

Finance & Keno Meeting

February 4, 2025

The Finance & Keno Committee of the City of Fairbury met on Tuesday, February 4, 2025, at 6:45 p.m. in the City Offices located at 612 D Street, Fairbury, Nebraska.

Roll call found the following committee members present: Tim Polson, Jaime McDaniel, and Charles Endorf. Absent: Brian Schmidt. Also present: Brad Slaughter, Northland, City Clerk, Erin Reimer and Mayor, Kelly Davis

Polson called the meeting to order at 6:45 p.m. and stated a current copy of the Open Meetings Act was posted near the entry of the meeting room. McDaniel moved to convene. Motion seconded by Endorf. McDaniel, Endorf, and Polson voting “yes”. Motion carried.

Polson moved to approve the Finance/Keno Committee minutes from the August 28, 2024, meeting. No second as other members were recently added and not at prior meeting.

Current business item, “Consideration and approval of the issuance of a combined utilities revenue bond, in one or more series of costs not to exceed 15 million dollars to pay the costs of constructing the Steele City Transmission Line Project.” Brad Slaughter with Northland Securities (First National of Nebraska Company) was present to the committee. With the approval of the Steele City Transmission Line Project, an estimated 15-million-dollar project, a funding source is needed to continue the project. The city entered contract with Nebraska Public Power District (NPPD) for phase I of the project in November of 2024 and has already submitted payment for the transformer in the amount of \$2,140,000.00, with the next payment being due in May 2025 (engineering services/material commitments), and in October 2026 a payment of \$2,140,000.00 will be due (final construction/commissioning/closeout). The bond presented will allow the city to draw up to 15 million dollars from the bond, allowing this to be completed in phases. The initial bond draw amount will be 5.3 million which will suffice the payments due via the NPPD contract, with \$2,140,000 being reimbursable to the city. Additional bond draws may be made as the construction of the project moves forward. The bond carries an interest rate of 4.7% on a 20-year schedule; staff have reached out to local institutions regarding what they may be able to provide for the city to hold the funds and have received one response back: Money Market Account set up as a stand-alone account holding a 3.99% APY interest rate for 12 months, and after would fall to the current market rate. To lock in the interest rate a recommendation to the council is needed with the 3 readings of the ordinance being suspended. There is no penalty to pay the bond off early or to not draw funds to the max amount of 15million. With no further discussion, McDaniel motioned to recommend to the full council the consideration and approval of the issuance of a combined utilities revenue bond, in one or more series of costs not to exceed 15 million dollars to pay the costs of constructing the Steele City Transmission Line Project. Motion was seconded by Endorf. Polson, McDaniel, and Endorf voting “yes”. Motion carried.

Current business item, “Consideration and approval to declare intent to incur indebtedness for the electric utility improvements and to reimburse certain original expenditures.” With approval of the proposed resolution, the city would be able to request reimbursement from prior expenditures

already incurred related to the Steele City Project. One payment has been made in the amount of \$2,140,000. With no further discussion, McDaniel motioned to recommend to the full council the Consideration and approval to declare intent to incur indebtedness for the electric utility improvements and to reimburse certain original expenditures. Motion was seconded by Endorf. Polson, McDaniel, and Endorf voting "yes". Motion carried.

With no further business, Endorf moved to adjourn. The motion was seconded by McDaniel. McDaniel, Endorf, and Polson voting "yes". Motion carried. The meeting was adjourned at 7:06 p.m.

Respectfully submitted,

Erin Reimer
City Clerk