of the combined utilities for such fiscal year and before deduction of depreciation or interest as based on a certified public accountants report shall have been equal to 1.25 times the average annual debt service requirements of the Bonds, the Outstanding Bonds any Additional Bonds then outstanding, and the Additional Bonds proposed to be issued or such revenues would have met such test by applying the provisions of the second paragraph of this Section 16. If no audit report is available for the fiscal year next preceding the year in which such proposed additional bonds are issued, the report from the next proceeding year may be used in determining compliance with this section, provided that the City Treasurer shall certify that no substantial or material changes in circumstance have occurred which would reduce the amount of revenues of the combined utilities so as to make the issuance of such additional bonds in conflict with this ordinance. For this purpose, the average annual debt service requirements shall be determined by adding all of the principal and interest which will become due when computed to the absolute maturity of the Bonds, the Outstanding Bonds Additional Bonds, if any, then outstanding and Additional Bonds proposed to be issued and dividing such total by the number of years remaining that the longest bond of any such issue of bonds has to run to maturity. In the event of the issuance of Additional Bonds payable from the Combined Utility Fund as authorized above, sufficient funds (which may be available funds of the City or revenues of the combined utilities) as determined in accordance with this Ordinance (and which may be \$0) shall be deposited into a separate sub-account for such Additional Bonds within the Combined Utility Bond Reserve Account (as provided in Section 11 above). The City may, at its option, deposit in said accounts available funds from other sources, provided, however, the City shall not in any event be required by this ordinance to accumulate in the Combined Utility Bond Reserve Account an amount in excess of the maximum amount permitted to be invested without yield restriction under Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations of the United States Treasury Department, both as then currently in effect.

In the event any change in the rates, rentals and charges for the use and service of the combined utilities has been made during the preceding fiscal year or during the interval between the end of such fiscal year and the issuance of such Additional Bonds, or in the event the City shall covenant in the ordinance or resolution authorizing the issuance of such Additional Bonds to impose, effective upon the issuance of such Additional Bonds, higher rates, rentals and charges for such use

and service, compliance with the provisions of this Section 16 of this ordinance may be evidenced by a certificate of an independent Consulting Engineer or firm of engineers or Certified Public Accountant or independent Certified Public Accountants to be filed with the City Clerk prior to the issuance of any such Additional Bonds. Such certificate shall state fully the facts upon which such certificate is based and, if it is a certificate of the Consulting Engineer or firm of Consulting Engineers, shall have attached thereto the certified financial statement for the fiscal year next preceding the date of authorization of such Additional Bonds used by the Engineer or firm of Engineers in arriving at the conclusion stated in said certificate. The Consulting Engineer or independent Certified Public Accountant of the City shall, in determining the earnings for such fiscal year adjust the collections to reflect the result as if such changed rates, rentals and charges, or such higher rates, rentals and charges had been in existence for such entire preceding fiscal year period, and the amount of such net collections and adjusted earnings as aforesaid shall be conclusive evidence and the only evidence required to show compliance with the provisions and the requirements of Section 16 of this ordinance.

If the City shall find it desirable, the City shall also have the right when issuing additional bonds to combine with its electric, water utilities and sanitary sewer systems, any gas distribution, solid waste removal system, or other utility or revenue producing facility of the City (which shall thereafter be known as the "Combined Utilities System") authorized to be combined under Sections 18-1803 through 18-1805 R.R.S. Nebraska 2012, and to cause all of the revenues of all such Combined Utility Systems to be paid into the Combined Utility Fund, and to provide that all of the Bonds all as then outstanding, and any proposed issue of Additional Bonds shall be payable from the revenues of such Combined Utilities System and shall stand on a parity and in equality as to security and payment, provided, however, no utility shall be combined with the current combined utilities and such other combined utilities as contemplated in this paragraph unless the City is current with all the payments required to be made into the accounts created in Section 11 and the net revenues of such Combined Utilities Systems shall satisfy at least one of the requirements for additional bonds provided in this Section 16. For purposes of meeting such requirements, the definition of revenues of the combined utilities shall include the additional utility or utilities and take into consideration the ordinary expenses of operating and maintaining the additional utility or utilities and for such purposes any engineer furnishing projections may take into consideration the factors described in the second or third paragraphs of this Section 16.

If, prior to the payment of the Bonds herein authorized or the Outstanding Bonds, it shall be found desirable to refund any Additional Bonds then outstanding, under the provisions of any law then available, said bonds or any part thereof may be refunded without the consent of the holders thereof and the refunding obligations so issued shall enjoy complete equality of lien with the portion of the bonds which is not refunded, if any there be, and the refunding obligations shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the bonds refunded, provided, however, that unless all of the outstanding Bonds and Outstanding Bonds are being refunded, the total of the interest and principal payment obligation in any succeeding year shall not be greater, after such refunding, than it would have been in each such succeeding year without such refunding without the consent of the holders of the unrefunded portion of said bonds. Refunding bonds shall also be permitted to be issued in accordance with the first three paragraphs of this Section 16 and for purposes of calculating average annual bond requirements, the City shall not

be required to include principal or interest due on any bonds to be refunded, from and after the time that such refunded bonds shall no longer be outstanding under the terms of their authorizing ordinance.

Section 17. Nothing herein contained shall prevent the City from issuing bonds, revenue notes or other forms of indebtedness, the payment of the principal and interest of which is a charge upon all or a portion of the revenues of the combined utilities, junior or inferior to the Bonds and to the payments to be made into the Operation and Maintenance Account, Combined Utility Revenue Bond Account and the Combined Utility Bond Reserve Account, and the City shall have the right to pay interest thereon and the principal thereof, as long as no deficiency exists in the payments into such Accounts, from funds available for improvements and enlargements to the combined utilities of the City or from other funds which are available for such debt service.

Section 18. The City will not hereafter grant any franchise or right to any person, firm or corporation to own or operate an electric, water system in competition with those owned by the City.

Section 19. While any of the Bonds are outstanding, the City will render bills to all customers for electric service and, subject to applicable statutes and rules, if bills are not paid within sixty (60) days after due, the City will use all remedies lawfully available to collect such amounts due and owing.

Section 20. Except for amendments which are required for the correction of language to cure any ambiguity or defective or inconsistent provisions, omission or mistake or manifest error contained herein, no changes, additions or alterations of any kind shall be made by the City in the provisions of this Ordinance in any manner; provided, however, that from time to time the holders of sixty percent (60%) in principal amount of the Bonds, the Outstanding Bonds and of Additional Bonds outstanding authorized hereunder (not including any of said bonds credited to any of the accounts set out in Section 11 of this Ordinance or any other of said bonds owned or controlled directly or indirectly by the City) by an instrument or instruments in writing signed by such holders and filed with the City Clerk shall have power to assent to and authorize any modification of the rights and obligations of the City and of the holders of the Bonds and of Additional Bonds and the provisions of this Ordinance that shall be proposed by the City, and any action authorized to be taken with the assent and authority given as aforesaid of the holders of sixty percent (60%) in principal amount of said bonds shall be binding upon all holders of said Bonds, the Outstanding Bonds and Additional Bonds at the time outstanding hereunder and upon the City as fully as though such action were specifically and expressly authorized by the terms of this Ordinance; provided, always, that no such modification shall be made which will (a) extend the time of payment of the principal of or interest on any of said bonds or reduce the principal amount thereof or the rate of interest thereon; or (b) give to any of said bonds secured by this Ordinance any preference over any other of said bond or bonds; or (c) authorize the creation of any lien prior to the pledge of the revenues afforded by this Ordinance for the Bonds, the Outstanding Bonds and any Additional Bonds; or (d) reduce the percentage in principal amount of said outstanding bonds required to assent to or authorize any such modification. Any modification of the provisions of this Ordinance made as aforesaid shall be set forth in a supplemental ordinance to be adopted by the Mayor and City Council of said City.

Section 21. So long as any of the Bonds, the Outstanding Bonds or any Additional Bonds of equal lien are outstanding, each of the obligations, duties, limitations and restraints imposed upon the City by this Ordinance shall be deemed to be a covenant between the City and every holder of said bonds, and this Ordinance and every provision and covenant thereof shall constitute a contract of the City with every holder from time to time of said bonds. Any holder of a Bond, Outstanding Bond or Additional Bond or Bonds may by mandamus or other appropriate action or proceeding at law or in equity in any court of competent jurisdiction enforce and compel performance of this Ordinance and every provision and covenant thereof including, without limiting the generality of the foregoing, the enforcement of the performance of all duties required by the City by this Ordinance and the applicable laws of the State of Nebraska, including in such duties the making and collecting of sufficient rates, rentals, fees or charges for the use and service of the combined utilities, the segregation of the revenues of said system and the application thereof to the respective Fund and Accounts referred to and described in Section 11 of this Ordinance.

Section 22. The City's obligations under this Ordinance and the liens, pledges, dedications, covenants and agreements of the City herein made or provided for shall be fully discharged and satisfied as to any Bonds, the Outstanding Bonds or Additional Bonds issued hereunder, and said bonds shall no longer be deemed outstanding hereunder, if such bonds shall have been purchased and cancelled by the City or, as to any of said bonds not theretofore purchased and cancelled by the City, when payment of the principal of and any applicable redemption premium, if any, on such bonds plus interest thereon, to the respective dates of maturities or redemption (a) shall have been made or caused to be made in accordance with the terms thereof; or (b) shall have been provided for by depositing in escrow with any state or national bank having trust powers, or trust company, in trust solely for such payment (i) sufficient monies to make such payment or (ii) direct general obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as "Government Obligations") in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal at such time or times as will insure the availability of sufficient monies to make such payment, and such bonds shall cease to draw interest from the date of their redemption or maturity and, except for the purposes of such payment, shall no longer be entitled to the benefits of this Ordinance except for payment from such deposit and shall no longer be considered as outstanding; provided that, with respect to any such bonds called or to be called for redemption, the City shall have duly given notice of redemption, or made irrevocable provision for giving such notice. Any such monies so deposited with the aforesaid bank or trust company as provided in this section may be invested and reinvested in Government Obligations at the direction of the City, and all interest and income from all such Government Obligations in the hands of the aforesaid bank or trust company which is not required to pay principal or interest on such bonds for which deposit has been made shall be paid to the City as and when realized and collected.

Section 23. Upon execution, registration and authentication of the Bonds, they shall be delivered to the City Treasurer, who is authorized to deliver them to the Underwriter, as the initial purchaser thereof, upon receipt of not less than 98.75% of the principal amount of the Bonds plus accrued interest thereon to date of payment of the Bonds (which purchase price may be modified by the terms of the Designation), and the City Treasurer is authorized to deliver the bonds to said purchaser upon receipt of the purchase price plus accrued interest to date of payment. Said Bonds

are sold to the purchaser subject to the opinion of independent bond counsel that said Bonds are lawfully issued; that said Bonds constitute a valid obligation of the City; and that under existing laws and regulations, the interest on said Bonds is exempt from both Nebraska state and federal income taxes.

Section 24. The Authorized Officers (or any one of them) are hereby authorized to execute and deliver a Bond Purchase Agreement for and on behalf of the City. Upon the execution and delivery of the Bond Purchase Agreement, any officer of the City is hereby authorized and directed for and on behalf of the City to take such actions and execute such documents as may be necessary or appropriate to effect prepayment of the Refunded Bonds on the Redemption Date, including without limitation, providing any required written notice to bondholders and other parties, as applicable, to repay the Refunded Bonds in accordance with their prepayment provisions on the Redemption Date.

Section 25. The net sale proceeds of the Bonds along with funds of the City on hand (including transfers from prior issue debt service funds) shall be applied to the payment and satisfaction of all of the principal of and the interest on the Refunded Bonds as called for redemption on the Redemption Date. Accrued interest, if any, received from the sale of the Bonds shall be applied to pay interest first falling due on said Bonds. Expenses of issuance of the Bonds may be paid from the proceeds of the Bonds.

Section 26. In accordance with the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule") promulgated by the Securities and Exchange Commission, the City being the only "obligated persons" other than the City with respect to the Bonds, and being an "obligated person" with respect to no more than \$10,000,000 in aggregate amount of outstanding municipal securities (including the Bonds), agrees that it will provide the following continuing disclosure information to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB:

- (a) at least annually, and not less than nine months following the end of the City's fiscal year, financial information or operating data for the City which is customarily prepared by the City and is publicly available, consisting of the City's audited financial statements;
- (b) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of the holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar events of the City (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City);
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; or

- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

The City has not undertaken to provide notice of the occurrence of any other event, except the events listed above.

The City agrees that all documents provided to the MSRB under the terms of this continuing disclosure undertaking shall be in such electronic format and accompanied by such identifying information as shall be prescribed by the MSRB. The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information or the accounting methods in accordance with which such information is presented, to the extent necessary or appropriate in the judgment of the City, consistent with the Rule. The City agrees that such covenants are for the benefit of the registered owners of the Bonds (including Beneficial Owners) and that such covenants may be enforced by any registered owner or Beneficial Owner, provided that any such right to enforcement shall be limited to specific enforcement of such undertaking and any failure shall not constitute an event of default under the Ordinance. The continuing disclosure obligations of the City, as described above, shall cease when none of the Bonds remain outstanding. The City Clerk is the person from whom the foregoing information, data and notices can be obtained. The City believes it has substantially complied with its continuing disclosure undertakings pursuant to the Rule with respect to each of the five most recently completed fiscal years. Any failure to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market.

Section 27. The officers of the City are hereby authorized to execute and deliver any and all certificates and documents and to take any and all actions determined appropriate in connection with the issuance and sale of the Bonds and refunding of the Refunded Bonds including, without limitation, to review and approve a preliminary official statement related to the Bonds and approval of a final official statement on behalf of the City, and said final official statement, if and as applicable, shall be delivered in accordance with the requirements of the Rule.

Section 28. The City hereby covenants to the purchasers and holders of the Bonds that it will make no use of the proceeds of said bond issue, including monies held in any sinking fund for the payment of said Bonds, which would cause said Bonds to be arbitrage bonds within the meaning of Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and further covenants to comply with said Sections 103 and 148 and all applicable regulations thereunder throughout the term of said bond issue. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax-exempt status of interest payable on the Bonds with respect to taxpayers generally but not including insurance companies or corporations subject to the additional alternative minimum tax. As and to the extent not "deemed designated" under Section 265 of the Code (with respect to current refunding bonds), the City hereby designates the Bonds as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and

covenants and warrants that it does not anticipate issuing tax-exempt obligations in the calendar year in which the Bonds are issued in an amount in excess of \$10,000,000 taking into account statutory exceptions for current refunding issues. The officers of the City are hereby authorized to make such allocations and certifications as are necessary to establish that all or a portion of the Bonds are "deemed designated".

Section 29. In order to promote compliance with certain federal tax and securities laws relating to the bonds herein authorized (as well as other outstanding bonds) the policy and procedures attached hereto as Exhibit "A" (the "Post-Issuance Compliance Policy and Procedures") are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

Section 30. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 31. All ordinances, resolutions or orders or parts thereof in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

Section 32. This ordinance shall be published in pamphlet form and take effect as provided by law.

PASSED AND APPROVED this _____ day of _____, 2019.

ATTEST:

Mayor

City Clerk

(S E A L)

I, the undersigned, City Clerk, of the City of Auburn, Nebraska, hereby certify that the foregoing is a true and correct copy of proceedings had and done by the Mayor and Council on _____; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the City Clerk; that such agenda items were sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting and that a current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, posted during such meeting in the room in which such meeting was held.

(SEAL)

City Clerk

EXHIBIT "A"

**Policy and Procedures
Federal Tax Law and Disclosure Requirements for
Tax-exempt Bonds and/or Tax Advantaged Bonds**

ISSUER NAME: City of Auburn, Nebraska

COMPLIANCE OFFICER (BY TITLE): City Treasurer

POLICY

It is the policy of the Issuer identified above (the "Issuer") to comply with all Federal tax requirements and securities law continuing disclosure obligations for its obligations issued as tax-exempt bonds (or as tax credit, direct pay subsidy or other tax-advantaged bonds, as applicable) to ensure, as applicable (a) that interest on its tax-exempt bonds remains exempt from Federal income tax, (b) that the direct payments or tax credits associated with its bonds issued as "tax-advantaged bonds" are received in a timely manner and (c) compliance with any continuing disclosure obligations of the Issuer with respect to its outstanding bonds.

PROCEDURES

Compliance Officer. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Compliance Officer identified above (the "Compliance Officer"). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

Training. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service (either on its website at <http://www.irs.gov/taxexemptbond>, or elsewhere) and the Municipal Securities Rulemaking Board (either on its Electronic Municipal Market Access website ["EMMA"] at <http://www.emma.msrb.org>, or elsewhere).

Compliance Review. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The review shall occur at the time the Issuer's annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period or frequency of review would be more appropriate.

Scope of Review.

Document Review. At the compliance review, the following documents (the "Bond Documents") shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue:

- (a) the resolution(s) and/or ordinance(s), as applicable, adopted by the governing body of the Issuer authorizing the issuance of its outstanding bonds, together with any documents setting the final rates and terms of such bonds (the “Authorizing Proceedings”),
- (b) the tax documentation associated with each bond issue, which may include some or all of the following (the “Tax Documents”):
 - (i) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
 - (ii) Form 8038 series filed with the Internal Revenue Service;
 - (iii) tax certificates, tax compliance agreements, tax regulatory agreement or similar documents;
 - (iv) covenants, agreements, instructions or memoranda with respect to rebate or private use;
 - (v) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and
 - (vi) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings relating to federal tax matters.
- (c) the Issuer’s continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the “Continuing Disclosure Obligations”), and
- (d) any communications or other materials received by the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer’s bonds or relating to the Issuer’s Continuing Disclosure Obligations.

Use and Timely Expenditure of Bond Proceeds. Expenditure of bond proceeds shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents, and (c) that any mandatory redemptions from excess bond proceeds are timely made if required under the Authorizing Proceedings and Tax Documents.

Arbitrage Yield Restrictions and Rebate Matters. The Tax Documents shall be reviewed by the Compliance Officer to ensure compliance with any applicable yield restriction requirements under Section 148(a) of the Internal Revenue Code (the “Code”) and timely calculation and payment of any rebate and the filing of any associated returns pursuant to Section 148(f) of the Code. A qualified rebate analyst shall be engaged as appropriate or as may be required under the Tax Documents.

Use of Bond Financed Property. Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed by the Compliance Officer to ensure compliance. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, contracts related to operation or management of bond-financed property, sponsored research agreements, take-or-pay contracts or other agreements or

arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed property which were not anticipated at the time the bonds were issued. Such actions could be prohibited by the Authorizing Proceedings, the Tax Documents or Federal tax law.

Continuing Disclosure. Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated (a) to ensure timely compliance with any annual disclosure requirement, and (b) to ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

Record Keeping. If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus six (6) years.

Incorporation of Tax Documents. The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

Consultation Regarding Questions or Concerns. Any questions or concerns which arise as a result of any review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the Internal Revenue Service which allows issuers under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to issuers of certain bonds under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued.

6th Subsequent Agreement
to the Interlocal Agreement
between the
City of Auburn, Nebraska,
and the County of Nemaha (NE), and the Nemaha County Sheriff's Office

AGENDA ITEM
NO 17

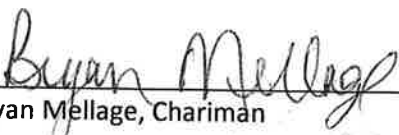
This 6th subsequent agreement (reached prior to September 30th, 2019) by and between the County of Nemaha, State of Nebraska, hereinafter referred to as the "County", and the Nemaha County Sheriff's Office, hereinafter referred to as the "Sheriff", and the City of Auburn, State of Nebraska, hereinafter referred to as the "City".

Pursuant to paragraph 11.b. the amount due commencing January 1, 2020, shall be Three Hundred and Forty-Eight Thousand dollars (\$348,000.00) payable in twelve monthly payment, payable in accordance with the schedule as set forth in paragraph 11, resulting from changes in salaries, expenses and health insurance premiums. Said amount within the 10% deviation from the base amount for the previous year.

Except as hereby modified, the interlocal agreement entered into on the 28th day of November, 2012 shall remain in full force and effect.

Board of Commissioners
County of Nemaha, Nebraska

City of Auburn
County of Nemaha, Nebraska


Bryan Mellage, Chariman

R. Dan White, Mayor

Date: Oct 30 2019

Date: _____

Attest: 
County Clerk

Attest: _____
City Clerk

Nemaha County Sheriff's Office


Brent Lottman, Sheriff

Date: 10/30/19

RESOLUTION NO. _____

TO APPROVE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT COMMERCIAL REUSE FUNDING AS SUGGESTED BY THE REVITALIZATION REVIEW COMMITTEE

SUGGESTED ACTIONS OF REVITALIZATION REVIEW COMMITTEE:

Project #	Address	Total Request	Match	Match %	ReUse	ReUse %	Grant	Loan	Repayment
RU 1	1407 19th St	\$ 4,300	\$ 1,075	0.25	\$ 3,225	0.75	\$ 2,418.75	\$ 806.25	1 year 0%
RU 2	1900 O St	\$ 5,720	\$ 1,430	0.25	\$ 4,290	0.75	\$ 3,217.50	\$ 1,072.50	1 year 0%
	Totals	\$ 10,020	\$ 2,505		\$ 7,515		\$ 5,636	\$ 1,879	

WHEREAS, the City of Auburn, Nebraska has received a previous Community Development Block Grant for commercial rehabilitation and,

WHEREAS, CDBG reuse funds for commercial rehabilitation are to be used for making grants and loans to private businesses and property owners in accordance with the City's CDBG Downtown Revitalization Reuse Plan, program, and governing regulations, and,

WHEREAS, the City has previously adopted an amended Downtown Revitalization Reuse Plan meeting the requirements of the Community Development Block Grant program and,

WHEREAS, the City of Auburn CDBG Revitalization Review Committee, has recommended commercial rehabilitation applications presented by these area property owners as spelled out in the Memorandum of Understanding (MOU) to finance construction for commercial rehab, and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Auburn, Nebraska hereby approves a total granted amount of \$5,636 and total loaned amount of \$1,879 to the applicants (2 properties) subject to the City's CDBG Downtown Revitalization Reuse Plan, program guidelines and regulatory provisions governing the Downtown Revitalization Reuse Plan and subject to the specific MOU's signed regarding each applicant. **This approval is also contingent upon receipt of all environmental and historic preservation clearances.**

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Auburn, that the Mayor is hereby authorized and directed to execute all necessary and appropriate documents on behalf of the City of Auburn to effect acceptance of the suggested grant and loan amounts, contingent upon approval of the property owners and City Attorney as to form.

Passed and adopted on this ___ day of November, 2019.

CITY OF AUBURN, NEBRASKA

ATTEST:

Dan White, Mayor

Sherry Heskett, City Clerk

**Special Designated License
Local Recommendation (Form 200)**

Applications must be entered on the portal after local approval – no exceptions
Late applications are non-refundable and will be rejected

5TH STREET POST
Retail Liquor License Name or *Non-Profit Organization (*Must include Form #201 as Page 2)

721 5TH ST - PERU, NE 68421
Retail Liquor License Address or Non-Profit Business Address

121898
Retail License Number or Non-Profit Federal ID #

Consecutive Dates only
Event Date(s): 12/26/19

Event Start Time(s): 3PM

Event End Time(s): 10PM

Alternate Date: N/A

Alternate Location Building & Address: N/A

Event Building Name: GALLERY 75

Event Street Address/City: 1122 J Street, Auburn, NE 68305

Indoor area to be licensed in length & width: 80 X 24 (Main + Basement Levels)

Outdoor area to be licensed in length & width: — X — (Diagram Form #109 must be attached)

Type of Event: FALL HOLIDAYS 2019 Estimate # of attendees: 25-50

Type of alcohol to be served: Beer Wine Distilled Spirits
(ON+OFF SALE) (If not marked, you will not be able to serve this type of alcohol)

Event Contact Name: RUTH HEYWOOD Event Contact Phone Number: (402) 274-7594

Event Contact Email: HEYWOODHILLS@GMAIL.COM

*Signature Authorized Representative: Ruth Heywood Printed Name RUTH HEYWOOD

I declare that I am the authorized representative of the above named license applicant and that the statements made on this application are true to the best of my knowledge and belief. I also consent to an investigation of my background including all records of every kind including police records. I agree to waive any rights or causes of action against the Nebraska Liquor Control Commission, the Nebraska State Patrol or any other individual releasing said information to the Liquor Control Commission or the Nebraska State Patrol. I further declare that the license applied for will not be used by any other person, group, organization or corporation for profit or not for profit and that the event will be supervised by persons directly responsible to the holder of this Special Designated License.

*Retail licensee – Must be signed by a member listed on permanent license
*Non-Profit Organization – Must be signed by a Corporate Officer

Local Governing Body completes below:

The local governing body for the City/Village of _____ OR County of _____ approves the issuance of a Special Designated License as requested above. (Only one should be written above)

Local Governing Body Authorized Signature Date

**Special Designated License
Local Recommendation (Form 200)**

Applications must be entered on the portal after local approval – no exceptions
Late applications are non-refundable and will be rejected

514 STREET POST
Retail Liquor License Name or *Non-Profit Organization (*Must include Form #201 as Page 2)

721 5TH ST. PEARL, NE 68421
Retail Liquor License Address or Non-Profit Business Address

121898
Retail License Number or Non-Profit Federal ID #

Consecutive Dates only
Event Date(s): 12/28/19

Event Start Time(s): 10AM

Event End Time(s): 10PM

Alternate Date: N/A

Alternate Location Building & Address: N/A

Event Building Name: GALLERY 75

Event Street Address/City: 1122 J St, AUBURN, NE 68305

Indoor area to be licensed in length & width: 80 X 24

Outdoor area to be licensed in length & width: — X — (Diagram Form #109 must be attached)

Type of Event: FALL/HOLIDAYS 2019 Estimate # of attendees: 25-50

Type of alcohol to be served: Beer Wine Distilled Spirits
ON + OFF SALE (If not marked, you will not be able to serve this type of alcohol)

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Event Contact Email: HEYWOODRUTH@GMAIL.COM

*Signature Authorized Representative: Ruth Heywood Printed Name: RUTH HEYWOOD

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*Retail licensee – Must be signed by a member listed on permanent license
*Non-Profit Organization – Must be signed by a Corporate Officer

Local Governing Body completes below:

The local governing body for the City/Village of _____ OR County of _____ approves the issuance of a Special Designated License as requested above. (Only one should be written above)

Local Governing Body Authorized Signature _____ Date _____

Received
10 -

AGENDA ITEM
NO 21

1. Ben Bohling
402 274 9035 Current Address:
1220 O St 73207 640th Ave.
Auburn NE 68305 Auburn NE 68305

2. a) Helped a friend in their house by redoing the flooring, replacing a door, wiring some throughout the house, and redoing the deck and putting up fence

b) Finished a basement in a house, including: framing, wiring, insulating, and plumbing

3. 1220 O St
Auburn NE 68305

4. a) Heating and Air \$4,568.88
3.5 ton AC, 3.5 ton coil, 80,000
BTU Furnace, Labor
- Drywall, hanging, and mudding \$9,000.00
Labor and materials
- Under layment, Linoleum, Carpet # 7,000.00
Installed

Self labor	b) PVC + Pex	# 780
	Lumber	# 670
	Bathtub + shower	# 380
	Windows	# 1,000
	Door	# 150
	lighting, Exhaust Fan, wire	# 750
	water Heater	# 800

A) 20,568.88

B) 4,530

25,098.88

5. County Assessors Report Attached

6. Water Heater
Heating and Air
Insulation
All new windows

7. January 1st 2020

8. 102 year old house that has never had insulation and the whole thing is being completely redone and remodeled inside and outside.



ESTIMATE



(402) 297-0855 Matthew Dross Shubert, NE

AirWise
PO Box 71
Shubert NE 68437
United States

4022970855
matthewd1981@gmail.com

FOR

Ben bohling
1220 O Street
Auburn NE
United States

Estimate No.: **023**
Issue date: **11/1/2019**
Valid until **11/15/2019**

DESCRIPTION	QTY.	UNIT PRICE (\$)	AMOUNT (\$)
3.5 ton AC	1	4,568.88	4,568.88
Coil			
80,000btu 92.1 % furnace			
Return air filter elbow			
Line set			
Pad			
Install materials			
Labor			
TOTAL (USD):			\$4,568.88

DC Drywall
 P.O. Box 111
 Tecumseh Ne 68450
 1(402)921-0297

Invoice

INVOICE NO.

INVOICE
DATE

CUSTOMER
ORDER NUMBER

SOLD TO: Sidney Adams + Ben Bohling 1220 O Street Auburn, Ne 68305		SHIP TO:
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SALESPERSON	SHIPPED VIA	TERMS	F.O.B.
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QTY ORDERED	QTY SHIPPED	DESCRIPTION	UNIT	AMOUNT
		Remodeled main floor and attic		
		drywall hanging done		
		drywall mudding done		
		Luz Delgado		\$6,500. ⁰⁰ / ₁₀₀



SHIPLEY FLOORING

1739 S. 11th Street
 Nebraska City, NE 68410
 Phone (402) 873-4143 Fax (402) 873-4148

DATE _____

Name	Ben Bohling		
Address	1220 O Street		
City	Auburn	State	NE Zip 68305
Home Phone		Business Phone	(402) 274-9035
Job Site			

Sold By		Ref #	Ref #	Billing Date	Paid Date
ROLL #	YDGE	DESCRIPTION		UNIT/YDGE PRICE	AMOUNT
	154 sqyd	12x115 ⁶	In-Stock #12 @	10 ⁹⁹ sq yd	1,692 ⁴⁶
		2-Baths Upstairs & Main Floor			
	1,314 sqft		subfloor	1 ³⁰ sq ft	1,708 ²⁰
	154 sqyd		install	12 ⁰⁰ sq yd	1,848 ⁰⁰
		(Bad spot in main room floor)			
	87	12x65 (In-Stock)	Brown & Tan @	6 ⁹⁹ sq yd	608 ¹³
		Whole Upstairs & Steps			
	87 sqyd		1/2 inch Pad @	3 ⁵⁰ sq yd	304 ⁵⁰
ROA's	87 sqyd		Install @	6 ⁰⁰ sq yd	522 ⁰⁰
Down Payment			Step Charge @		50 ⁰⁰
Measure Date					
Cust. PU Date					
Cust. Delivery Date		INSTALLATION GUARANTEED 1 YEAR			
A FINANCE CHARGE OF 1.5% PER MONTH WILL BE CHARGED ON ALL OVERDUE BALANCES. PLEASE PAY FROM THIS INVOICE. NO STATEMENT WILL BE SENT				SUBTOTAL	6,733 ²⁹
NO CANCELLATIONS NO REFUNDS ALL SALES FINAL				TAX	224 ⁸⁴
Installation Date				TOTAL	6,958 ¹³
Customer's Signature _____				C.O.D. AMOUNT	

RESOLUTION NO. ____-19

Of

THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA

A RESOLUTION OF THE CITY DECLARING CERTAIN RESIDENTIAL REAL ESTATE AS A PUBLIC NUISANCE AND ORDERING NUISANCE ABATEMENT OF SAID PROPERTY BY LEGAL REMEDY.

WHEREAS, the City of Auburn, NE, has identified certain abandon, dilapidated, and-or uninhabitable real estate and-or residential structures within Auburn, NE, as unsightly, in a present state of disrepair, offensive to the senses and injuries to the comfort, health, repose and/or safety of the residents of the City, and depreciating the value of the property of others surrounding said real estate;

WHEREAS, the City through legal counsel, on or about December 26, 2018, has served upon title owner(s) written notice of the poor and dilapidated condition of the real estate and made demand that the property be rehabilitated or demolished;

WHEREAS, the City has served written notice on the following property, identified by street address:

714 Central Ave., Auburn, NE.
Sage's Reserve Add to Auburn, BLK 15, LT I
(legal is for reference only)
Owner: Nathan Corey Allison
Lienholder: none identified

WHEREAS, the residential structure and real estate continues to be a health and safety hazard to the public and community and is unsafe and unfit for human occupancy, at this time, pursuant to Neb. Rev. Stat. § 18-1722.01. The structures must be cleared, removed, rehabilitated, and/or maintained in a safe, secure, and proper manner;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Auburn, Nemaha County, Nebraska, that the above property and conditions thereof are so unsightly and in disrepair as to interfere with comfortable enjoyment of life and property of others, and/or tend to

depreciate the value of the property of others and is/are declared a nuisance to the City of Auburn, NE.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Mayor and City Council of the City of Auburn, Nemaha County, Nebraska, that the unkept and unsightly residential structure shall be removed, cleaned, and/or maintained by the owner or by the City of Auburn, NE, through appropriate legal remedy;

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Mayor and City Council of the City of Auburn, Nemaha County, Nebraska, that structures are currently unsafe and unfit for human occupancy pursuant to Neb. Rev. Stat. § 18-1722.01.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Mayor and City Council of the City of Auburn, Nemaha County, Nebraska, that the City Attorney is directed to proceed with nuisance abatement through the Nemaha County District Court, seeking removal of dilapidated structures and clean-up of the above listed property with cost to be paid by the property owners and/or assessed against the real estate.

PASSED and APPROVED, this 12th day of November, 2019.

R. Daniel White, Mayor of the
City of Auburn, Nebraska

ATTEST:

Sherry Heskett, Municipal Clerk
of the City of Auburn, Nebraska

(Seal)

RESOLUTION NO. _____-19

Of

THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA

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WHEREAS, the City through legal counsel, on or about August 29, 2019, served upon title owner(s) written notice of the poor and dilapidated condition of the real estate and made demand that the property be rehabilitated or demolished;

WHEREAS, the City has served written notice on the following property, identified by street address:

901 'L' St., Auburn, NE.
Sheridan Add to Auburn, BLK 16, N1/2 LT 6
(legal is for reference only)
Owner: Ronald R. Munson
Lienholder: none identified

WHEREAS, the residential structure and real estate continues to be a health and safety hazard to the public and community and is unsafe and unfit for human occupancy, at this time, pursuant to Neb. Rev. Stat. § 18-1722.01. The structures must be cleared, removed, rehabilitated, and/or maintained in a safe, secure, and proper manner;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Auburn, Nemaha County, Nebraska, that the above property and conditions thereof are so unsightly and in disrepair as to interfere with comfortable enjoyment of life and property of others, and/or tend to depreciate the value of the property of others and is/are declared a nuisance to the City of Auburn, NE.

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PASSED and APPROVED, this 12th day of November, 2019.

R. Daniel White, Mayor of the
City of Auburn, Nebraska

ATTEST:

Sherry Heskett, Municipal Clerk
of the City of Auburn, Nebraska

(Seal)

AGENDA ITEM
NO 24

Auburn Memorial Library

1810 Courthouse Ave
Auburn, NE 68305

City Council Report November 2019

- Christmas Opening Craft Hour Nov 21 – All ages

Statistical Report:

<u>Date:</u>	<u>Circulation:</u>	<u>Patrons:</u>	<u>Money to City:</u>
October	3,092	1,988	\$433.35
OverDrive	<u>363</u>	<u>57</u>	
	3,455	2,045	
September	2,459	1,682	\$420.95
OverDrive	<u>341</u>	<u>57</u>	
	2,800	1,739	

**MONTHLY LAW ENFORCEMENT REPORT TO THE
MAYOR AND CITY COUNCIL OF THE CITY OF
AUBURN**

FOR THE MONTH OF OCTOBER 2019

Total Number of Calls within the City of Auburn	128
Total Number of Ordinance/Animal Calls	7
Total Number of Actual Criminal Cases Reported/Initiated	9

Respectfully submitted,



Brent Lottman
Sheriff