

CITY OF HASTINGS, NEBRASKA
MINUTES OF CITY COUNCIL WORKSESSION
Monday, June 16, 2025

Pursuant to due call and notice thereof, a Worksession of the City Council of the City of Hastings, Nebraska was conducted at the Hastings Municipal Airport, 3300 W. 12th Street, on June 16, 2025.

The Worksession Meeting was called to order at 6:00 p.m. by Council President Steve Huntley with the following members present: Michael Anderson, Brad Consbruck, Larry Consbruck, Maggie Esch, Marc Rowan, Matt Fong, Brian Hoffman. Absent: Mayor Beckby.

City Officials Present: Mark Funkey, Jesse Oswald, Tyler Ficken, Adam Story, Troy Vorderstrasse, Erik Nielsen, Kirk Layton, Roger Nash, Jeff Hassenstab, Lee Vrooman, Tony Herrman, Lori Hartman, Derek Zeisler, Kelly Reisig, Teresa Kreutzer-Hodson, Trent Clark.

The Pledge of Allegiance to the Flag of the United States of America was recited.

Moved by Michael Anderson seconded by Maggie Esch to adopt the current agenda for the June 16, 2025 City Council Worksession. Roll Call: Ayes: Larry Consbruck, Michael Anderson, Brad Consbruck, Steve Huntley, Maggie Esch, Marc Rowan, Matt Fong, Brian Hoffman. Nays: None. Absent: None. The motion carried.

Official Notice of the Worksession was published in the Hastings Tribune on Friday, June 13, 2025. 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.

Willis Hunt of 616 Madden Rd. spoke in favor of the LB840 program.

LB840 presentation by Hastings Economic Development Corp. and Department of Economic Development

City Council discussed LB840, the Local Option Municipal Economic Development Act. Presentations were provided by Central Field Service Rep, Kelly Gewecke of the Nebraska Department of Economic Development; Director, K.C. Belitz of the Nebraska Department of Economic Development; and Executive Director, Ron Tillery of the Phelps County

Development Corporation. Insights were provided on the requirements of the act and the act's community benefits including flexibility and local control. They discussed successes from other communities for housing and business expansion. The importance of planning and community engagement was emphasized for approval of the plan and funding.

Hastings Economic Development Corp. update.

Executive Director, Shannon Landauer of the Hastings Economic Development Corporation provided an update on activities and land acquisition strategies and emphasized the need for shovel-ready sites to attract new businesses.

Budget training and planning presentation

Director of Finance/City Treasurer, Roger Nash reviewed current general fund revenues and expenditures and discussed budget topics including the accounting method for the various fund types (governmental, proprietary, internal service). Additionally, budget challenges were discussed which included sharing of department costs, limits on revenues, personnel cost increases, rising costs of infrastructure and capital, unfunded mandates, and continuation of expected services. Roger provided an overview of funding sources and expenses for the general fund and how property taxes have been allocated amongst the various taxing entities. Beginning in 2023, with the reduction in property taxes, revenues have leveled off while expenses continue to increase and will need to be addressed during the budget. City Administrator, Mark Funkey stated that the city staff has been working with the budget subcommittee, and staff has been working internally to analyze costs to cut expenses and address the challenges. Staff has been discussing cost of living and comparability with other communities, insurance adjustments are under consideration, positions are being reviewed and new positions have not been added; reorganization has been considered to include not replacing the Assistant City Administrator position and other positions in the future. Departments are reviewing fees to make sure they are appropriate, and staff are reviewing their budgets for cost savings and changes. Budget meetings with departments will begin early to mid-July, and the draft budget will be presented to the City Council at the July 21, 2025 Worksession. Utility Manager, Derek Zeisler reviewed the line extension policy and provided that the City does not recover costs for the extension of electric utility lines and the cost is shared amongst the rate payers; the policy is currently being reviewed by JK Energy Consulting. Analysis was presented on residential options; the cost of providing a connection is typically \$7,500 per lot and Mr. Zeisler presented examples of options ranging from a 10% cost share to a 50% cost share; a 25% cost share is comparable to other communities. Adoption of the policy would help keep rates on a more sustainable trajectory. Utility Manager, Derek Zeisler reviewed commercial contribution options and compared them to other

communities. Payback for commercial properties is generally quicker due to higher use and occur around the eight-year mark. Investment limits are set at the estimated revenue over several years and that is how communities determine their investments on amounts towards commercial development; two to two and a half years is the average when looking at other communities. Irrigation is not as common, but the plan would be to look at a one-year payback with \$74 per horsepower of installed capacity. Large power customers would be reviewed on a case-by-case basis and present the proposal to the City Council. An important factor to consider is the location of the large power customer and costs can vary greatly depending on location. Utility Manager, Derek Zeisler moved to talk about electric payment in lieu of taxes (PILOT) comparisons. The City is currently in a 5-year phase-in plan where contributions are shifting from 6.1% to 5.2% with fiscal year 2025 being 5.7%; gas is at 6.5%, water is at 7.64%. The total PILOT for fiscal year 2025 is forecasted at \$3,881,961. Utility Manager, Derek Zeisler discussed a dividend fee which would replace the PILOT and be set by the City Council with each division having a different rate. The change would allow the City Council to set rates and not require the Utility to adjust rates; the charge would be a pass through on the utility bill. Fire Chief, Troy Vorderstrasse presented a proposal for the 2025 Fee Schedule; he recommended updates to the plan review fee to bring them in line with other communities. The rate would be \$5 per \$5,000 of estimated project cost; adjustment to above ground petroleum storage tanks would be increased. Currently, the City is losing money on the inspections because the staff time is not being covered by the fees.

Discussion of Utility Advisory Board

City Administrator, Mark Funkey stated that the item was presented to discuss the viability of the Utility Advisory Board. Councilmember Huntley stated that there was discussion regarding the need for the board. The board currently operates in an advisory capacity and the Novak Study provided that the board should have been dissolved; Derek can provide short informative presentations to the Council and the public. Councilmember Rowan stated that he would like to hear more information from the board. Councilmember Fong stated the board has value and the Utility is the single largest department and there should be a board. Utility Manager, Derek Zeisler provided that the board is an opportunity for transparency; he values the discussion of how the board can be utilized to meet the needs of the City Council. Councilmember Hoffman stated that this is an opportunity for the public to be engaged by serving and the Utility has the largest budget. Councilmember Brad Consbruck stated that he would like to receive more information for Derek on what other communities are doing. Councilmember Esch stated that she believes the board provides value, and add an extra layer of discussion and transparency. Councilmember Anderson stated that more information could be shared from the board. Councilmember

Huntley provided an example of the discussion of a coal contract that led him to question the value of the information coming to the City Council. Councilmember Esch asked if discussion had been had with the board. Councilmember Huntley provided that discussion was held with Utility Manager, Derek Zeisler and City Administrator, Mark Funkey.

Discussion of proposed Ordinance No. 4799 pertaining to rules of procedure.

City Attorney Zesse Oswald provided an update on Ordinance No. 4799. The ordinance updates items one and two of section 2-204 to refer to presiding member instead of president. Item three adds a provision for assistance from the City Attorney when reducing resolutions or motions to writing. Item 10 includes the addition of amending and postponing as additional privileged motions and allows debate. Item 11 provides that members not voting on a matter will be recorded as present but not voting. Item 14 allows the Mayor to declare one 15-minute recess per meeting.

Moved by Marc Rowan seconded by Maggie Esch there being no further business before the Council to adjourn at 9:33 p.m. Roll Call: Ayes: Steve Huntley, Michael Anderson, Brad Consbruck, Larry Consbruck, Maggie Esch, Matt Fong, Marc Rowan, Brian Hoffman. Nays: None. Absent: Mayor Beckby. The motion carried.