CITY OF HASTINGS, NEBRASKA
MINUTES OF CITY COUNCIL WORKSESSION
Monday, March 21, 2016

The meeting was called to order by Vice Council President Goebel with the following members present: Harrington, Krings, Niemeyer, Hoops, Skutnik. Absent: Duval, Odom.

Others present: Joe Patterson, Kim Jacobitz, Marvin Schultes, Dave Ptak, Don Cox, Willis Hunt, Sheana Smith, Jeff Hassenstab, Kent Gilbert, Jeanette DeWalt, Jeff Kully.

Moved by Krings seconded by Niemeyer to adopt the current Worksession Agenda. Roll Call: Ayes: Harrington, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. Absent: Duval, Odom. The motion carried.

Vice President Goebel read the public meeting notice.

Discussion of City of Hastings Event Guide and Application.

Kim Jacobitz, City Clerk, stated they were trying to find a consistent way for people to apply for use of City streets for events. She indicated they had asked for input from the Convention and Visitors Bureau as well as other entities. She explained to Council they had added a section with additional instruction for parades in order to eliminate a separate policy for parades. She said they wanted one document out there and were hoping to make the process easier. Ms. Jacobitz told Council sometimes staff was not getting all the information they needed and hopefully this form will help with that.

Councilmember Skutnik questioned if there was a fee.

Ms. Jacobitz stated they were looking for direction from Council as far as what if any fee should be charged and at what point a fee is charged. She indicated this application was extracted from Norfolk's which listed receiving the application 60 days prior to the event and they felt that was a bit much and maybe more of a 30 day period might to be better or simply just have a deadline.

Joe Patterson, City Administrator, stated that the fee would help support our costs.

Ms. Jacobitz stated that the fee is just a late fee charge to make sure insurance and contact information is received and not submitted last minute.

Councilmember Harrington questioned if a fee needs to be charged.

Mr. Patterson stated that some City facilities already have fees associated with the use of them and that this is a fee for not meeting the deadline.

Ms. Jacobitz stated that this document will be on the City website for easy access.

Councilmember Odom entered the meeting at 5:36 P.M.

Councilmember Hoops stated she didn't feel that it was unreasonable to charge a fee and asked where on the City website the document would be.

Ms. Jacobitz indicated it could be on the City Clerk's page or Street Department.

Councilmember Hoops suggested it possibly be placed in both spots and stated she felt seventy-five dollars was steep. She stated she liked the application but suggested the front could be a little more conversational.

Councilmember Goebel asked about the two levels of liability insurance and about items not listed under the two insurance categories.

Ms. Jacobitz stated that if the item is not listed the City of Hastings will identify which category it is to be placed under depending on the level of risk. She also indicated that the City's insurance company has seen this application and they are in agreement with the insurance amounts.

Discussion of utility transfer on wholesale electric.

Dave Ptak, City Attorney, referenced a letter written by Mark Barfknecht, Hastings Utilities Director of Finance, (Attached and made part of original minutes.) outlining the calculation of the in-lieu-of-tax payments made by Hastings Utilities prior to 2011. He mentioned "Adjusted Operating Revenues" which is defined as operating revenues less wholesale sales. He told Council that in 2005 an ordinance was passed by City Council which contained a provision that amended the covenants regarding the in-lieu-of-tax transfer and authorized the in-lieu-of-tax calculation to be amended to allow the use of the most current median percentage of electric operating income paid by the public power distribution utilities and specified that the amount would be calculated on operating revenues less wholesale sales. He stated in 2011, bonds were paid off and definitions changed and allowed the inclusion of wholesale revenues in the calculation of the in-lieu-of-tax transfer to the City General Fund. Hastings Utilities budget amount to go to the City as in-lieu-of-tax transfer did not include wholesale sales. 2011 definitions reinstated the transfer to the City to include retail and wholesale sales. He indicated the question to Council is do you want to go back and collect the amount owed from Hastings Utilities with the inclusion of the wholesale sales.

Don Cox, Hastings Utilities Director of Marketing and Energy Supply, stated there is no profit being made from electric wholesale sales at this time.

Councilmember Harrington asked what the dollar difference would be.

Mr. Ptak indicated it was $100,000 to $120,000 that would be transferred to the City if wholesale was included.

Councilmember Krings felt with the negative affect, it isn't prudent to transfer the additional funds and he suggested the Council look at it each year and make a decision on whether to include wholesale or not. He indicated he wanted the flexibility to make a decision on a year to year basis. He stated it didn't make sense currently.

Councilmember Odom stated our world has changed and if we are losing money and causing a deficit, then we are not helping anyone.

Mr. Ptak stated it affects ratepayer utility bills as well as property owner property taxes.

Mr. Patterson stated he is not unsympathetic but the criteria that has been set in place was established by Hastings Utilities. He stated he didn't feel you could formulate policy based on whether it is a good year or a bad year. He stated that wholesale is a part of the APPA average.

Councilmember Skutnik asked how it affected the City budget.

Mr. Patterson stated that in the budget process the revenues are calculated first with the levy being the last portion of revenues figured. He stated he felt criteria needs to be consistent and that they didn't need to be deciding if it is a good year or bad on the wholesale market.

Councilmember Goebel stated that a committee was formed last year and it was a consensus of the committee not to include wholesale sales and that is what went before Council for approval. He stated that it should have been pointed out. He indicated that he felt the decision could be made each year and stands by that decision that was made by the committee last year.

Councilmember Odom agreed that it was not as thoroughly discussed as it should have been. He stated that government should be flexible when it can be and that someone always has to pay and usually it is the consumer.

Councilmember Skutnik stated that the Street Department is charged for things by Hastings Utilities and they may not have funds in that budget year to pay but there is no allowance for that.

Councilmember Odom stated we are truly taking the money out of one pocket and putting it in another.

Mr. Patterson stated that it is up to Council but the Board of Public Works is looking for direction. He indicated that no vote could be taken tonight and that if they were happy with the way it is, don't have to do anything.

Councilmember Krings questioned whether or not the Council should make adjustments on a year to year basis, or set the criteria and stay. He indicated he liked the flexibility and felt it made sense.

Councilmember Hoops questioned when they needed to decide.

Mr. Ptak stated you would need to decide in the same budget year.

Mr. Patterson indicated that no cities he had talked to are flexible and change criteria each year.

Councilmember Odom stated that it doesn't mean we can't be flexible.

Councilmember Harrington questioned who benefits by doing this now.

Mr. Patterson indicated the public. He stated you have to look at which way do they get a better deal.

Councilmember Goebel questioned if it is better for the ratepayer or taxpayer.

Councilmember Niemeyer stated that the Council represents the taxpayer and we should be concerned about how it affects them.

Councilmember Hoops stated if it affects staff, she would lean toward what is easier for them.

Councilmember Niemeyer stated that would be a consistent policy.

Mr. Ptak stated it is simple, it is in the bond covenants. If they expected it to be discussed each year, they would have them wrote differently.

Councilmember Niemeyer suggested a grace period this budget year.

Mr. Ptak indicated for budget planning purposes, they need to know, does it include wholesale or not.

Councilmember Odom stated that no one wants this to happen again and did not intend for this to happen.

Councilmember Skutnik suggested to submit with both and then Council can be flexible.

Councilmember Odom suggested waiting until the next budget year.

Discussion of Retirement Board.

Mr. Patterson stated the code provision referring to the Retirement Board became unneeded when employee retirement funds became self-directed. He said it is antiquated and it is his recommendation to eliminate the section of code referring to the Retirement Board. He indicated there is currently an Employee Benefits Committee in place to take on any retirement issues. He wanted to make sure Council was on board with this change and will proceed with a formal repeal ordinance and take it off the books.

Councilmember Krings left the meeting at 6:35 P.M.

Councilmember Harrington stated that at the retreat they talked about changes to Chapter 32 and felt it was time to look at it.

Dave Ptak, City Attorney, stated he has a version if Council is interested in looking at it but did state that Chapter 32 is tied to Chapter 3. He stated they could look at Chapter 32 and make sure it is the direction the Council wants to go.

Councilmember Skutnik stated it would be nice to have a worksession to discuss Chapter 32 and suggested the April 18th worksession.

Councilmember Hoops questioned if the revisions could be shared.

Mr. Patterson stated it becomes public information once Council receives it.

Councilmember Harrington stated that they need to get going on this.

It was the consensus of Council to use the April 18th worksession to discussion revisions to Chapter 32.

Mr. Ptak told Council they need to make a decision on the governance model before changing anything else.

Councilmember Niemeyer asked if the Council approves the appointment of the new Hastings Utilities Manager.

Mr. Ptak indicated that currently the Hastings Utilities Manager is appointed by the Board of Public Works and that the Board of Public Works is waiting to see where Council is going before starting the search for a new manager.

Councilmember Odom stated that they are waiting on the direction from City Council and they are trying to work with us.

Mr. Patterson stated that a copy of the revisions to Chapter 32, marked draft, could be sent out to Council.

Moved by Niemeyer, seconded by Hoops that the Council go into closed session at 6:45 P.M. for discussion of negotiations. The motion carried.

Moved by Skutnik, seconded by Niemeyer to resume open session at 7:04 P.M. The motion carried.

Moved by Niemeyer, seconded by Skutnik there being no further business to come before the Council, the meeting be adjourned at 7:04 P.M. The motion carried.