

REGULAR MEETING OF THE LEXINGTON CITY COUNCIL

July 27, 2020

7:00 P. M.

The regular meeting of the Lexington City Council was called to order at 7:00 P. M. by Mayor Spencer Johansen in the City Council Chambers at City Hall.

Mayor Johansen led the council in the Pledge of Allegiance.

Roll call was taken to find the following physically present: Mayor Johansen, Alderman Colclasure, Alderman Franklin, Alderman Stover, Alderman Richard and Alderwoman Wilson. Alderman Schreiber was attending remotely. Members of the staff and public present were Don Cavallini, Matthew Jaggard, Leah Roberts, Kenneth Sours, Danny McDaniels and David Belvery.

It was moved by Alderman Colclasure and seconded by Alderwoman Wilson to approve the minutes of the June 22, 2020 regular and closed sessions and Appropriation Meetings. Motion carried unanimously.

It was moved by Alderman Stover and seconded by Alderman Franklin to approve the Treasurer's Report and pay bills in the amount of \$64,526.42. Motion carried unanimously.

Public Input: Matt Jaggard of Task Insurance Group introduced himself. He is wanting the opportunity to bid on the city's insurance needs for commercial liability insurance that is due in December. He was with State Farm for seven years. Task Insurance works with communities from 500-200,000 residents and most recently worked with Heyworth. They focus on city growth and have a dedicated town manager for each town that they manage to work with you and your needs. Task Insurance Group offers attractive access to larger markets and services.

Alderman Franklin has all the information he needs to compare their products to make a decision for a December renewal of insurance needs.

Old Business:

Discussion/Vote Letter of Intent Brandt Property

The letter of intent to purchase the Brandt property is now ready to sign. There was one change made, we included the use of the rock bins, storage bins and easement to the Sewer Plant.

They have been cleaning the lot up across the street from the office and we are ready to move on that as soon as the documents are signed.

There was a question about soil testing and were we good with not having one? It was felt that was an option on the purchase agreement and they should have one on the office building but that the rest of the properties were covered under the EPA.

A question was also asked about what out of pocket expenses were going to be? This property will be paid for by property tax abatement over a 10 year period. The price or abatement will be based on the value of the new properties.

We have letters of intent from buyers for two of the properties.

The city employees are ok with the agreement to move our equipment into the building. The only thing Brandt is keeping for now is the office and dry storage shed meaning we can move into the quonset shed immediately. It will take approximately \$50,000 to update the shed. It needs to be sealed, heat installed, doors put on and repair the roof.

There was some discussion as to why we were buying all of Brandt's property and not just the buildings we wanted or trade for what we wanted? Why didn't Brandt sell their own buildings? We have our own buildings we are trying to sell and should not be taking on more.

By doing this deal with Brandt we are opening up two new buildings for property taxes and they worked with us very well for taxes and value. We got the buildings that we wanted, we got a new building and business on Main Street, and we control what goes on Main Street if we are owners of the property. Now we can consolidate our equipment and free up our buildings around the park in order to sell them.

Motion was made by Alderman Stover and seconded by Alderwoman Wilson to approve Letter of Intent for the Brandt Property. Motion carried with four yes and two no. Alderman Schreiber and Alderman Colclasure voting no.

Discussion Koch Property

The asbestos report came in at \$68,000 to remove it and \$32,000 to tear it down. Mayor Johansen has tried to find someone to take the building but has had no luck. We have not accepted the building. The biggest thing with the asbestos was the drywall compound and it is throughout the entire building.

Mayor Johansen will talk to Tom Koch and tell him we are not going to take the building. Tell him he has to pay the \$68,000 or see if they have insurance. They may qualify for assistance.

It was felt there were other businesses that could use funds rather than spend on this building.

Mayor Johansen will give the report to Kochs and tell them we are not interested and continue to pursue other options.

Discussion Old Water Plant

Several people have shown an interest in the Old Water Plant and there is no reason we can not put it out for bids. The little brick building behind it goes with it. It was appraised at zero. They would be able to remove the metal inside and sell it. We would not need to maintain it or mow it. Mayor Johansen understands that the attached lean-to had roof damage when ice fell off the Water Tower through the roof. We will need to have Attorney Shields write something up that we are not liable for that. There is also garage door access to that.

Mayor Johansen will have Attorney Shields draw something up for the next meeting to put it out for bids.

New Business:

Discuss/Vote EMA Generator

This is to run the repeater when the power is out. They are getting it from William Masters at a cost of \$4,100.

Motion was made by Alderman Colclasure and seconded by Alderwoman Wilson to approve the purchase of the EMA Generator. Motion carried unanimously.

Committee Reports:

Mayor's Reports: Mayor Johansen reported on the following items:

Casey's has brought their equipment in and has started moving dirt. They have put a sign up that says "coming soon".

The new building is up on Main and Cedar Streets and will be used as a pop up business rental.

The audit was completed last Monday and Tuesday and everything was in good shape.

Hotel is still looking very good. Contract is in California and they are working out a few details and it could still get started this fall.

There will be a new physical therapist located at 429 West Main Street. He is working on the building and hopes to be open by September or October.

There is a remote hearing on the two pieces of property owned by Borema and Lockenvitz on the 29th of July. Megan Borema has been in contact with the city, she has someone who is going to tear the house down. We have not heard from the Lockenvitzs. He gave the house to the city. It is at 10:00 on July 29th.

The question was asked about the sales tax revenue for the second quarter. Mayor Johansen did not give exact figures but it was down.

There is a meeting tomorrow with the Snyder Group regarding the new subdivision. Chaney is still moving forward with his.

The question was asked when Vine Street would be opened back up again. DaT Bar has said it has been a life saver for him. The idea behind that was Envy Fitness was going to use part of the street and they have not needed it. Mayor Johansen will work on getting the street opened up safely for DaT Bar's patrons.

We have about another 15 feet of road to go for Casey's. We should be done in about a week and a half.

Police: Alderman Richard reported that two officers resigned due to the fact that it was just too much with their regular jobs. They have agreed to stay on until September.

Chief Belvery reported that we do have an officer graduating from the academy in September but will be able to start the FBO program now.

Building & Insurance Alderman Franklin reported that commercial and health insurance renewals are coming up. The inspection is coming up on the 31st.

Finance & TIF None

Water/Sewer/Sanitation Alderwoman Wilson reported that Star has been working with the new water billing system. It will go live in August with the mailing out of postcards. The Town Cryer will no longer be mailed out but will be on-line, at the banks and grocery store.

Street/Alley Alderman Colclasure reported that they have been hauling trees and dirt.

There being no further business a motion was made by Alderman Franklin to adjourn at 7:47 p.m. Motion carried by unanimous voice vote.

Respectfully submitted,

By Pati Pease

City Clerk

Approved: August 24, 2020