

COUNCIL CHAMBERS, MONDAY, NOVEMBER 25, 2013 AT 7:00 P.M.

The meeting was called to order in regular session by Mayor Powers with the following members

present: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Absent: None.

Moved by Harrington, seconded by Niemeyer that the Open Meetings Act is posted on the south-east wall of the City Council Chambers and that prior to this meeting a notice was placed in the Hastings Tribune on November 22, 2013, that notice was posted in three public places, that each Councilmember and Mayor received a copy of the proposed agenda and that an agenda for such meeting, kept continuously current, is available for public inspection and that said meeting is held in open session. Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. The motion carried.

CITIZEN COMMUNICATIONS: None.

REPORTS OF LIAISONS: Councilman Goebel reported on the November 14, 2013 Board of Public Works Meeting. On November 8th, WEC 1 had a failure in the generator so it was down and a major part had to be shipped to the factory for repair. It has been repaired, shipped back and they are reinstalling it now. The Hastings Utilities Budget was also discussed and the City Council will consider the budget tonight. The next regular meeting is November 27th at 9:00 A.M. in the Hastings Utilities Board Room.

Councilman Goebel stated several members of Mayor's Youth Council are at this meeting and they introduced themselves to the Mayor and Council.

Councilmember Hoops stated on the claims list this month are payment of materials for a parks project; the resurfacing project at Chautauqua Park looks great. Councilmember Hoops stated she also saw the film Jerusalem which premiered at the Hastings Museum, it was a great premier event. A producer from the film was there to talk about the special permissions they received to shoot footage over the No Fly Zone and Hastings College Religion Professor Deffenbaugh did a presentation on the significance of the area to different religions before the film was shown.

Councilmember Peterson stated about two weeks ago, she and three members of the Mayor's Youth Council, along with another person were in Seattle attending the National League of Cities Meeting. We had a wonderful time and learned a lot. The Mayor's Youth Council will be sharing with the Council what was learned either at the next Council Meeting or maybe the first meeting in January.

Councilman Odom stated a couple of weeks ago we had members of the Hastings International Exchange Organization (HEIO) at a meeting talking about an upcoming trip in 2014 to Ozu,

Japan. Councilman Odom reminded everyone that if they are interested in going to Ozu to please contact the HIEO or the Mayor's Office. It will be a great experience for those that can go. 2015 will be the 20th Anniversary of our sister city relationship with Ozu and hopefully we will do something here to celebrate that.

MAYOR'S COMMUNICATIONS: The Mayor read a proclamation proclaiming the month of November, 2013 as Hastings Family Caregiver Month. Julie Nash with Senior Action accepted the proclamation on behalf of the South Central Town Hall Caregiver Coalition. Members of the South Central Town Hall Caregiver Coalition introduced themselves to the Mayor and Council.

The Hastings Retired Teachers Association presented a facsimile check in the amount of \$639,026.82 which represents 28,863 volunteer hours this group does in Hastings and surrounding communities. Members of the Hastings Retired Teachers Association introduced themselves to the Mayor and Council.

Moved by Niemeyer, seconded by Skutnik that the following items on the Consent Agenda be approved:

- 1(a) Minutes of the Council Meeting of November 11, 2013.
- 4(a) Payroll for the period ending November 23, 2013, paid November 29, 2013.
- 4(b) Authorizing the City Clerk to issue checks against the various funds for payment of claims. (Claims attached to and made a part of these minutes).
- 5(a) Department Monthly Reports received and placed on file.

Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel.
Nays: None. The motion carried.

At this time a public hearing was held on the 2014 Hastings Utilities Budget.

No one appeared to speak in favor.

No one appeared to speak in opposition.

The City Clerk advised that her office had received no written objections.

The Mayor declared the hearing closed.

ORDINANCE NO. 4379

AN ORDINANCE OF THE CITY OF HASTINGS, NEBRASKA, ESTABLISHING FAIR AND EQUITABLE RATES FOR THE CONSUMPTION OF WATER FROM THE WATER DISTRIBUTION SYSTEM OF THE CITY OF HASTINGS, NEBRASKA; ESTABLISHING THE EFFECTIVE DATE FOR SAID RATES; AND REPEALING ANY ORDINANCES OR OTHER PROVISIONS IN CONFLICT THEREWITH

Said Ordinance was read by title and thereafter Councilmember Skutnik moved for passage of the ordinance, which motion was seconded by Councilman Niemeyer.

Councilman Krings moved that the statutory rule requiring reading on three different days be suspended; Councilman Niemeyer seconded the motion to suspend the rules and upon roll call vote the following Councilmen voted YEA: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. NAY: None. The motion to suspend the rules was adopted by three fourths vote of the Council and the statutory rule was declared suspended for consideration of said Ordinance.

The Mayor then stated the question was “Shall Ordinance No. 4379 be passed and adopted?” Upon roll call vote the following Councilmen voted YEA: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. NAY: None. The passage and adoption of said ordinance having been concurred in by a majority of all members of the Council, the Mayor declared the ordinance adopted and the Mayor signed and approved the ordinance and the City Clerk attested the passage approval of the same and affixed her signature thereto. Effective date of the ordinance is January 1, 2014.

ORDINANCE NO. 4378

AN ORDINANCE OF THE CITY OF HASTINGS, NEBRASKA, ESTABLISHING FAIR AND EQUITABLE RATES FOR THE CONSUMPTION OF ELECTRICAL ENERGY FROM THE ELECTRIC POWER PLANT AND DISTRIBUTION SYSTEM OF THE CITY OF HASTINGS, NEBRASKA; ESTABLISHING AN EFFECTIVE DATE FOR SAID RATES; AND REPEALING ANY ORDINANCES OR OTHER PROVISIONS IN CONFLICT THEREWITH

Said Ordinance was read by title and thereafter Councilman Niemeyer moved for passage of the ordinance, which motion was seconded by Councilmember Hoops.

Councilman Krings moved that the statutory rule requiring reading on three different days be suspended; Councilman Harrington seconded the motion to suspend the rules and upon roll call vote the following Councilmen voted YEA: Harrington, Peterson, Odom, Niemeyer, Krings,

Hoops, Skutnik, Goebel. NAY: None. The motion to suspend the rules was adopted by three fourths vote of the Council and the statutory rule was declared suspended for consideration of said Ordinance.

Councilman Odom stated the sewer rate increase is mostly because of the EPA mandates and what is going on with the sewage treatment plant. The water rate increase is also because of the EPA mandates from nitrates and other things. Some of these are good things, but the way we have to comply is what bothers him. Citizens of Hastings need to understand that the Board of Public Works has worked long and hard on this with a lot input from staff, and we have had four or five years with no increases. In some cases we are doing incremental increases of 8%.; 2008 was the last time we had an increase in electrical rates while other communities increased rates by 2% to 3%, but they did increases all the way along. Councilman Odom complimented the Board of Public Works for their work on this. There was lot of thought and input put into this budget and they are commended for that.

Councilman Goebel stated the Board of Public Works, a five person board, really did spend a lot of time working on this budget. The Board includes an attorney, a banker, a businessman that works with pipe and steel, an electrician and an engineer so we do have quite a spectrum of people to deal with utility problems and concerns. Councilman Goebel stated the thing that bothers him most is the Pollution Control Center and cutting down the ammonia on the discharge water. We are forced to cut ammonia down to a point that is much less than what comes out of normal run off water from an agriculture field.

The Mayor then stated the question was “Shall Ordinance No. 4378 be passed and adopted?” Upon roll call vote the following Councilmen voted YEA: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. NAY: None. The passage and adoption of said ordinance having been concurred in by a majority of all members of the Council, the Mayor declared the ordinance adopted and the Mayor signed and approved the ordinance and the City Clerk attested the passage approval of the same and affixed her signature thereto. Effective date of the ordinance is January 1, 2014.

RESOLUTION NO. 2013-56. . . Authorizing the Board of Public Works of the City of Hastings to expend an amount not to exceed \$30,000 for the benefit and support of the Hastings Area Chamber of Commerce during 2014. (Resolution attached to and made a part of these minutes).

Moved by Peterson, seconded by Hoops that Resolution No. 2013-56 be passed and approved. Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. The motion carried.

RESOLUTION NO. 2013-54

WHEREAS, the Board Public Works has approved the 2014 Hastings Utilities Budget

and recommended approval to the Hastings City Council; and

WHEREAS, the Hastings City Council has held a public hearing on the 2014 Hastings Utilities Budget in accordance with Neb. Rev. Stat.18-2801 et. seq.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HASTINGS, NEBRASKA:

1. The 2014 fiscal year budget of Hastings Utilities beginning on January 1, 2014, a copy of which is attached hereto and made a part of this resolution, is hereby approved.
2. By adoption of the 2014 Capital Budget the Board of Public Works is hereby authorized to acquire all necessary right-of-way easements or other contracts in land by purchase, if possible, or by condemnation, if necessary, for those projects included in the 2014 Capital Budget.
3. The Board of Public Works is hereby authorized to advertise for bids for any capital projects included in the 2014 Hastings Utilities Budget in accordance with state statutes.
4. The Board of Public Works is hereby authorized to implement the Hastings Utilities Pay Schedules which are part of the approved budget and are hereby approved. These pay schedules, which are generally based on cost of living adjustments from comparability, reflect a 2.75% increase for the year 2014.

Moved by Goebel, seconded by Krings that Resolution No. 2013-54 be passed and approved.

The Mayor thanked the Board of Public Works for the work they have put into this budget.

Vote on the motion. Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. The motion carried.

Moved by Harrington, seconded by Niemeyer that the Mayor and Council reject the current bids on the table for Project No. HPP-2013 Highland Park.

Joe Patterson, City Administrator, stated both the City Engineer and Parks & Recreation Director are here, but from what he understands the bids came in significantly higher than what the fund raising committee had raised. The recommendation is for the Council to reject the bids and the committee will go back and either raise additional funds or will downsize the size of the pavilion to fit within their budget.

Vote on the motion. Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. The motion carried.

Moved by Niemeyer, seconded by Skutnik that the Mayor and Council to into Executive Session to discuss contract negotiations and take possible action at 7:27 P.M. Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. The motion carried.

Moved by Niemeyer, seconded Skutnik that the Mayor and Council go out of Executive Session into Regular session at 8:07 P.M. Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. The motion carried.

Moved by Niemeyer, seconded by Krings that the Mayor and Council approve the Economic Development Agreement between the City of Hastings, Ag Processing, Inc., and Hastings Utilities.

Dave Rippe, Director of the Hastings Economic Development Corporation, asked the Council to give approval to an economic development agreement with Ag Processing, Inc. (AGP). For nearly 20 years, AGP and our greater community have been partners in mutual success. Hastings, Adams County and Hastings Utilities have remained committed to a competitive business climate, the installation of infrastructure (like a new truck route approve by the County last month) and meaningful partnerships with area industry. AGP in turn has responded by being a good corporate citizen, has made significant investments that benefit every one living and doing business in the Hastings area and Adams County. AGP is the largest locally assessed payer of real and personal property taxes in Adams County and AGP is the largest user of electricity at Hastings Utilities, as well as the largest user of sewer and water. AGP employs over 100 people locally and that number will grow with this project. We have talked a great deal, and the Mayor has mentioned often, about the importance of supporting companies that are in-vested in Hastings. We don't go out and throw around a bunch of money trying to recruit the next best thing to our community, but we find ways to meaningfully support our local companies that are committed to doing business here. In 2012 we invested \$600,000 into Thermo King and \$12,000 into Drake Tool to help them grow their operations here in Hastings. As a City in 2011, you gave approval to a \$700,000 community development block grant from the State of Nebraska that helped Dutton Lainson to acquire Hastings Equity Grain Bin and keep numerous jobs in the community. Companies in this community recognize the Council's support of area industry and tonight we have AGP. The high points of the agreement are as follows: 1) in 2017 AGP will complete construction and bring on line a \$100,000,000 plus expansion to their soy plant processing operations here in Hastings. 2) a summary of investment will be submitted to the City and Hastings Utilities upon completion of the project certifying this investment. 3) for the first five years of the project, AGP will maintain, at a minimum, a 35% increase from their current electrical usage which will take AGP from roughly 10% of our entire electrical load to

nearly 13%. The expansion will guarantee a 3.3% increase in retail electrical sales for Hastings Utilities. To help you appreciate the numbers, this represents a 1.2 million dollar annual increase in AGP's electrical bill. The estimated increase in Hastings Utilities in lieu of transfer to the City for electrical will be in excess of \$60,000 to \$70,000 tons per year due to this project. 4) it is difficult, at this time, to calculate what the tax impact will be, but it can be reasonably assumed that a \$100,000,000 plus project will represent a significant, positive addition to the County's tax base which impacts all of us. 5) in exchange for the investment from AGP, the City will delay annexation proposed for five years from the plant coming on line, January 1, 2017. 20% incremental annexation may begin in 2022. 6) Hastings Utilities will renegotiate their full contract with AGP decreasing the minimum coal take from 100,000 tons per year to 70,000 tons per year. 7) Hastings Utilities will provide an electrical rate incentive consistent with our rate incentive program that would be a 50% demand reduction per year for two years. Additionally, the City and Hastings Utilities will make other assurances with regard to zoning and utility service, language consistent with our current treatment of AGP and other area industry as outlined in the Agreement. Mr. Rippe stated he appreciates the Council's consideration of this agreement and the support of AGP's significant investment into our greater community and the Board of Directors for the Hastings Economic Development Corporation sincerely appreciates and recognizes the Council's ongoing commitment to area industry.

Councilman Krings thanked Mr. Rippe, members of the Board of Public Works, the Mayor and City Attorney who have been involved in this challenging yet good project for the community of Hastings.

Councilman Odom questioned jobs in this particular case, knows this is a \$100,000,000 investment in our community and it might lead people to think a large number of jobs, but these are very expensive plants to build, will we see a large increase in employment or is it pretty much the same as when it was an ethanol plant.

Mr. Rippe stated today AGP employs just over 100 individuals and they are anticipating increasing full time employment by roughly 20 individuals, it is hard to tell at this time what the size and full scope of everything will be. What is hard to calculate in the meantime is the amount of construction workers necessary and temporary employment that will come into this community over the two year construction period. Mr. Rippe stated it is a very expensive facility to build and it is not as employment intensive obviously when you are adding on to that operation. There are a number of those pieces are already in place, but certainly in Hastings, 20 jobs is a significant increase in employment.

Councilman Odom stated utility wise with the new plant that we have (WEC 2), we have been taking five megawatts a year for the first couple of years and questioned if this is going to help with the sales of that extra power we have, will that be a significant increase for us.

Mr. Rippe stated what is estimated right now is roughly a three megawatt increase and that is ob-

viously an increase in retail sales which is a significant increase for Hastings Utilities. AGP is currently about 10% of our entire utility electric load in the community and certainly creeping that up to 13% will have significant impact on utility sales for our community and helps to level out the rates for all area industry and individuals in our community as well.

Councilman Odom thanked Mr. Rippe and everyone involved, is not sure he agrees with everything in the agreement, but with something of this size we don't have a lot of choice but to move forward with it.

Vote on the motion. Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. The motion carried.

Moved by Krings, seconded by Niemeyer there being no other business to come before the Council, the meeting adjourn at 8:16 P.M. Roll Call: Ayes: Harrington, Peterson, Odom, Niemeyer, Krings, Hoops, Skutnik, Goebel. Nays: None. The motion carried.

APPROVED:

Mayor

ATTEST:

City Clerk

(S E A L)

11-25-2013