CITY OF HASTINGS, NEBRASKA
MINUTES OF CITY COUNCIL WORKSESSION
Monday, June 17, 2024

Pursuant to due call and notice thereof, a Worksession Meeting of the City Council of the City of Hastings, Nebraska was conducted at the Hastings Municipal Airport, 3300 W. 12th Street, on June 17, 2024.

The Worksession Meeting was called to order at 5:30 p.m. by Council President Matt Fong with the following members present: Steve Huntley, Brad Consbruck, Butch Eley, Matt Fong, Shawn Hartmann, Marc Rowan. Absent: Jeniffer Beahm, Joy Huffaker.

City Officials Present: Mayor Corey Stutte, Shawn Metcalf, Mark Funkey, Jesse Oswald, Lori Vorderstrasse, Adam Story, Brad Starling, Erik Nielsen, Roger Nash, Jeff Hassenstab, Lee Vrooman, Teresa Kreutzer-Hodson, Amy Hafer, Marty Stange, Tony Hermann, Lori Hartman, Chad Bunger, Derek Zeisler.

Pledge of Allegiance.

Moved by Butch Eley seconded by Shawn Hartmann to adopt the current agenda for the June 17, 2024 City Council Worksession. Roll Call: Ayes: Steve Huntley, Brad Consbruck, Butch Eley, Marc Rowan, Shawn Hartmann, Matt Fong. Nays: None. Absent: Jeniffer Beahm, Joy Huffaker. The motion carried.

Official Notice of the Worksession was published in the Hastings Tribune on Friday, June14, 2024. 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 for public review and a current copy of the Nebraska Open Meetings Act is posted and accessible to members of the public.

Citizen Communications: None.

Discussion of Comprehensive Housing Plan.

Shawn Metcalf, City Administrator, thanked Chad Bunger, Development Services Director, for putting the housing presentation together. Mr. Bunger stated he felt this is an appropriate topic to bring up for discussion. He indicated that a number of groups have met to address housing and he wanted to give Council a snapshot of where we currently are with conversations and ideas. He stressed the need to work together and use every tool at our disposal, but it will not be quick and easy. Mr. Bunger reviewed income limits from low to very low to extremely low and told Council the rule of thumb is that our residents should be paying no more that 30% of their income for gross housing costs, including utilities. He stated that 1/4 of households are cost-burdened or severely cost-burdened and that amounts to about 2,545 households. Mr. Bunger stated that as they move forward, they need to address issues throughout the entire market. He reviewed the numbers from minimum wage income to $100,000 income regarding home affordability and average as well as new home prices. Mr. Bunger stated that moving forward at the low end of the housing market, they need to look at support agencies assisting unhoused or house insecure, they need to develop supportive housing programs and appropriately assist with funding and finding grants. He stated that a lot of the individuals in the next market segments are above the program income requirement and don't qualify so it becomes more difficult, but he did mention Community Land Trusts, Micro-TIF funding, Land Banks, and also exploring manufactured home community repair and rehabilitation.

He stated that the next area is the hardest to support due to the higher household income and qualifying for grants, but what they can do is support owner-occupied and renter-occupied housing rehabilitation. He indicated that the highest level can be aided by streamlining development processing where possible.

Councilmember Fong asked how do we support people who want to move into older homes and renovate older homes. Mr. Bunger stated there are owner occupied grants and there are programs out there to help offset costs. Councilmember Huntley questioned how do we get this information to the community. Mr. Bunger stated they do have a page on Engage Hastings that has all the information.

Mr. Bunger spoke about the continued steps forward and listed discussion, build community partnerships, update house market information, develop toolkits and enthusiastically and persistently trying to tackle the housing issue.

Councilmember Fong questioned in six months or a year, what programs will come to fruition. Mr. Bunger indicated the Micro-TIF, owner occupied housing rehabilitation program, building code enforcement, support for manufactured home communities and vacant structure registration will all come about in the near future. He explained vacant structure registration and that there are 75-100 vacant residential properties in town and that this program will encourage owners to make those houses useful again.

Councilmember Huntley asked about the infrastructure costs, how to reduce the cost to keep the lots more affordable and stated that some small communities were giving lots away or selling very inexpensively for new homes and can Hastings do anything like that. Mr. Bunger indicated it is possible and that HEDC did North Park Commons and paid a lot of the infrastructure down and sold the lots cheaper. He stated that the communities that give away free lots do it more to support their school systems and he didn't feel Hastings needs to do that to attract people. Derek Zeisler, Utility Director, talked about subsidizing where ratepayers and taxpayers support the infrastructure or incentivizing when funding comes from the developer. Mr. Bunger mentioned they can lower permit fees but then more department expenses come from the general fund rather than fee revenues. Councilmember Hartmann questioned why we would give away lots when we have people that want to buy them. Shawn Metcalf, City Administrator, mentioned LB840, a sales tax, and that it could help and is something Council could consider at some point.

Budget 101 training.

Mr. Metcalf mentioned that there is an Engage Hastings project online for Budget 101 if citizens are interested in learning more and tonight's PowerPoint is there as well.

Roger Nash, Director of Finance, indicated he would give a high level overview of the process for preparing the budget for the Mayor and Council's review and who is responsible for what.

He explained the annual budget is the mechanism by which the City establishes the program of service and priorities for the next fiscal year. The budget is prepared on a cash basis where the expenses are budgeted when actually paid and revenues are budgeted when actually received. The simple definition of budget is an estimate of revenue and expense for a set period of time with the key term being "estimate" as there is a need for flexibility as the budget process moves forward. Government accounting is fund accounting, one budget made up of many smaller budgets representing each fund or department. Balanced budget vs structurally balanced budget, with the state requiring a balanced budget – revenues + cash reserves = expenses (statutorily required) and the City working towards a structurally balanced budget – recurring revenues = recurring expenses.

Budget Process Goals - communication, involvement, transparency, help Council make informed decisions about services and capital requirements, focus decisions on results and outcomes.

Budget Process - fiscal year is October 1st – September 30th, a budget calendar is provided in April outlining key dates and deadlines, department self-assessments started.

Budget Phases -

Council retreat with department heads - current year accomplishments, next year goals and priorities, Council priorities and strategic plan.

Department Heads' information - capital outlay worksheets, prior year actual revenue and expense, current year budget and year-to-date actuals.

Department Heads prepare budget – operating, capital outlay.

Human Resources prepares personnel – salaries, benefits.

City Administrator meetings - prioritize capital requests, significant changes to operating, personnel changes and/or requests, revenues.

Finance prepares the first draft (July 29th worksession), opportunity for public comment.

Utility Advisory Board reviews the Utility budget.

Council reviews and discusses first draft at the July worksession.

Cash reserve balances - City has no formal policy on cash reserves, need to get one in place.

Finance and Administration work on any changes and create the second draft.

Council reviews and discusses second draft at the August worksession including citizen comment.

Council holds public hearing.

Proposed budget is finalized and presented to Council for approval in September.

Council approves the budget document by ordinance.

Finance finalizes the state budget form.

Budget is submitted to State Auditor's office by September 30th deadline.

Mr. Nash reviewed with Council general funds, discretionary or unrestricted funds, where revenues are not earmarked. Special revenue funds, restricted funds, have a specific requirement for what the money can be used for. Other funds are made up of debt service funds, internal service funds, enterprise funds, capital project funds, permanent funds and agency funds. He explained key general fund revenues with property tax split between general, museum, debt service; sales tax of 1.5% with 1% general fund and .5% split between Street-65%, Parks-25%, Museum-10%; payment-in-lieu made up of Utilities payments; municipal equalization with formula calculated by the state. Mr. Nash reviewed the actual budget document made up of the following parts: City budget and Utility budget (The state budget form includes all funds of the City, the City budget document includes all City funds in the same format, the Utility budget is a slightly different format but provides the same information); fund or department current year budget – revenues, personnel, operating expenses, capital outlay; prior year budget information - Year 2, Year 1, Current Budget, Projection, Next Year Budget; capital outlay spreadsheets; personnel authorization schedule; salary schedule; fee resolution

Councilmember Eley questioned if a department is down staff, do they budget for full staff and what happens to the money budgeted if they don't get a full staff hired. Mr. Nash indicated the City has always budgeted 100% mainly because there are two things you have to do to spend money, you have to have the money and you have to have appropriation. He indicated if you don't have budgeted authority, then you would have to amend the budget to get the authority to spend the money. Mr. Nash told Council that any left over money budgeted for personnel can only be spent on personnel. The personnel section stands alone. Councilmember Eley asked if the budget document indicated staff numbers and vacancies in positions. Mr. Nash stated that when they have the budget worksessions, the departments can provide that information to the Council.

Moved by Butch Eley seconded by Steve Huntley there being no further business to come before the Council, the meeting was adjourned at 6:53 p.m. Roll Call: Ayes: Steve Huntley, Brad Consbruck, Butch Eley, Marc Rowan, Shawn Hartmann, Matt Fong. Nays: None. Absent: Jeniffer Beahm, Joy Huffaker. The motion carried.