

CITY OF HASTINGS, NEBRASKA  
MINUTES OF CITY COUNCIL WORKSESSION  
Monday, July 21, 2025

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 July 21, 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. Absent: Brian Hoffman.

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

Pledge of Allegiance.

Moved by Matt Fong seconded by Maggie Esch to adopt the current agenda for the July 21, 2025 City Council Worksession. Roll Call: Ayes: Steve Huntley, Michael Anderson, Brad Consbruck, Larry Consbruck, Maggie Esch, Marc Rowan, Matt Fong. Nays: None. Absent: Brian Hoffman. The motion carried.

Official Notice of the Worksession was published in the Hastings Tribune on Friday, July 18, 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**

None.

### **DISCUSSION ITEMS**

#### ***Discussion of proposed 2025-2026 City Budget and Utility Budget.***

Mark Funkey, City Administrator, indicated there have been many internal discussions but this is the beginning of the budget process with the first draft before Council tonight. He began by addressing budget challenges such as inflation, increasing healthcare costs, reduced revenue and limited revenue options and spoke regarding opportunities like LB840 and the restaurant tax. He listed proposed budget changes for 2025-26 as a 2.5% market rate/COLA increase, health insurance changes, elimination or reorganization of positions, operational cost changes with elimination of the clothing allowance, each department being asked to find cost savings and fee resolution changes.

Derek Zeisler, Utility Manager, began his presentation of the Hastings Utilities Proposed Budget for 2025-26.

Budget Authorization - 2025-26 Operating \$86.3 million, 2025-26 Capital \$27 million

Budget Assumptions - cost of service studies, inflation, forecasted revenue and expense, target for unencumbered cash and rate stabilization, capital rate

Utility Department Staffing - no additional headcount

Electric Department - markets and weather impact, cash on hand has been spent down, maintain 180 days of cash on hand  
Generation Considerations - 77% of generation fleet over 40 years old, tightening of regulations  
Strategic Options - explore, plan and prepare for the future, initiate feasibility studies  
Payment in Lieu of Taxes (PILOT) - move to dividend fee, removed from utility revenue and expense, educate customers (electric, gas & water)  
Line Extension Policy - currently drafting ordinance to be presented to Council soon, looking to cover costs  
Capital Developer Projects - Lochland Meadows, Elm Meadows, El 26 Apartments, Trailside, Fairview Villas, Cedar Park, Noah's Ark Expansion, Hastings SE Project, Showboat Condos, Flowserve, Hastings College, Heartwell Renewables  
Electric Dept. Capital - WEC, NDS, DHPC, Substations, Distribution  
Electric Rate Increases - comparison of rates, 80% of rate is made up of goods and materials  
Gas Department - weather and market impact, 180 days of cash on hand, helps with rate stabilization, capital projects (downtown, CCC system, old mall area, peak shaver improvements), rate increases are following inflation, rates have been competitive  
Water Department - weather impact, 180 days cash on hand, capital projects (ASR additions, production, new mains and developer projects, main replacement), rates have outpaced standard rates, regulations have caused some rate increases, decentralized system, don't treat water  
Sewer Department - no impacts, 180 days of cash on hand, capital projects (plant additions, collections), cost of service study to be done, rates have increased due to regulations, inflation much lower than rates, comfortable with sewer rates  
Estimate Rate Change Impact - approved rate ordinances stretch into 2029, no new rate increases other than what has already been approved

Councilmember Larry Consbruck questioned the economic development line item. Mr. Zeisler indicated that is set aside money for economic development and is a tool to support economic development in the future.

Roger Nash, Finance Director, began by presenting to Council information regarding new legislation - LB 34 and LB 647.

- Property Tax Growth Limitation Act - Municipalities' preliminary property tax request is the amount approved in the prior fiscal year, less the sum of exceptions used

- The property tax request authority may be increased by growth and 0% or the inflation percentage

- Property Tax Growth Limitation Act intends to do the same thing as the old lid on restricted funds (limit amount property taxes can grow year over year) just goes about it a different way

- Creates property tax request authority

**Key Differences** between old lid and new cap - Starting point for new cap resets to prior year property taxes requested, authority under the lid carried forward, regardless of how much you actually used, Public Safety services are an exception under new cap

**New Calculation** - Property taxes requested in the prior year, LB 647 clarifies this is property taxes requested as identified on budget document submitted to State Auditor, can increase preliminary authority by growth and inflation, 5.17% inflation factor for 2025-26

**Public Safety Exception** - Public safety services means crime prevention, offender detention, and firefighter, police, medical, ambulance, or other emergency services

**Unused Authority Carry Forward** - Can choose not to increase property taxes by the full amount of authority and can carry forward unused authority to future budget years, but accumulation is limited to maximum of 5% of total property tax request authority from the prior year

## **Budget Hearing**

- Everyone holds budget hearing, publication must be at least four days prior to date of hearing, cannot be part of regular meeting or limited by time
- Tax request hearing (Held if not participating in Joint Public Hearing.), notice must be published four days in advance of hearing; no provision for posting notice
- Joint Public Hearing - Held if City's property tax request exceeds allowable growth percentage, County provides notice for this hearing

Mr. Nash began proposed 2025-26 City Budget presentation.

2025-26 tax request if setting the levy at the maximum amount using the LB644 calculation (levy - .373274)

2025-26 tax request if leaving the levy the same as FY2024-25 (levy - .394809)

**General Fund Revenues Proposed Budget** - taxes (10% increase in valuation, sales tax increase of \$200,000), licenses & permits, intergovernment revenues, charges for services, Parks & Recreation, other income, transfers

**General Fund Expenditures Proposed Budget** - personnel services, operating expenses, capital outlay, transfers

**Total Operating Expenses vs. Total Revenues** - revenues are decreasing

**General Fund Cash Balance** - balance operating budget, without revenue funding sources cash balance will decline, maintain \$8 - \$9 million as cash reserve, challenge to predict revenue, challenge without additional revenue sources, trending in the wrong direction

**Museum Fund Revenues and Expenditures Proposed Budget** - grant to help with remodeling, HVAC repairs

**Street Fund Revenues and Expenditures Proposed Budget** - highway allocation funding is down, first installment to be paid on Highway 6 Project

**Landfill Fund Revenues and Expenditures Proposed Budget** - personnel costs down

**Special Revenue Funds Proposed Budget** - Parks/Rec Sales Tax Fund, Natural Disaster Fund, Museum Sales Tax Fund, Street Sales Tax Fund, BANS Construct/Project Fund, Self-Insured Health Fund

Mr. Nash reviewed Police, 911 Center and Fire/Ambulance total operating expenses vs. property tax revenues and mentioned that under the new law the City has to report to the County how much of our property tax goes to public safety.

Councilmember Fong asked if our police and fire allocation is comparable to other communities. Mr. Nash indicated he didn't know the exact numbers, but in talking with other communities, public safety is the largest part of most communities' general fund budget.

Discussion was had regarding wage comparability in regard to public safety as well as other City departments.

Councilmember Fong asked about the schedule moving forward in finalizing the budget process. Mr. Funkey indicated that tonight is step one and the Council now has hard copies of the budget book for review and stated Council has access to staff for questions and comments and things you would like more information on. He stated that the next time we will officially talk about the budget will be the August Worksession on with the first vote on the budget potentially being at the September 8th City Council meeting. Councilmember Huntley asked who they should submit questions to. Mr. Funkey stated they can be submitted to himself, Mr. Nash and Mr. Zeisler. Mr. Funkey indicated he will compile information and get the answers to all Councilmembers.

Mr. Nash reminded Council that with what is proposed, they would be attending the joint public hearing, which will be sometime around the middle of September, but the date is yet to be determined.

Moved by Michael Anderson seconded by Larry Consbruck there being no further business to come before the Council, the meeting was adjourned at 7:42 p.m. Roll Call: Ayes: Steve Huntley, Michael Anderson, Brad Consbruck, Larry Consbruck, Maggie Esch, Marc Rowan, Matt Fong. Nays: None. Absent: Brian Hoffman. The motion carried.