

CITY OF HASTINGS, NEBRASKA
MINUTES OF CITY COUNCIL WORKSESSION
Monday, October 17, 2022

Pursuant to due call and notice thereof, a Worksession of the City Council of the City of Hastings, Nebraska was conducted in the Council Chambers of City Hall, 220 N. Hastings Avenue, on October 17, 2022.

The meeting was called to order at 5:30 p.m. in Worksession by Council President Ginny Skutnik with the following members present: Matt Fong, Chuck Rosenberg, Joy Huffaker, Butch Eley, Jeniffer Beahm, Corey Stutte. Absent: Shawn Hartmann, Ted Schroeder.

The following City Officials were present: Interim City Administrator/Utility Manager, Kevin Johnson; City Attorney, Clint Schukei; Assistant City Attorney, Jesse Oswald; City Clerk, Kimberly Jacobitz; Police Chief, Adam Story; Fire Chief, Brad Starling; Parks & Recreation Director, Jeff Hassenstab; Finance Director, Roger Nash; Information Technology Director, Erik Nielsen; Director of Engineering, Lee Vrooman; Public Information Officer, LeAnne Doose; Chief Building Official, Kevin Kubo.

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 Chuck Rosenberg to adopt current agenda for October 17, 2022 Worksession Agenda. Roll Call: Ayes: Matt Fong, Chuck Rosenberg, Joy Huffaker, Butch Eley, Ginny Skutnik, Jeniffer Beahm. Nays: None. Absent: Shawn Hartmann, Ted Schroeder. The motion carried.

PUBLIC NOTICE - Official Notice of the Worksession was published in the Hastings Tribune on Friday, October 14, 2022. 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 animal shelter services for impounded animals.

Council President Skutnik began with stating there have been good annual reports from Heartland Pet Connection. She understood the contract to say Heartland has automatic rights for a 10 year renewal. Clint Schukei stated the current contract is dated 2013, with the original contract dated 2003. The agreement states that it can be extended upon such terms and conditions agreed upon between the parties. It really does not provide for the extension, unless there is an agreement in regard to that. It has been 20 years since it has been bid, and is probably appropriate to see what is out there. Clint explained that it is not an issue with services, but these are services others have expressed their desire to bid.

Police Chief Adam Story presented on this topic. The city started the contract negotiations more than a year ago. Animals are taken there for various reasons. On the side of the contract, negotiations were done mostly through their attorney. City staff (Roger Nash, Kevin Johnson, and Adam Story) went over the contract and reports Heartland gave to them. They had back and forth negotiations with Heartland. Chief Story gave them the city's best and final offer with

an increase in the contract. Councilmember Skutnik questioned whether the department is authorized to handle final negotiations on behalf of the council. Clint stated this is about seeking proposals. Upon receipt of those proposals, those will be brought to the council and the council will make that decision on award. Clint and Adam talked about others requesting the ability to do this service. It is not unlike getting other bids and finding the best option. It is not anything that Heartland has done. It is not taking the decision-making away from the council. The city's opinion was that since the contract was expiring, it was best and fair to give others the opportunity to bid. Chief Story has the final offer to Heartland Pet Connection documented through emails.

Councilmember Rosenberg stated that Heartland Pet Connection is currently getting \$52,000 per year. They were asking for \$58,000, with an increase each year on a five year extension. Clint Schukei stated there is more to the story than that. If you look at 6c of the current contract, fees collected by Heartland shall be paid to the city. Those fees for many years have not been turned over to the city, nor have they been quantified to show how much Heartland collects to supplement the \$52,000. The amount Heartland is paid is more than \$52,000 when fees they collect are added into that amount.

Kevin Johnson stated that the process of negotiations started with the prior administration and was given to the department head to negotiate that with Heartland Pet Connection or their representative. There were back and forth negotiations with Heartland. That process is done at the department level, with them taking the lead. This is an operating service agreement. Adam has been in contract negotiations for over a year. When it came to additional money offered by the city, plus an escalation per year, we pulled together a group to discuss the appropriateness of where we wanted to be. We decided at that point, because others were interested in bidding, we gave Heartland a final offer. They are able to bid on this contract as well when the RFP is released for bid. We communicated with their negotiator. They countered back and we did not accept their counter offer. We got back together and decided not to counter back to them. We have heard for many years from council, why don't we bid out to get more participation? Kevin reminded the council that this is an operational service agreement, which can be negotiated by the department heads. Councilmember Rosenberg stated that Start Over Rover contacted him about the contract and possibility of getting to do those services.

Clint Schukei stated there was no modification of the fee requested. What was first proposed was an increase to \$75,000 the first year, then \$96,000 in three years' time. If you look at what is attached to the agenda, there is a proposed agreement. It talks about the fee for the period and it will be annually adjusted based upon a particular Consumer Price Index. In 'C' the contractor retains the fees charged to the owner, associated with the city. Fees to be reviewed by the city. We hope that we get a report on that, so we know the actual compensation. Councilmember Skutnik stated she was disappointed that they were not included in the process. Kevin Johnson asked at what point do Department Heads have the responsibility to handle service related agreements, which we have stated in a Purchasing Agreement that service related agreements can be handled by the department heads. Kevin reminded the group that Heartland is not excluded from bidding. There are others interested in bidding. We don't see any harm in bidding. What we hear on a consistent basis is that we have a problem with sole-sourcing and not bidding. We are giving everyone an opportunity. Councilmember Skutnik asked to see where Heartland Pet Connection denied the city's final offer. Heartland provided different community service costs. They found that Kearney was comparable to some things. Heartland's offer would have increased their contract by 100% by 2026. We understand there is an increase in costs for services.

Clint Schukei stated that not all RFP's are approved by City Council before they are sent out. If council is saying that they have to be advised before an RFP is sent out, that is a significant change in the way we do business. The council is not always involved in the RFP.

Mayor Stutte asked if we could agree to move the RFP discussion to the council agenda, so Heartland could have input?

He heard of additional items needing discussed at a later date:

- 1) How are you going to become consistent with discussion of these RFP's?
- 2) When do you want to have those things come to you? When is it operational versus decisions made by council. We need to be consistent.
- 3) Discussion on allowing citizens to speak at worksessions.
- 4) Decisions on negotiations, as far as processes including council.
- 5) Negotiations can be discussed in closed sessions. We don't want that to be done in public, with dollar figures.

Patricia (Penny) Pratt, Heartland Board Member, was asked to speak.

Chief Story stated the intent for a clean contract is transparency moving forward. We want it to be defined by what each entity is responsible for. Councilmember Beahm questioned at what point does another provider have the opportunity to jump into the conversation, if we have this type of extended agreement in a contract? Competition is good to open the conversation and see if there is another provider.

2. Discussion of monthly update document on major city projects.

LeAnne Doose reported on a document emailed last week to City Council and Department Heads. The discussion ensued over how often updates should be done. LeAnne stated the plan was to send it out once a month, but that could be a different timeline if needed. The City Administrator in the past has sent a weekly email to council. Mayor Stutte said that Shawn Metcalf has talked about a communication plan for when he arrives. He looks forward to getting the community's perspective. LeAnne will collaborate with Shawn on project updates.

3. Update on employee position openings and operational reviews.

Kevin Johnson gave a quick update on a few critical roles that in discussion with the mayor and others, those positions will be deferred until Shawn arrives and gets more involved in the organization. The Interim Director of Development Services is assigned to Lee Vrooman. During this timeframe, we will re-evaluate and assess the role of Director of Development Services. We will defer hiring that position. Also, the City Safety role, we have discussed expectations for the city-wide director or oversight. How would we utilize them on a city-wide basis? Department Head organizational review, since there are a lot of department heads. Is there a need for an Assistant City Administrator role? There are plenty of department heads, but Kevin pointed out to Shawn that the department heads were hired and do a good job at running their departments. We want Shawn to assess the department heads and how they interact before moving forward on the organizational structure.

We started an Equipment and Fleet Maintenance review and also a Facility Maintenance review. We have been slow and thorough, deferring decisions until Shawn gets here to participate. The City Hall itself is a stand-alone. What are we going to do with city hall?

Mayor Stutte stated that we have citizens who have agreed to serve on a committee about city hall. He wants Shawn here for that conversation.

Kevin Johnson stated that all other headcounts approved through the budget are moving forward.

Moved by Matt Fong seconded by Butch Eley there being no further business to come before the council to adjourn at 6:59 P.M. Roll Call: Ayes: Matt Fong, Chuck Rosenberg, Joy Huffaker, Butch Eley, Ginny Skutnik, Jeniffer Beahm. Nays: None. Absent: Shawn Hartmann, Ted Schroeder. The motion carried.