CITY OF HASTINGS, NEBRASKA
MINUTES OF CITY COUNCIL WORKSESSION
Monday, August 16, 2021

Pursuant to due call and notice thereof, a Worksession of the City Council of the City of Hastings, Nebraska was conducted at the Hastings Public Library, 314 N. Denver Avenue, on August 16, 2021.

The meeting was called to order at 5:30 p.m. in Worksession by Council President Skutnik with the following members present: Matt Fong, Shawn Hartmann, Chuck Rosenberg, Joy Huffaker, Jeniffer Beahm, Ted Schroeder, Butch Eley, Corey Stutte. Absent: None.

The following City Officials were present: City Administrator, David Ptak; City Attorney, Clint Schukei; City Clerk, Kimberly Jacobitz; Police Chief, Adam Story; Fire Chief, Brad Starling; Parks & Recreation Director, Jeff Hassenstab; Finance Director, Roger Nash; Utility Director of Administration, Derek Zeisler; Information Technology Director, Erik Nielsen; Development Services Director, Lisa Parnell-Rowe; Director of Engineering, Lee Vrooman; Museum Director, Teresa Kruetzer-Hodson; Human Resources Director, Lori Hartman; Police Captain, Mike Doremus; Utility Accounting Manager, Robin Ginn.

Council President Skutnik led the group in recital of the Pledge of Allegiance to the United States of America.

Moved by Butch Eley seconded by Ted Schroeder to adopt current agenda for August 16, 2021 Worksession. Roll Call: Ayes: Matt Fong, Shawn Hartmann, Chuck Rosenberg, Joy Huffaker, Butch Eley, Ted Schroeder, Ginny Skutnik, Jeniffer Beahm. Nays: None. Absent: None. The motion carried.

PUBLIC NOTICE - Official Notice of the Worksession was published in the Hastings Tribune on Friday, August 13, 2021. Pursuant to 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 available. Also, a current copy of the Nebraska Open Meetings Act is posted and accessible to members of the public.

DISCUSSION ITEMS

1. Discussion of proposed 2021-2022 City Budget and Utility Budget.

Dave Ptak stated Kevin Johnson was unable to attend tonight, but Utility Department staff were sent in his absence.

Dave reviewed the Personnel Authorization Schedule, which is a breakdown of full-time and part-time employee counts, per department. The city budget has 201 full-time and 52 part-time positions, for a total of 253. The Cyber Security position was discussed at length. Erik Nielsen stated that we need to have a dedicated employee to write the Continuity of Operations Planning (COOP) and disaster plans, and handle networking and cyber security. Recently, the Information Technology Department put a hold on other projects until they are able to get Multiple Factor Authentication (MFA) in place. Cyber insurance requires several extra steps that were not needed before this year's renewal, including MFA in place prior to the October 1, 2021 insurance renewal date. He mentioned there are other companies that out-source. Discussion was held on a need to assess efficiencies in IT to make sure we are using money wisely. It was also mentioned that an audit of IT might be helpful to structure the department appropriately. Cyber Security Specialists are in high demand right now and there is concern about finding someone to fill the position. There have been multiple cyber-attacks on utility groups lately, which are having real-time, live impacts. Erik explained the large increases to the IT budget lines are because the software starts in the IT budget and then cost is redistributed to department budgets, to get more accurate reports on software. Ginny Skutnik stated that we have talked about an Assistant City Administrator, but do not have that in the budget. Dave Ptak stated the position has been approved, but has not been funded. Councilmember Skutnik commented that the city needs a succession plan to cover in the event of retirement. If an Assistant City Administrator was added to the budget, we would need to revise the Pay Plan, prior to formally adopting the budget on September 13th. Both the FOP and IAFF collective bargaining agreements expire September 30th. We expect to negotiate the contracts in the next few weeks. Hopefully, we will be able to get a 3-year extension to both contracts. There are possible changes to the Fee Resolution Schedule from the Utility Advisory Board. We included $2.5 million in the budget for a city hall project. We split payments for the Highway 6 West Project with the Nebraska Department of Transportation into two fiscal years, so it helps our cashflow. We paid the first half this year, so the second half is due next year. There is $1.7 million in the budget for viaduct demolition, which includes demolition, dirtwork, street rearrangements, and Union Pacific costs. Staff will meet with Olsson this week to finalize plans. Dave stated that we opened the last in-ground cell at the landfill, but can build up in the future, if needed. The railroad spur is associated with the Heartwell Project (Flint Project). There is an equal, off-setting revenue for that project. Roger Nash stated that we must find a funding source for items in the BAN fund, whether we choose to use General Fund dollars or take out notes for those. Dave told the group we received half of our Advanced Research Projects Agency (ARPA) funds. We are waiting to know where those funds can be spent. The last webinar is this week on the final guidance on ARPA funds. Larger projects in the Street Fund and BAN fund drove up overall expenditures, but they are offset by corresponding revenues. The General Fund has a healthy beginning cash balance, but it includes CARES Act money ($1.6 million). There was a transfer from utilities of $900,000 due to the weather event in February. These two items, worth $2.5 million, are one-time items. The city's Self-Insurance Fund is healthy. We had good loss-experience this fiscal year. We offered a High Deductible Plan, which was well received by employees.

Derek Zeisler reported that revenue growth is projected to be at 1% and inflation at 3%. There is no increase anticipated for full-time staff count. Utility rate increases: Electric 1% (2nd of 3 years) and Gas 3% (2nd of 4 years). We are planning to do a cost of service study for sewer and water this year. Both those departments are doing well, but we want an outside check on those. Capital planning includes $1 million for continuation to expand the solar farm. We should be able to sell out the remaining portion of current solar panels, so we are looking at the opportunity to grow. We are reviewing current assets we have for generation (IRP Study). We are monitoring the market. Southwest Power Pool (SPP) is being saturated by wind. For example, in May of this year, we hit over 87% of the energy that was being generated in the SPP market was being made up of renewable energy. The downside is, when renewable energy is available, everything else has to basically shut-down. When renewables go up and come back down, the biggest concern is making sure you have something to quickly respond to that, such as fuel oil units or natural gas. We are currently using coal generation units and natural gas. If renewables are there, it is difficult to turn our units off and on quickly. We will install Smart Meters over the next three years. The electrical side of the February event was a positive one from the economic side. We were able to keep coal plants at their maximum throughout the event. We brought in $10 million and transferred approximately $5 million to the rate stabilization fund. We put $700,000 tree trimming expense into the budget, to continue on more of the east and south sides of town. We hope to complete all areas within the next two years. A $2 million watermain replacement program will be on-going, with the goal to eventually replace all water pipe. The age of water lines is a concern. In talking to utilities, we need to spend $1.7 million annually on replacing old water lines. Lee Vrooman reported that we have approximately 200 miles of watermain in the ground. Administration budget has $875,000 for technology fiber, as we continue to ramp up our IT efforts. Due to the February event, we were able to pull $3.75 million out of rate stabilization to help offset some of the cost. We usually have $5 million in our budget for our gas purchases for the year. We hit over $6 million in February alone for gas purchases. We were able to get state funding relief, around $2.2 million. We will take half of that money and put towards the added Peak Ground Acceleration (PGA) factor increase to help cover some of the cost from the February event. Roger Nash stated a legislative bill was passed to help municipalities that operate a natural gas system, to offset some of the cost from the February weather event. We received $2.2 million out of the total $4 million allocated. There will be gas main upgrades at Lochland and Central Community College. The Aquifer Storage and Restoration (ASR) project is favorable. Derek reported there are currently 6,012 panels in the Solar Farm. We hope to add 2,000 panels in that area. Anything over that amount, we would have to upsize transformers and lines.

Moved by Matt Fong seconded by Shawn Hartmann to move into closed session for reason of negotiations at 6:35 P.M. Roll Call: Ayes: Matt Fong, Shawn Hartmann, Chuck Rosenberg, Joy Huffaker, Butch Eley, Ted Schroeder, Ginny Skutnik, Jeniffer Beahm. Nays: None. Absent: None. The motion carried.

Moved by Butch Eley seconded by Jeniffer Beahm to come out of closed session at 7:06 P.M. Roll Call: Ayes: Matt Fong, Shawn Hartmann, Chuck Rosenberg, Joy Huffaker, Butch Eley, Ted Schroeder, Ginny Skutnik, Jeniffer Beahm. Nays: None. Absent: None. The motion carried.

Moved by Butch Eley seconded by Jeniffer Beahm there being no further business to adjourn at 7:06 P.M. Roll Call: Ayes: Matt Fong, Shawn Hartmann, Chuck Rosenberg, Joy Huffaker, Butch Eley, Ted Schroeder, Ginny Skutnik, Jeniffer Beahm. Nays: None. Absent: None. The motion carried.