



City of Grand Island

Tuesday, July 28, 2020

Council Session

Item G-3

Approving Minutes of July 21, 2020 City Council Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

July 21, 2020

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 July 21, 2020. Notice of the meeting was given in *The Grand Island Independent* on July 15, 2020.

Mayor Roger G. Steele called the meeting to order at 7:00 p.m. The following City Council members were present: Mike Paulick, Justin Scott, Mark Stelk, Vaughn Minton, Julie Hehnke, Clay Schutz, Mitch Nickerson, and Chuck Haase. Jeremy Jones was absent. Jason Conley was present at 7:16 p.m. The following City Officials were present: City Administrator Jerry Janulewicz, Deputy City Clerk Jill Granere, Finance Director Patrick Brown, and Public Works Director John Collins.

SPECIAL ITEMS:

Presentation of the Electric and Water Budgets for FY 2020-2021. Utilities Director Tim Luchsinger stated both the electrical and water were dependent on the weather. Reviewed were the budget guidelines of budgeting conservative (low) revenues and conservative (high) operating costs. They maintain adequate cash reserves and manage controllable operating expenses and capital expenditures.

Cash reserve considerations were: working capital, replacement power, asset replacement, Capital Improvement Reserve, and Debt Service Reserve. The proposed Electric Fund budget was \$32,971,700 and the Water Fund budget was \$2,759,100 for FY 2020-2021.

Councilmember Haase mentioned the cash revenue side and doesn't think this is the time to be conservative.

Councilmember Nickerson mentioned utilities billing and people behind on payments. Discussion was held and Utilities Director Tim Luchsinger advised they did not see much of a drop in payments.

Review Electrical Enterprise Fund.

The following Electric Capital Improvements were presented with a total Capital Budget of \$9,365,000:

- Transmission and Substation Upgrades - \$1,000,000
- Bond payments - \$3,345,000
- Distribution improvements - \$3,770,000
- Power plant maintenance/improvements - \$1,250,000

Review Water Enterprise Fund. Utilities Director Tim Luchsinger reviewed the following Water Capital Improvements with a total Capital Budget of \$1,295,000:

- Bond payments - \$310,000
- Distribution improvements - \$925,000
- Production improvements \$60,000

Review Wastewater Division Budget for FY 2021. Public Works Director John Collins reviewed the Wastewater Division.

The Wastewater Division was an Enterprise Fund that relied on revenues collected from community residents, businesses, and industries to meet all state and national requirements. It is funded solely through self-generated revenue. The average residential bill for 2019 was \$30.89, well below the \$55.77 average.

Mentioned was a Wastewater overview on average 13.2 million gallons per day (MGD) and Fat, Oil, Grease Monitoring particularly damaging to the collection system.

Mr. Collins gave an overview of the Wastewater Division and the FY 2021 Capital Projects which totaled \$7,438,100.

The following projects were presented:

- Collection System Breaks - \$350,000
- Aeration Basin Diffuser Replacement - \$50,600
- Downtown Manhole Rehabilitation - \$367,500
- WWTP Security System - \$50,000
- Final Clarifier No. 2 Rehabilitation - \$275,000
- WWTP Piping for JBS Flow - \$80,000
- North GI/CNRA Improvements; Project No. 2017-S-4 - \$872,000
- Lab, Ops Control Center, and Admin Building Renovations - \$3,088,000
- WWTP Paving Improvements - \$1,165,000
- Relocate Lift Station No. 17 - \$150,000
- Ellington Pointe; Sanitary Sewer District No. 544 - \$930,000
- UV Diversion Gate Valve Replacement - \$50,000

Mentioned was the 2021 Budget:

- Beginning cash - (\$20,578,189)
- Revenue – (\$13,476,493)
- Total Revenue – (\$34,054,682)
- Operating Costs – \$7,932,624
- Loan/Bond Payments - \$4,709,416
- Capital Expenses - \$7,438,100
- Total Expenditures - \$20,080,140
- Ending Cash Balance – (\$13,974,542)

Reviewed were the 2020 Capital Project future expenses which totaled \$25,482,643 through 2024. Mentioned were several Wastewater Operation Awards received.

Review Solid Waste Budget for FY 2020-2021. Public Works Director John Collins presented the Solid Waste Budget for FY 2020-2021.

Mr. Collins stated they received no funding from the General Fund and all revenues were generated from tipping fees. This was one of the few divisions within the City that had competition. They served both residents and non-residents. He stated the landfill had 19 years of life left in the current area which included Cells 1, 2 & 3 and approximately 27 years of life were left in the total Phase 1 area.

Mentioned were notable items in FY 2020 with continued routine capital replacement schedule within the Transfer Station and Landfill. The Landfill used dozer for back-up machine and the Transfer Station used new wheel loader, truck and transfer trailer. The Transfer Station operations and facility improvement study was progressing.

The following 2021 Budget were presented:

- Personnel - \$1,320,693
- Operations - \$1,274,938
- Capital - \$2,810,000

The following 2021 Budget Capital expenditures were presented:

- Replacement of landfill compactor - \$675,000
- Replacement of Utility vehicle/litter vacuum for landfill - \$75,000
- Transfer station and landfill concrete replacement
- Old Phillips Landfill earthwork and re-capping per NDEE requirements - \$2,000,000

Mr. Collins gave the following overview for Equipment Operator (1.0 FTE):

- Annual tonnage at the transfer station averaged 53,000 tons annually (FY2010/FY2011)
- Annual tonnage has continued to increase, with last fiscal year reaching 68,000 tons received, which is 28% higher than the FY2010/FY2011 average
- The increase equates to an additional 750 truckloads of waste hauled to the landfill in one (1) year
- An additional equipment operator is imperative for keeping up with this significant work load on an annual basis

Mentioned was a proposed rate increase for FY 2021. They were looking at a 5.23% increase at the transfer station.

Discussion was held with Jeff Wattier in regards to the no cash system and how it was working. Jeff stated it was working but not ideal.

Review of FY 2020-2021 Fee Schedule. Finance Director Patrick Brown presented the proposed fee schedule for FY2020-2021. Reviewed were changes to the Building Department, Emergency Management, Fire Department, Ambulance, Library/Makerspace, Cemetery, Golf Course, Heartland Public Shooting Park, Community Fieldhouse, Planning Department, Public Works Department, and Solid Waste.

Finance Director Patrick Brown mentioned refunding bonds and electric bonds and bringing the resolutions to the next meeting.

Councilmember Haase mentioned the 3D Archery, Parks Director Todd McCoy discussed it was not a popular item and was too costly to replace. There would still be recreational archery. Also discussed was the golf cart fees for 15 years of age and younger.

Fire Chief Cory Schmidt and EMS Division Chief Russ Blackburn discussed fees based on non-insured, insured, Medicare and Medicaid. Discussion was held about bill coding and if the city could bring that in house.

Discussion Regarding Cost-of-Living (COLA) Increases for Non-Union Employees. Finance Director Patrick Brown presented the COLA would move current compensation closer into alignment with other municipalities of similar size in our Metropolitan Statistical Area. The proposed adjustment minimizes pay inequities within the organization and future catchup costs.

Mentioned were different combinations of COLA's cost savings to the General Fund.

- 2% COLA – Cost - \$193,305.44
- 1.5% COLA/.5% Pension – Cost - \$184,102.87 – Savings (\$9,202.57)
- 1% COLA/1% Pension – Cost - \$174,692.90 – Savings (\$18,612.54)
- .5% COLA/1.5% Pension – Cost - \$165,074.80 Savings (\$28,230.64)

Discussion was held about Unions receiving COLA and Non-Union Employees not receiving one. Human Resource Director discussed the IBEW Union and they were happy with the pension contribution.

ADJOURNMENT: The meeting was adjourned at 8:25 p.m.

Jill Granere
Deputy City Clerk