



City of Grand Island

Tuesday, July 26, 2022

Council Session

Item G-2

Approving Minutes of the July 19, 2022 City Council Study Session

Staff Contact: RaNae Edwards

AssCITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

July 19, 2022

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 19, 2022. Notice of the meeting was given in *The Grand Island Independent* on July 14, 2022.

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, Jason Conley, Bethany Guzinski, Mitch Nickerson, and Chuck Haase. Councilmembers Mark Stelk, Michelle Fitzke, Vaughn Minton, and Maggie Mendoza were absent. The following City Officials were present: City Administrator Jerry Janulewicz, City Clerk RaNae Edwards, Finance Director Patrick Brown, and Interim Public Works Director Keith Kurz.

SPECIAL ITEMS:

Budget Overview FY23. Finance Director Patrick Brown stated the FY 2022 Revenues were under forecasted. Sales Tax receipts remained strong throughout the year eclipsing FY 2021 General Fund Sales Tax by \$2.5 million. Property tax receipts were steady as well as all other receipts for 2022. Expenses were going to be well under budget due to vacancies in the police department. This will create a higher cash reserve going into FY 2023 budget.

Mentioned were the challenges going forward with inflation at 8.5% and fuel prices soaring. Supply line issues and labor shortage were mentioned. The FY 2023 revenues increased 11.4% or \$4.7 million over FY 2022 budget. Sales tax was projected at 12.2% over FY 2022 budget. Property tax was forecasted at a 3% increase. Expenses were increasing at \$3.3 million over FY 2022 budget. Personnel expenses were projected to increase 8.2% or \$2.7 million. Operating expenses were projected to increase by 8.7% or \$620 thousand over FY 2022 budget.

Discussion was held regarding the FTE's being included in these figures. Mr. Brown stated they were all included except for the Building Department which would be added. Excess funds in the General Fund budget and by policy could be put in restricted funds.

Utilities Department FY23 Budget Presentation (Electric and Water). Utilities Director Tim Luchsinger introduced Assistant Utilities Directors Ryan Schmitz, Lynn Mayhew, and Travis Burdett. Mr. 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.

Mr. Luchsinger stated they had around 60 day's worth of coal in reserve. This all depended on the trains delivering the product. He stated most utilities were going away from coal.

Cash reserve considerations were: working capital, replacement power, asset replacement, Capital Improvement Reserve, and Debt Service Reserve. The proposed Electric Fund budget was \$37,138,121 and the Water Fund budget was \$3,508,684 for FY 2022-2023.

Review Electrical Enterprise Fund.

The following Electric Capital Improvements were presented with a total Capital Budget of \$12,370,000:

- Transmission and Substation Upgrades - \$1,350,000
- Bond payments - \$3,805,000
- Distribution improvements - \$6,515,000
- Power plant maintenance/improvements - \$50,000
- Burdick Station demolition - \$3,000,000 (Accrued expense)

Discussion was held concerning the future type of power for Grand Island with eventually decommissioning the PGS Plant in the next 7 to 10 years. Mr. Luchsinger stated they would be going away from coal and going to natural gas generation along with wind and solar. Burdick Station would be demolished.

Review Water Enterprise Fund. Mr. Luchsinger explained the need for his FTE request for one Water Maintenance Worker.

The following Water Capital Improvements with a total Capital Budget of \$2,110,000 was presented:

- Bond payments - \$345,000
- Distribution improvements - \$1,090,000
- Production improvements \$500,000

Wastewater Treatment Plant FY23 Budget Presentation. Assistant Public Works Director for Wastewater Matt Walker 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 was funded solely through self-generated revenue. The average residential bill for 2021 was \$31.95, well below the \$55.77 average.

Mr. Walker gave an overview of the Wastewater Division and the FY 2022 Capital Projects which totaled \$8,037,035.

The following proposed Capital projects for 2022/2023 were presented for a total amount of \$15,805,000:

- WWTP Security Improvements - \$50,000
- WWTP Flow Improvements – \$8,765,000
- UV System Upgrade – \$60,000
- Central NE Regional Airport Collection System Rehabilitation – \$2,300,000/\$7,000,00
- Lift Station 1 Rehabilitation – \$50,000/\$420,000
- Lift Station 17 Relocation – \$1,550,000/\$1,815,000

- Lift Station 28 Equalization Tank – \$2,175,000/\$3,000,000
- North Central Sanitary Sewer Rehabilitation – \$675,000/\$1,025,000
- Grant-funded Assessment Districts – \$150,000/\$1,650,000
- Veterans Legacy - \$30,000/\$400,000

Ending cash balance for the 2023 budget was \$2,972,480.

Public Works Interim Director Keith Kurz answered questions regarding Lift Station 28 Equalization Tank.

Solid Waste FY23 Budget Presentation. Solid Waste Superintendent Jeff Wattier presented the Solid Waste Budget for FY 2023.

Mr. Wattier 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 18 years of life left in the current area which included Cells 1, 2 & 3 and approximately 26 years of life were left in the total Phase 1 area.

Mentioned were notable items in FY 2022 with continued routine capital replacement schedule within the Transfer Station with a new wheel loader, transfer trailer and truck-tractor.

The following 2023 Budget was presented:

- Personnel - \$1,314,207
- Operations - \$1,420,700
- Capital - \$7,563,283

The following 2023 Budget Capital expenditures were presented:

- Replacement of landfill dozer - \$925,000
- Replacement of Transfer Station truck-tractor - \$115,000
- Begin Transfer Station improvements - \$4,260,000

Mentioned was a rate increase proposed for FY 2023 of 2.75% increase at the Transfer Station and Landfill.

One & Six Year Street Improvement Plan. Interim Public Works Director Keith Kurz presented the Public Works Department Capital Projects for 2022/2023. Reviewed were the 2022 projects for a total of \$18,491,208. Mr. Kurz stated Capital Improvement Projects were funded by Gas Tax (\$18,491,208) and General Fund (\$1,382,250) for a total of \$19,873,485 forecasted for 2022.

The following were proposed Capital Projects for 2022/2023:

- Annual Curb Ramp Project No. 2023-CR-1 - \$165,000
- Five Points Intersection Improvements - \$586,000/\$3,420,000
- Broadwell/UPRR Grade Separation - \$100,000/\$28,350,000
- North Road; Old Potash Hwy to 13th Street - \$500,000/\$4,595,296

- North Road; US Hwy 30 to Old Potash Hwy - \$2,650,000/\$3,014,768
- Custer Avenue; Old Potash Hwy to Forrest St - \$1,700,000/\$4,280,000
- Eddy Street Underpass Rehabilitation - \$300,000/\$1,500,000
- Locust Street; 2nd Street to Fonner Park Road - \$450,000/\$10,761,000
- Veterans Legacy - \$150,000/\$1,350,000
- Claud Road Extension - \$2,400,000
- Northwest Flood Control - \$20,000/\$7,800,000
- N 80 Wetland Delineation - \$210,000/\$2,000,000
- Sidewalk Cost Share Program - \$25,000
- PVIP Drainage District No. 2020-1 - \$250,000/\$600,000
- Citywide Drainage - \$250,000
- Street/Fleet New Facility - \$150,000
- Brookline/Henry Drainage Improvements - \$50,000/\$465,400

Total 2023 Capital Improvement Budget funded with Gas Tax money was \$10,791,250. Total 2023 Capital Improvement Budget funded by General Fund was \$955,000 for a total of \$11,746,250.

Parks Projects Presentation & Land Option. Parks & Recreation Director Todd McCoy presented the following 2022-23 proposed parks projects for a total of \$3,706,483:

- Paint Lincoln Pool - \$35,000
- Picnic Shelter Replacement - \$40,000
- Demo Memorial Park Building - \$40,000
- Ryder Park Legion Field Bleachers - \$40,000
- Stolley Splash Pad Surfacing - \$50,000
- Island Oasis Updates - \$75,000
- Ashley Park Backstop and Bleachers Updates - \$80,000
- Grace Abbott Playground Update - \$70,000 CDBG Funds - \$75,000
- Misc. Park Projects - \$135,000
- Bike Trail Claude to Water Tower - \$640,000 TAP Grant - \$160,000
- Park Land Acquisition - \$136,483
- Stolley Irrigation Expansion - \$175,000
- George Park Baseball Field Update - \$200,000
- Vets Field Drainage Improvement - \$225,000
- Fieldhouse Turf - \$240,000
- George Park - New Restroom - \$300,000
- Ryder Park – New Restroom - \$300,000
- Stolley Parking and Road Upgrade - \$350,000
- Ryder Park – Concrete Parking Lot - \$950,000
- Remove HPSP Building(s) - \$100,000

Mr. McCoy answered numerous questions regarding each project. Assistant Finance Director Brian Schultz answered questions about Amur Plaza regarding restrooms. He stated this was City owned property but the Railside BID was in charge of any improvements.

City Administrator Jerry Janulewicz answered questions about the \$100,000 request to remove HPSP Building(s).

Mentioned was the option to purchase 4.6 acres of land immediately west of the Emergency Management Operations Center which would expire in November of this year. The Parks Department recommended purchasing the property for a total of \$136,482.50. The property was ideally located for a future City park and/or City swimming pool. No timeframe or budget had been set for such development. For a size reference: Sothman Park was 4.4 acres, Memorial Park was 4.5 acres, and Grace Abbott Park was 5.4 acres.

City Administrator Jerry Janulewicz stated when the City acquired the land for the Emergency Management Operations Center there was an option to acquire 4.6 acres on the west side of that property. Ray O'Conner, 611 Fleetwood Road, owner, explained the agreement and that if the City did not want the property he would retain the property for housing development.

Capital Equipment Presentation FY 23 - 410 Fund. Finance Director Patrick Brown reviewed the FY23 Capital Equipment 410 Fund for a total of \$3,413,591.00.

Police Captain Jim Duering explained the reasons for their request for portable radios. Emergency Management Director Jon Rosenlund answered questions on how the communications worked with a new system which was part of the request for portable radios for the Police Department. He stated this would be the next step and would be costly.

FTE Discussions. Finance Director Patrick Brown presented the following FTE requests:

Emergency Management:

Two (2) Public Safety Dispatchers

Three (3) Public Safety Dispatchers would be reclassified to Senior Public Safety Dispatcher

Parks & Recreation:

Parks Maintenance Worker

Planning Department

Planner 1 – move FTE from Utilities to General Fund

Police Department

Two (2) Public Safety Apprentices

Four (4) Part Time Airport Police Officers

Three (3) Police Officers

Public Works Engineering

Reclass an Engineering 1 PW to Engineering 1 or 2 or Senior

Streets Division (210 Fund)

Reclass two Senior Maintenance Worker positions to Senior Equipment Operators

Solid Waste (505 Fund)

Office Manager – SW

Solid Waste Division Clerk

Utility Department (520 Fund)

The 0.38 FTE will be moved to the General Fund

Water Department (525 Fund)
Water Maintenance Worker
Waste Water (530 Fund)
Reclass Accounting Technician – WW to Administrative Assistant – WW
Reclass Engineer I – WWTP to Engineering I or II or Senior
Reclass Engineer Technician to Engineer Technician I or II or Senior
Building: Additional 0.2 FTE for Part-time Administrative Assistant
One additional FTE – WWTP GOG (Fats, Oils, and Crease) Program Manager

Total Costs by Funds were presented as follows:

- General Fund □ \$421,514 (excluding 3 Police Officer positions)
- Electric Fund – (\$36,559)
- Water Fund □ \$87,330
- Waste Water Fund □ \$104,000
- Solid Waste Fund □ \$77,010
- Streets Fund □ \$1,746

Councilmember Haase recommended adding a Risk Manager and Purchasing Agent to the Finance Department. Police Captain Jim Duering answered questions concerning the request for 4 part-time Airport Police Officers.

ADJOURNMENT: The meeting was adjourned at 10:26 p.m.

RaNae Edwards
City Clerk