

CITY CLERK
Phone: (308) 665-1462

CITY OF CRAWFORD

135 Elm Street
CRAWFORD, NEBRASKA 69339

Water Dept: (308) 665-1300
Fax: (308) 665-2441

CITY COUNCIL SPECIAL JOINT MEETING MINUTES

APRIL 19, 2022

Members of the City Council of the City of Crawford, Nebraska, and members of the Ponderosa Villa Board met in a special joint session in the Crawford City Hall Council Chambers, 135 Elm Street, Crawford, Nebraska on the 19th day of April, 2022, at 12:00 o'clock p.m. (noon). The following individuals were present: Mayor Connie Shell, Attorney Adam Edmund, Council Member Ed Kuhnel, Council Member Ronnie Thompson, Council Member Zac Riggs, Ponderosa Villa Co-Chairpersons Rhonda Schoenemann and Ralene Suchor and Ponderosa Villa Board Member Twila Vogl. Absent: Council Member Susan Leeling and Ponderosa Villa Board Members Bruce Hoem and Kristina Mader.

Notice of the meeting was given in advance thereof by posting in three public places as shown by the Certificate of Posting available at the City Clerk's office at City Hall. Availability of the agenda was communicated in the advance notice and in the notice of the Mayor and City Council of this meeting and the notice to the Ponderosa Villa administrator and Board Co-Chairpersons. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

The Pledge of Allegiance was recited.

Mayor Shell called the meeting to order and declared a quorum present at 12:05 p.m. and announced to the public that a copy of the Open Meetings Act is posted on the wall in the Council Chambers. It is also available in pamphlet form.

Council Member Riggs made a motion to approve the minutes of the April 12, 2022 regular council meeting and to excuse the absence of Council Member Riggs from the April 12 council meeting. The motion was seconded by Council Member Thompson. The following Council Members voted AYE: Riggs, Thompson and Kuhnel. Council Members voted NAY: None. ABSENT: Council Member Leeling. Motion carried.

Jennifer Barry of Security First Bank presented some possible financing options to pay for some incurred expenses in excess of \$142,000. Options include possibly cashing in the Villa's CDs. Security First would waive the fee for early withdrawal. There is one \$25,000 CD and one \$75,000 CD. If the CDs paid for \$100,000 of the debt, the Bank could offer a loan for \$42,000 for seven years at 2.5% interest and result in payments of \$546 per month for 84 months, resulting in a little over \$3,800 in interest. The Villa would still need a line of credit to cover payroll before the month's funds come in. The maximum line of credit was increased from \$50,000 to \$100,000 in October of 2021. The full \$100,000 line of credit was used this month. Regulations on the line of credit require it to be paid down to \$0 at least once annually. The Villa typically pays it down to \$0 every month. Paying it down to \$0 as soon as possible also saves on interest. The Villa has only incurred \$602 in interest so far in 2022 because they typically pay it down to \$0 fairly regularly. The Bank would still need something to secure the \$42,000 loan and something to back the \$100,000 line of credit. The Ponderosa Villa building, owned by the City, could be used as collateral. As another option, if the Bank finances the entire \$142,000 it would result in monthly payments of \$1,845 for 84 months, resulting in almost \$13,000 in interest.


Stacie Jones answered some questions from Jennifer Barry on the financial reports. Stacie also advised that there is currently only one agency nurse. Expenses for agency staff have decreased from \$38,000 in December to \$14,000 in February. The Management Contract will drop to \$2,500 per month starting in April. Annual wages for the administrator, yet to be hired, is expected to be around \$95,000. The Villa's water bill was discussed. The reason it is charged for water is because the Villa is a proprietary fund, which includes meaning that it needs to support itself. The City granted the Villa \$16,000 of Keno funds to assist with their water bill this year. If they don't pay a water bill, rates may need to be increased to cover the City's shortfall.

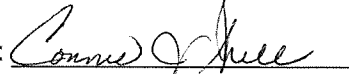
Questions were asked as to the accuracy and current status of the payables, if they are true numbers of what they owe. The \$142,000 does not include the interest being charged by a couple of the vendors. Census numbers are 24 now, will have 25 tomorrow – and need 26 to break even. Stacie Jones felt confident that they could make even the \$1,800 payment (on a loan for \$142,000). The problem was brought up of being able to set aside money for capital expenses and things that break. Sometimes banks require a reserve account. It was suggested that the \$25,000 CD could be saved back as the reserve, apply the \$75,000 CD to the debt and check with the vendors again for payment arrangements, keep communication open and hopefully prevent further interest. The Villa was asked to provide a list of fixed debt owed to vendors versus the amount owed to normal, revolving, monthly expenses and vendors. Other census matters: the Villa is licensed for 35 beds, 5 are private rooms that reduces the beds to 30 - and one of those is kept open in case of Covid quarantine.

The plan is to get to ground zero and move forward, but there are definite concerns about having the cash flow needed to service the debt, especially as things break down and expenses continue.

The conclusion was to narrow it down to two options. The Bank will need the Ponderosa Villa building as collateral for any option and since that takes time, initial steps will be taken to get the appraisal and such started. Everyone seemed to be on board with this plan. There is still work to do on the numbers. There will be more discussion at the April 26th council meeting.

The April 19, 2022 special joint meeting of the City Council and Ponderosa Villa Board adjourned at 1:00 p.m.

Minutes by: 
Jane Dailey
City Clerk/Treasurer

Approved by: 
Connie J. Shell
Mayor