

COUNCIL WORKSESSION, MONDAY, JUNE 15, 2015 AT 5:30 P.M.

The meeting was called to order by Council President Duval with the following members present: Harrington, Krings, Niemeyer, Hoops, Skutnik, Goebel. Absent: Odom.

Others present: Mayor Vern Powers, Joe Patterson, Dave Wacker, Kent Gilbert, Pete Kortum, Jeff Hassenstab, Dave Ptak.

Moved by Niemeyer, seconded by Skutnik that the Worksession Agenda be adopted. The motion carried.

Council President Duval read the public meeting notice for the record.

Discussion of restaurant tax to fund tourism.

Joe Patterson, City Administrator, stated Council has discussed the possibility of a restaurant tax informally for a while now. He told Council that Kearney has recently enacted a 1% restaurant tax and Grand Island has had the tax since the Nebraska State Fair has been held there. He said they are now preparing the budget so it is a good time to look at enacting a restaurant tax if the Council is interested in doing so. Mr. Patterson indicated that a 1½% tax would bring in about \$600,000 annually and he would suggest they use it for maintaining equipment and facilities that help to bring tourism into the City such as the Smith Softball Complex, Hastings Museum and Duncan Field. He stated that the hope would be that these funds would help to free up money for other needed things. He said the state has a threshold of \$700,000 and if they bring in more than that, it must be approved with a vote of the people. He stated the City Treasurer estimated it at 1% - \$400,000 and 1½% - \$600,000.

Councilmember Krings asked what if the incoming funds go over the \$700,000.

Mr. Patterson stated that is a good question.

Mayor Powers stated they may have to have the City Attorney look in to that question.

Councilmember Skutnik asked if this would be an ongoing tax.

Mr. Patterson stated it could be a set number of years or an ongoing tax.

Councilmember Hoops questioned what other cities are doing.

Mr. Patterson said that Grand Island has a sunset and ends once the field house at the fairgrounds is paid off and Kearney's tax does not have an end date.

Councilmember Krings stated he supported using the funds on facilities that generate traffic into the City.

Dave Ptak, City Attorney, stated that Norfolk has had a 2% restaurant tax for years and it brings in about \$2 million a year.

Councilmember Harrington questioned if the tax was collected through the state.

Mr. Patterson indicated that it was collected through the state and clarified that the estimate of \$600,000 was tax on food only.

Councilmember Niemeyer questioned if there was any pushback from restaurant owners or the community.

Council President Duval asked if this was something they needed to look at sooner rather than later due to them coming up on budget time.

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Mr. Patterson indicated it was and that the tax would be implemented at the quarter so in order for it to take effect October 1st, they would need to approve it soon.

Councilmember Krings stated he felt this was a good way to do this by tying the tax to a specific project or entity.

Mr. Patterson stated he could get with the Hastings Chamber of Commerce Board and try to get some feedback from restaurant owners and community.

Mayor Powers talked about repositioning the funds in a way to help the mill levy.

Councilmember Krings stated he felt people would be for the tax if we shift some of the property tax dollars.

Councilmember Harrington stated he would be for a half and half blend for property tax relief.

Councilmember Krings stated we have to let citizens know we may be able to do things we haven't been able to do in the past due to the fact that this tax may free up some funds.

Mayor Powers stated that they have been knocking debt down and doing an incredible job at it.

Councilmember Krings said that in lowering debt, they have deferred a lot of things.

Councilmember Niemeyer stated he was not for trading one tax for another just to make it more palatable.

Council President Duval stated they would wait to get some feedback from the Chamber and then decide if they wanted to move forward.

Discussion of membership in the Nebraska Community Energy Alliance.

Mr. Patterson explained that Councilmembers Goebel and Duval had attended meetings at the League Conference regarding the Alliance. He went on to explain the Alliance as a collection of cities promoting statewide refueling infrastructure for electric vehicles. He said by joining for a \$1,000 lifetime membership fee, they would be eligible for significant grants. He stated they could look at replacing some service vehicles if they secured a grant, with a \$30,000 vehicle only costing them \$7,000. Mr. Patterson told Council that the electric cars can go 80 miles on a charge and would work well for CSO's and inspectors. Mr. Patterson stated that the Nissan Leaf was the electric car talked about. He stated they would need to fill out a survey of commitment to participate. He told Council he recommenced joining the Alliance and if the Council was in favor he would proceed.

Councilmember Krings stated he felt it was a minimal cost to get involved and see what is out there.

Councilmember Goebel told Council that at South Sioux City they had four charging stations and didn't charge a fee for charging and another city had a cost of \$2 for a two hour charge. He also stated that he felt they would be farther ahead by using a new electric vehicle to replace a vehicle rather than adding a vehicle. He said he was also a little concerned about there only being four Nissan dealers in Nebraska.

Mr. Patterson indicated that a hybrid could also be purchased. He stated that the Nissan was the least expensive but there are other options. He stated he would move forward with the application.

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Discussion of zero waste resolution.

Council President Duval pointed out to Council a couple of additions to the draft resolution before Council on zero waste. She told Council that "criteria" is mentioned in the resolution and that at this time they have no idea what that will be and said it will be up to the committee to determine.

Mayor Powers questioned how long a life the current landfill has.

Dave Wacker, City Engineer, indicated 26 years. He told Council not all waste can be recycled or reused and that is the waste that would have to go in the landfill.

Councilmember Niemeyer stated he was for moving forward on the resolution and said you have to start somewhere and can always adjust it at a later time.

It was the consensus of the Council to put the zero waste resolution on the agenda.

Moved by Niemeyer, seconded by Harrington that the Mayor and Council go into closed session at 6:01 P.M. for the discussion of negotiations. The motion carried.

Moved by Niemeyer, seconded by Skutnik that the Mayor and Council resume open session at 6:45 P.M. The motion carried.

Moved by Niemeyer, seconded by Hoops there being no further business to come before the Council, the meeting be adjourned at 6:45 P.M. The motion carried.