CITY OF HASTINGS, NEBRASKA
MINUTES OF CITY COUNCIL WORKSESSION
Monday, July 20, 2026

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 20, 2026.

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

City Officials Present: Mayor Jay Beckby, Mark Funkey, Jesse Oswald, Lori Vorderstrasse, Adam Story, 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.

Others Present: Casey Muzic, Midland Area Agency on Aging and Hastings Senior Center, John Krajewski, J K Energy Consulting, LLC.

Pledge of Allegiance.

Moved by Brad Consbruck seconded by Larry Consbruck to adopt the current agenda for the July 20, 2026 City Council Worksession with the change in order for the Utility Department to make their presentation first. Roll Call: Ayes: Steve Huntley, Michael Anderson, Brad Consbruck, Larry Consbruck, Marc Rowan, Brian Hoffman, Matt Fong. Nays: None. Absent: Maggie Esch. The motion carried.

Official Notice of the Worksession was published in the Hastings Tribune on Friday, July 17, 2026. Pursuant to Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material to be discussed at today's meeting is available for public review and a current copy of the Nebraska Open Meetings Act is in the meeting room and accessible to members of the public.

CITIZEN COMMUNICATIONS

2026-2027 proposed City Budget and Utility Department Budget: Jody Stutsman, 709 N. Briggs

DISCUSSION ITEMS

Update from Midland Area Agency on Aging and Hastings Senior Center - Casey Muzic.

Casey Muzic, Midland Area Agency on Aging (MAAA) Director, began by stating they are a nonprofit organization established in 1973 serving eight Nebraska counties (Adams, Clay, Hall, Hamilton, Howard, Merrick, Nuckolls, and Webster). She stated they administer grants in the following service areas: elder rights, health and wellness, case management, Aging and Disability Resource Center (ADRC), support services, transportation services, nutrition programs. She reviewed highlights and demographics for Adams County. Ms. Muzic indicated that their mission is to help older adults remain in their homes. She reviewed Adams County MAAA expenses which included in home service, ADRC, home delivered meals, congregate meals, senior center services, transit and care management.

She indicated that they have been running the Senior Center since 2019 and reviewed with

Council the meal programs they provide. She spoke about how they were outgrowing their current space and weren't able to prepare the amount of meals they needed to prepare. Ms. Muzic stated the increase in provided meals is not a temporary trend, so they are trying to find ways to be more efficient. She spoke a little about intergenerational community centers and passed out to the Council information on them.

Discussion of proposed 2026-2027 City Budget and Utility Department Budget.

John Krajewski, energy consultant for J K Energy Consulting, LLC, spoke regarding the cost service/rate design studies he had done for the Utilities Department. He indicated he presented his cost of service results to the Utility Advisory Board on June 11, 2026 and stated the last water and wastewater rate updates were in 2022. He told Council the purpose of the studies was to review the financial performance of the water and wastewater utilities. He stated that the proposed rate plan for water rates included implementing a 1.5% annual rate increase in FY2027 through FY2029 which results in small increases over the next three years and allows customers to budget for those increases. Mr. Krajewski spoke about the CMS service area and since it is more costly to serve people in this area due to the low customer density, CMS rates need to increase more in that rate class than in-town customers for revenue to approach the cost of service. He recommended all rate classes, except CMS, increase approximately 1.5% annually for the next three years and the CMS rates increase 10% annually for the next three years. He stated that the rate design he is proposing would encourage conservation with the first 5 ccf cost of $1.79/ccf, next 25 ccf cost of $2.09/ccf and excess of 25 ccf cost of $2.42/ccf. Mr. Krajewski told Council that users with less than 15 ccf of consumption would pay less under the new rates. He reviewed with the Council a typical residential water bill and comparison to water rates in area communities, showing that Hastings is on the higher end for water rates.

Mr. Krajewski reviewed wastewater study results stating there was no need to raise rates on a system-wide basis and that only the class S-3 rate would need to be increased 10% annually in FY2027 through FY2029. He went on to review with Council a typical wastewater bill comparison in area communities, with Hastings wastewater rates being on the lower end.

Derek Zeisler, Manager of Utilities, began by indicating that everything Mr. Krajewski recommended has been incorporated into the proposed Utility Department budget. He reviewed with Council the Electric Department budget revenue vs. expense, Electric Department cash on hand and the recommended 180 days of cash on hand that they are trying to achieve. Lee Vrooman, City Engineer, went over changes to the capital project budget format that he hoped would make the information more readable and transparent. He also reviewed the Hastings SE Project and where they are at with the project. Mr. Zeisler spoke about generation considerations including the age of the generation fleet, Don Henry improvements, Solar Farm Phase 1 and 2, and the Solar Farm Phase 3 (prime opportunity to move forward). He reviewed Electric, Gas, Water and Sewer Department rate changes and revenue vs. expense. He spoke regarding the budget authorization comparison for all four utilities' operating and capital and the estimated rate change impact with an average residential 4% increase in total. Mr. Zeisler indicated that in comparison, Hastings remains competitive in energy costs and Nebraska as a whole remains competitive also.

Councilmember Hoffman commended the Utility Department for diversifying now and for the future. Councilmember Anderson stated he felt there was a need to attract large power consuming users. Councilmember Rowan asked about wind power. Mr. Zeisler indicated that it just doesn't make sense at this time.

Roger Nash, Finance Director, thanked staff for their work putting the budget together. He stated that the increasing deficit has become reality. He indicated he will be focusing on the General Fund, so there will be a lot of projections in the numbers in the presentation. He talked about the Nebraska Budget Act being a state law requiring local governments to publicly plan and adopt a balanced budget. A budget is statutorily balanced when Revenues + Fund Balance (cash reserves) = Appropriations (expenses). Since 2023 we have used cash to balance the budget. This type of budget is not sustainable if it continues to rely on cash reserves to create a balanced budget. A municipal budget is structurally balanced when recurring revenues = recurring expenses. He went on to explain the causes of structural budget gap as limited revenue sources, rising fixed costs and unfunded mandates and the potential consequences of a budget gap to be service/staff reductions, use of one-time fixes, tax and fee increases and deferred infrastructure/equipment purchases. He listed for Council the General Fund four main revenue sources that comprise 74% of total revenues (not including Federal Aviation Administration grants) as:

Property Tax $8,609,585 (FY26) - General Fund ($7,389,958) and Museum Fund ($1,219,627)
Sales Tax $6,400,000 (Estimated) (1% is all we can collect without a vote)
Municipal Equalization $1,263,792 (state determines)
Dividend Fee from Utilities approximately $3.6-$3.8 million

Mr. Nash reviewed FY2026-27 General Fund revenues and where the revenues come from, personnel costs by department, operating costs by department and capital outlay requests, with the $300,000.00 transfer for the Fire Department sinking fund not being shown. He indicated that the one-time dollars are not a solution but have helped us maintain the cash balance a little bit at the end of this fiscal year. He reviewed General Fund projected FY2027 total expenditures vs. total revenues and stated that 2023 is the last year revenues exceeded expenses. He stated that with the General Fund cash balance projections, if we continue with the same tax asking and a continued increase in expenses and personnel costs, that in two years we will be challenged to provide a balanced budget to the state. He reviewed the tax percentage breakdown with Hastings Public School District at 52% and Adams Central Public School District at 40%. Councilmember Anderson asked for a suggestion of where the levy number needs to be. Mr. Nash indicated it is difficult to come up with that number until they know what the new valuation is going to be because the valuation is what will drive that number. He indicated that the county is required to have the valuation number to the City by August 20th but until then it is hard to estimate what the number might look like.

Councilmember Hoffman stated we are limited on the levy amount we can ask for and asked if we can even catch up to what the current budget projections are. Mr. Nash stated that there are some exceptions that can be used but there is a lot that goes in to trying to figure that out and he is correct in that it is capped at a number that is not going to allow you to raise the levy very much in one year because of those new caps in place on property tax asking. He stated it would have to be done over a period of time to work that number back to more of a sustainable number. Mr. Nash pointed out to Council the Consolidated Summary of Governmental Funds page in their budget book that basically summarizes the budget book.

Mark Funkey, City Administrator, began with a property tax breakdown showing property value, total property tax, annual City of Hastings taxes and cost of City of Hastings taxes per month. He reviewed services that are paid for by tax dollars and are supported by the General Fund as follows: 24/7/365 Police, Fire/EMT/Paramedic, and 911 services; Police, Fire, and Development Services code enforcement; maintenance and access to (20) parks with a variety of amenities covering 520 acres; access to a public Library; availability, operation, and maintenance of the waterpark; availability, operation, and maintenance of a municipally funded Museum. He reviewed with Council the following budget timeline: department presentations and first draft (June 8th through July 20th), updates to budget (July and August), 2nd draft budget presentation and discussion (August 17th), new valuation numbers (20th August at the latest), presentation and first reading of the budget for consideration (September 14th), second reading of the budget (September 21st – if needed), third and final reading of the budget (September 28th – if needed).

Councilmember Hoffman asked about questions between now and the 2nd draft budget presentation and if now is the right time to come up with questions for staff. Mr. Funkey stated that the sooner staff can get desires from the Council on changes to look into to see the budget implications, the more prepared staff can be so when we get to September voting, we have gotten all that stuff ironed out. Counicllmember Fong asked where access can be found to the budget. Mr. Funkey indicated you can pick up a hard copy, it is on the website and is also attached to the agenda packet for this meeting.

Council President Huntley stated there being no further business to come before the Council, the meeting was adjourned at 8:04 p.m.