

Logan County Commissioners Work Session
June 11, 2024

Present: Mike Brownell, Joe McBride, Alan Samber, Kristan Lange, Debbie Unrein, Marilee Johnson, Rick Cullip, Trae Miller, Ty Knispel, Kevin Blankenship, Matt Foos, Hans Rodvik, Diana Korbe, Jeff Rice and Jennifer Crow.

Chairman Brownell called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES FROM PREVIOUS SESSION – Commissioner McBride moved to approve the minutes of June 4, 2024 as written. Chairman Brownell seconded, and the motion carried, 2-0.

REVISIONS TO WORK SESSION AGENDA – Chairman Brownell added possible sponsorship of Sterling Community Fund under New Business.

REVIEW AND APPROVE SCHEDULE OF COUNTY BILLS – The Board met with Kristan Lange to review the Logan County schedule of bills dated June 11, 2024. All bills were approved as presented.

SCoulAR REGIONAL MANAGER – Ty Knispel, Regional Manager for Scoular and Trae Miller, Logan County Economic Development Director, met with the Board. Mr. Knispel explained that Scoular has been in business since the late 1990's in the current location. They are at a point where they need to make some upgrades to their existing equipment. They have an opportunity to essentially double the size of their business. They have secured a new lease with the State Land Board which will increase their area from just under ten acres to upwards of 37 acres. They will be adding a 200,000 bushel upright concrete tank. Currently they can unload a railcar at 8,000 bushels an hour. The new equipment will increase their capability to unload a railcar at 30,000 bushels an hour with increased efficiency using the same number of employees. There is a lot of new technology that was not available in the late 1990's when the business was first built.

Mr. Knispel explained the economic benefits for Sterling and Logan County using data obtained from the ProExporter Network which analyzes supply and demand. The State of Colorado has a 59-million-bushel deficit for corn. There's more demand for corn than supply grown in Colorado. Nebraska has a huge corn surplus. There are bushels coming out of Nebraska every day feeding the front range market. Scoular is taking 9 million of those bushels out of a railcar locally and putting them in a truck to be transported into Greeley. Some trucks go into Sterling to the ethanol plant, a huge customer of theirs.

Over and above the 9 million bushels that Scoular is unloading here, trucks are being loaded in southwest Nebraska and they're going right over the top of Sterling and going straight to Greeley. Scoular is going to expand to unload 18 million bushels locally. This will be 9 million more bushels worth of trucks in and around Sterling every year that are currently going past Sterling. This is a benefit for Sterling and Logan County and the basis of what he is here to discuss today. Scoular currently has the ability to unload directly from producers, but the system is so antiquated, it bogs them down, so they just don't do it. With the addition of the new system and equipment,

they will have the ability to dump producer grain, which will be an added benefit to the local producers. This equates to a couple million bushels a year, which may not seem like a whole lot, but to a producer that doesn't have a whole lot of outlets other than CAP and a couple other places, getting the unloaded truck back to the field in a timely fashion that speed is huge.

Mr. Knispel explained the benefit of the trucks that they would be adding into the area. Truckers will be purchasing fuel, tires, meals and other items that will benefit businesses in the county. On top of that, are the added benefits for local producers that aren't there for Scoular today.

Knispel presented some tax incentive ideas from the Scoular tax department. The company will be spending a net total of \$10 million on equipment and upgrades. They will be getting some help from the railroad building some tracks. One of the options they looked at is a ten-year incentive plan. There's no change in year one, and then they gradually start paying 10% more every year until that phases out after year ten. There is also a five-year plan as well with the same type of premise, the tax increases 20% every year until it is phased out. Knispel said that these are ideas and open for discussion. Chairman Brownell said that the Board will discuss these ideas and visit with Commissioner Sonnenberg and get his input when he returns.

Commissioner McBride asked when the project will take place. Scoular is still in the process of finalizing the lease with the State Land Board. They cannot do anything until that is finished, but they would like to get going this summer. Commissioner McBride added that the county currently has an incentive that waives the permit fees on projects. He suggested Mr. Knispel might want to discuss this with Rob Quint in the Planning and Zoning Office.

Chairman Brownell asked if they took Option One from Scoular's incentive plan over a ten-year period, then it would be \$137,661. Trae Miller said that would be the county's estimated collections over that period of time. Miller also pointed out that another good thing of having this in the community is that it can lead to other opportunities for some of our local trucking entities for hauling loads and building on that too. This should also have a positive effect on the NJC CDL program.

Scoular's rail siding was discussed. Mr. Knispel said that the railroad was designed strictly for Scoular but that the railroad is very growth minded and if some other company wanted to build adjacent or piggyback off of them in some fashion, if it worked out, he thinks the railroad would be willing to participate. Trae Miller reported that they have had conversations with Omni, and they have explored talking with the engineers that Scoular is using for their design elements. If they can use that to be thinking more proactively on how that can extend to prepare for expansion. That's the kind of direction that they are trying to go with Omni.

CITY OF STERLING TRAFFIC LIGHTS ON MAIN AND NORTH THIRD STREETS – Sterling City Manager, Dr. Kevin Blankenship met with the Board. Dr. Blankenship stated that his purpose was to meet with the Board to give them information on what will be taking place in the 300 block of Main Street since it is basically adjacent to county property. Brett Locke, Engineer for the City of Sterling, met with the Board earlier this year concerning the CAB project which is the bump outs on Third and Fourth Streets. Sterling Urban Renewal Authority (SURA) approved a project which replaces sidewalk in front of businesses on the north side of Main Street

in the 300 block from Third to Fourth Street at no cost to businesses. The CAB project at the intersections of Third and Fourth Streets work will be performed as well. The traffic signals at the intersection of Third and Main Streets will be removed and replaced with a four-way stop. It is hoped that it will generate a couple more parking spaces.

Dr. Blankenship has reached out to Xcel, owner of the majority of the streetlights throughout the city. Dr. Blankenship would like to replace the streetlights on the 300 block of Main Street with new 30' – 35' black decorative poles as well as the apron. These are poles similar to those on West Main Street as well as the 100 block of Front Street. CAB funded that project a few years ago. Obviously, they don't want to just focus on the north side of Main Street, they want the south side, which is county property, to look good. The sidewalks don't necessarily need replaced or repaired. SURA has graciously agreed that it would be nice to spend a few extra dollars and go ahead and replace the streetlights on the south side as well. Xcel will take care of ordering them. This will be a pilot project that could possibly lead to other beautification projects in the city funded by SURA and CAB in the future.

The contractor that SURA has hired to perform the sidewalk construction was hoping to have already come but has a few other jobs they are working on that they need to finish. Work will take place fairly soon. While the sidewalk project is underway, they will look to see if there is a water line that needs to be replaced or conduit that they might want to put in for the future.

SHORT TERM/LONG TERM DISABILITY INSURANCE RENEWAL AND QUOTES –

Diana Korbe met with the Board to discuss the short-term and long-term disability insurance renewal quotes. HUB provided quotes for disability. Principle and Standard were eliminated right away, due to their total dollars, they're pretty high. Lincoln Financial is who the county's employee disability insurance is currently with. Rates are going up from 24 cents to 29 cents on short term and long term from 25 to 30 cents. Annually, the cost will be approximately \$61,788. The Hartford will be about \$31,698.00. The difference between the two annually is a little over \$30,000. Hartford was lower prices, but there are issues. When talking with HUB, Diana was told that Hartford would give a two-year guarantee on this rate but after that, the rates can jump substantially. The other concerns were that their claims are typically approved within ten days, but they are known to take longer. Hartford is also known to take longer to get payments out to employees. Lastly, there is a three-week, up to one year period when the company can deny a claim. Several employees have gone on short-term disability that have had pre-existing conditions, such as surgeries that maybe didn't go well and then they had to have an additional surgery. Hartford will not approve that situation for short-term disability. She wanted to make the Board aware of those things when making a decision. Diana would prefer to stay with Lincoln Financial, but their rates will be substantially higher next year.

Diana also mentioned in Hartford's price quote on page 7, it states that the proposal does not constitute a final offer, and rates may be affected by actual enrollment. When she gave Hartford the original survey, we didn't have as many staff as we do now. Costs could go up as more employees have been hired. However, it should not be substantial enough that it would come close to Lincoln Financials' rates. Diana said that Lincoln Financial has been doing a good job for the county. Her office had some growing pains with them, but it's working well now.

Commissioner McBride said he was okay with staying with Lincoln Financial. Diana will need a letter from the Board to Lincoln Financial by June 17 if they will not be renewing with them. August is the actual renewal date. Commissioner McBride suggested emailing Commissioner Sonnenberg to get his opinion if necessary.

Diana said that they have never had a claim denied with Lincoln Financial. She mentioned that she can think of three people that have been on short term disability that had surgeries and later that had second surgeries that would have been denied short-term disability the second time around. There is one case that turned into a long-term disability that the company will pay until the employee reaches age 65. The county has been with Lincoln Financial since 2019. Diana will email Jerry and get his opinion and then move forward from there.

STERLING COMMUNITY FUND SPONSORSHIP – Chairman Brownell reported that the Sterling Community Fund is soliciting a county contribution to their fund. There are options to do a one-time donation to their fund or do a five-year donation. Commissioner McBride suggested checking with Commissioner Sonnenberg on the sponsorship. He commented that the county has let the group use the Exhibit Center facility at no cost for a number of years for their fundraising events. Commissioner McBride registered a no vote as he did not believe it was appropriate to put taxpayers' money towards the fund.

XCEL ENERGY REPRESENTATIVE – Hans Rodvik, Area Manager for Xcel covering Larimer, Weld, Logan and Morgan Counties introduced himself and asked the Board to let him know if they had any issues they would like to discuss.

There being no further business, the meeting was adjourned at 9:47 a.m.