CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, May 10, 2018

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted in the Council Chambers of City Hall, 220 N. Hastings Avenue, on May 10, 2018.

ROLL CALL:

The meeting was called to order at 9:00 a.m. in Regular Session by Chairman Jack Schreiner with the following members present: Shawn Hartmann, Bill Hitesman, Willis Hunt, Jack Schreiner, Joanne Seberg.

PLEDGE OF ALLEGIANCE:

The Chairman led the group in recital of the Pledge of Allegiance to the United States of America.

MOTION TO ADOPT CURRENT AGENDA FOR MAY 10, 2018 REGULAR MEETING.

Moved by Willis Hunt seconded by Shawn Hartmann to adopt the current agenda for May 10, 2018 regular meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt, Jack Schreiner, Joanne Seberg. Nays: None. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, May 8, 2018.

Chairman Jack Schreiner read the Public Notice - Pursuant to the Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material which will be discussed at today's meeting is located at the back of the Council Chambers. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Council Chambers which is accessible to members of the public.

MANAGER'S COMMUNICATIONS:

Manager Kevin Johnson remarked that he is now moved into his house and is officially a ratepayer.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

None

CITIZEN COMMUNICATIONS:

None.

CONSENT AGENDA:

1. All Consent Items

    (a) Approval of the minutes of the Hastings Utility Board Meeting of April 12, 2018

Moved by Bill Hitesman seconded by Shawn Hartmann to approve All Consent Items. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt, Jack Schreiner, Joanne Seberg. Nays: None. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business. (The order of business as listed on the agenda was changed)

    (e) Other

        ii. Hastings Economic Development Corporation (HEDC) Proposal - Flanders

Maggie Vaughn from the Hastings Economic Development Corporation (HEDC) presented a proposal from Flanders Provisions Company (Flanders) for funds from the Hastings Utilities' 13.315 funds. They are requesting $125,000 from this fund. Flanders has closed their operations in Georgia and are moving to Hastings. They have moved into the Bubba Burger Building in the West Industrial Park.

Flanders is asking for $125,000 and are committed to doing the following:
- Creating a minimum of 50 new full time permanent jobs;
- Purchasing new equipment worth $1.5 million;
- Facility upgrades of $250,000;
- Transferring equipment from their Georgia location totaling $2 million;

This will be a total investment of $3.75 million in Hastings.

Maggie said this fund has not been used in about five years. As long as Flanders meets the requirements, they do not have to pay back the money. The loan agreement is only for if they do not meet the requirements of the funds. They must have 50 jobs hired by January 1, 2019 and maintain that level until January 2021.

Chairman Schreiner asked if the utilities would get the money back if they do not meet the requirements. Vaughn said the agreement says that the money would go to HEDC but that would need to be figured out. Schreiner said that the money belongs to the ratepayers and should go back to the ratepayers in the case of default by Flanders.

Schreiner said that there is not a current agreement with HEDC and HU needs to work on a new one soon. For this agreement with Flanders, criteria from past agreements was used and that criteria required a minimum power usage. Vaughn said that Flanders has agreed to provide their power usage projections as soon as they get to their first month. They just opened Monday and currently have hired 32 employees thus far.

Dave Ptak said that the money would belong to the Gas Rate Stabilization Fund. He said the sunset plan of the economic development money has expired so the criteria is no longer active. He said that they used the previous criteria. The power component was part of the original criteria but was not written into this agreement. He said that this business uses power and heating and will provide more utility usage than the empty Bubba Burger building.

Ptak said that this criteria needs to be written in, in terms of making sure it has a job component as well as a utility component in it. Language needs to include a default provision which would result in the money going back to the original fund at Hastings Utilities.

Moved by Willis Hunt seconded by Shawn Hartmann to recommend approval to the Hastings City Council of the Agreement with Flanders for an Economic Development Incentive in the amount of $125,000, with the stipulation that in the event of Flanders defaulting on the conditions of the agreement, the loan be repaid to the Hastings Utilities Gas Rate Stabilization Fund. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt, Jack Schreiner, Joanne Seberg. Nays; None. The motion carried.

Staff will bring back a model for the Board to look at for future Economic Development Incentives which will include a power usage component.

Mayor Stutte thanked everyone involved for helping to bring Flanders to Hastings and said the City of Hastings looks forward to working with their company.

i. Hastings Area Chamber of Commerce Retail Survey - Tom Hastings

Tom Hastings, President of the Chamber of Commerce, appeared at this meeting on behalf of the Retail Development Committee of the Chamber. He said that in light of Herbergers closing and Applebees bankruptcy, the committee has been talking about conducting an update of the Retail and Restaurant Survey, which is a vital conponent to show potential businesses the needs and wants of the community. He said that the survey should cost between $8K - $10K.

Mayor Stutte that we need more property to market in Hastings. he said that the North Commons area will help but much of that property is already spoken for.

A second part that the Retail Development Committee is looking at is a "Shop Local Campaign". The cost for that campaign would be approximately $10K - $15K. Mr. Hastings said that the total amount the committee is asking from the Utility Board is $15K to be able to proceed with both projects immediately. The Retail Development Committee is also helping with training of local businesses to do on-line sales as that is where the future of shopping is trending.

Chairman Schreiner asked if there is any tracking to show if the money spent in the past is doing any good. Hastings said that the sales tax in Hastings has remained steady which is better than the trend.

Moved by Willis Hunt seconded by Bill Hitesman to recommend to the Hastings City Council the approval of $15K from Hastings Utilities to assist the Chamber in their Retail and Restaurant Survey and their Shop Local Campaign. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt, Jack Schreiner, Joanne Seberg. Nays: None. The motion carried.

(c) Operations

ii. Resolution No. 2018-28 to Extend Water Meter Pit Removal Incentive

Lee Vrooman explained the need for additional incentives for Meter Pit Removals. He said that the Meter Pit Removal Incentives has expired and there are 20 pits left. Vrooman said that no employees are allowed to enter any of the pits and the usage is currently being estimated. A discussion was held on whether to allow a higher incentive for commercial pits. The Board decided to vote on the proposed incentive and have staff come back at the next meeting with any additional proposals to help get these pits removed.

Moved by Shawn Hartmann seconded by Joanne Seberg to recommend approval to the Hastings City Council of Resolution No. 2018-28 to Extend the Water Meter Pit Removal Incentive. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt, Jack Schreiner, Joanne Seberg. Nays: None. The motion carried.

(a) Finance

i. Financial Results Review

Kevin Johnson said that Renae Jimenez is absent today but he is reporting for her that because of a change in staffing, the March report is not complete at this time. He said that it is very close. Johnson said that the Finance Department has many challenges ahead, with staffing, moving to City Hall, Budget, and new software implementation.

(c) Operations

i. Critical Capital Projects Review (one)

Keith Leonhardt gave a presentation on the Activated Sludge Project completed at the Pollution Control Facility. He said the project was completed to removal the ammonia from the sludge per mandated federal/state regulations. Leonhardt said that a new NPDES Discharge Permit coming soon will require Hastings Utilities to remove the ammonia to lower levels. He said that HU is currently investigating options to make that happen.

Willis Hunt asked Leonhardt if he had looked at pole loading requirements. Leonhardt said that Exponential completed a study for Hastings Utilities a year ago and loading was taken into account. Leonhardt will give a report at the next Board meeting.

(d) Administration

i. Key Performance Metrics (KPI's) - Board Level Selections (through Q2)

Kevin Johnson informed the Board that the 2nd Quarter Key Performance Indicators list is not completed yet. He said that he hoped the ERP system will help streamline the process. He plans to have 2nd Quarter numbers at the next meeting.

ii. Strategic Initiatives Reviews (two)

Lori Hartman explained the training workshops that some employees have completed at Central Community College. She said that Worker Training Grants paid for 50% of this training and employees felt the training was well worth the time and money spent.

Kevin Johnson said that Succession Planning is taking place. it is very important as Hastings Utilities has an aging workforce and one department in particular has all three of their employees submitting their retirement papers.

iii. Hastings Utilities Oversight Committees

Kevin Johnson stated that Hastings Utilities currently has four existing oversight committees: Employee Communications, Safety Committee, Wellness Committee, and Security Committee. He explained the purpose of each committee.

Johnson said that he has developed two Risk Committees; Markets and Customers led by Don Cox and Infrastructure and Business Risk led by Al Meyer.

Mayor Stutte said that in the next several months he would like to see a joint meeting between the City Council and Utility Board to get an education about what renewables are looking like.

(b) Production

None.

4. Possible Closed Session (if necessary or requested).

Moved by Bill Hitesman seconded by Willis Hunt that this Board go into Closed Session, which Closed Session is clearly necessary for the protection of the public interest and for the prevention of needless injury to the reputation of an individual, which individual has not requested a public meeting, in order to discuss certain matters relating to personnel and that said Closed Session will consist of a strategy session relative to litigation. Roll Call:
Ayes: Shawn Hartmann, Bill Hitesman, Willis Hunt, Jack Schreiner, Joanne Seberg.
Nays: None. The motion carried.

The meeting closed to the public at 10:10 a.m.

ADJOURN:

The meeting adjourned following the Executive Session. No further action was taken.

APPROVED:

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Board Secretary