



City of Grand Island

Tuesday, December 17, 2019

Council Session

Item G-2

Approving Minutes of December 10, 2019 City Council Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

December 10, 2019

Pursuant to due call and notice thereof, a Study Session of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on December 10, 2019. Notice of the meeting was given in the *Grand Island Independent* on December 4, 2019.

Mayor Roger G. Steele called the meeting to order at 7:00 p.m. The following Councilmembers were present: Mike Paulick, Justin Scott, Mark Stelk, Jason Conley, Vaughn Minton, Julie Hehnke, Clay Schutz, Mitch Nickerson, and Chuck Haase. Councilmember Jeremy Jones was absent. The following City Officials were present: City Administrator Jerry Janulewicz, City Clerk RaNae Edwards, Finance Director Patrick Brown, Interim City Attorney Stacy Nonhof, and Public Works Director John Collins.

PLEDGE OF ALLEGIANCE was said:

SPECIAL ITEMS:

Wastewater Rate Study and Construction Update. Public Works Director John Collins reviewed the Wastewater Rate Study.

The Wastewater Division was an Enterprise Fund with no property tax dollars used to support the division. They relied on revenues collected from community residents, businesses, and industries to fund all operations and capital improvements. An updated rate study was undertaken to ensure sufficient funding for planned projects, which also indicated increased rates were needed now to meet our bond covenant.

Finance Director Patrick Brown presented the financials with regards to rates. He stated the utility currently had a strong cash balance but insufficient annual revenues to meet key financial metrics.

The following potential impacts were presented:

- The City would not be able to issue future debt due to low coverage and no revenue increase in place
- The cash balance would be depleted by FY 2023 to fund the capital program
- Future revenue increase would be larger if revenue increase was delayed

Blaine Spady, Bond Council representing Municipal Capital Advisory, La Vista, Nebraska answered questions regarding current bonds. Discussion was held concerning raising rates now instead of later. Staff recommended using the proposed cash financing option.

Public Works Director John Collins stated at the end of 2018 a capacity issue with the South Interceptor was identified. At the February 16, 2019 Council Retreat they estimated costs to be

between \$60 million and \$120 million, and an urgency of a few years (3 to 5). Recognizing the impact such a high cost would have on the community, they delayed all projects and maintenance activities to save money for the project and for any emergency repairs required during this time. Discussion was held regarding the South Interceptor.

Mayor Steele thanked Mr. Collins and Mr. Brown for the work they did to put this presentation together. Also thanked were Wastewater Treatment Plant Engineer Jon Menough and Wastewater Treatment Operations Engineer Dong Chon.

ADJOURNMENT: The meeting was adjourned at 7:36 p.m.

RaNae Edwards
City Clerk