



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-2

### Approving Minutes of August 14, 2014 City Council Special Meeting

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL SPECIAL MEETING

August 14, 2014

Pursuant to due call and notice thereof, a Special Meeting 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 August 14, 2014. Notice of the meeting was given in the *Grand Island Independent* on August 8, 2014.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following Councilmembers were present: Vaughn Minton, Mike Paulick, Mark Stelk, John Gericke, Peg Gilbert, Mitch Nickerson, Linna Dee Donaldson, Chuck Haase, Julie Hehnke, and Kent Mann. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Treasurer and Finance Director Jaye Monter, City Attorney Robert Sivick, and City Engineer and Public Works Director John Collins.

INVOCATION was given by Community Youth Council member Allie Richardson followed by the PLEDGE OF ALLEGIANCE.

Mayor Vavricek introduced Community Youth Council member Allie Richardson.

SPECIAL ITEMS:

2014-2015 Utility Electric and Water Proposed Budgets. Utilities Director Tim Luchsinger reported the Utilities Department had \$550,000,000 in insurable assets, 25,000 electric meters, 17,000 water meters and 139 full-time employees. The following budget guidelines were used for the Utilities 2014-2015 budget: conservative (low) revenue forecast; conservative (high) operating costs; maintain adequate cash reserves; and manage controllable operating expenses and capital expenditures. Cash reserves guidelines were listed as the following: working capital, replacement power, asset replacement, capital improvement reserve, and debt service reserve. He recommended a minimum cash reserve of \$31,300,000 in the electric fund and \$3,200,000 in the water fund.

Reviewed was the Electric Department 520 Fund. The total Electric Capital Budget was \$23,357,867. Mentioned were future considerations of the Platte Generating Station Emission Controls. Operation was planned for May 2015 with capital cost funded by bond proceeds. Projected O & M costs were scheduled at \$2,500,000 annually.

Discussion was held concerning operating costs and revenues. Mr. Luchsinger stated rate increases were not planned and he explained the projections for the department. Mentioned was an additional cost to operate PGS once the emission controls were in place. He stated Nebraska utilities needed to reduce their carbon emissions by 26%. Renewable energy was mentioned. Workforce development improvements were scheduled for less than \$100,000 in the next two years.

Reviewed was the Water Department 525 Fund. Total Water Capital Improvement Budget was \$3,450,000. Wireless meter reading had been installed in the Merrick County area and in some apartment buildings within the City. The new billing system would be incorporated with the new

meters. There were no rate increases projected for water for at least the next five years. Explained was the water project to the Airport. Needs of the downtown area were discussed.

2014-2015 Solid Waste Proposed Budget. Public Works Director John Collins introduced Solid Waste Superintendent Jeff Wattier. Mr. Wattier reported the Solid Waste budget was comprised of two components: Landfill on Husker Highway and the Transfer Station. This was an enterprise fund that received no funding from the General Fund. All revenues were generated from tipping fees and were one of the few divisions with competition. This division served both residents and non-residents.

The current landfill site life was 6 – 7 years in Cells 1 & 2. Cells 3 & 4 have approximately a 30 year life. Reviewed were the routine capital replacement schedule for the transfer station and landfill. The proposed 2015 budget included: personnel - \$992,492 (8.6% increase); operations - \$993,526 (less than 1% decrease); and capital - \$860,000 (10.7% increase). Capital Expenditures proposed were: new dozer at landfill (\$800,000); additional litter fencing at landfill (\$20,000); concrete replacement at transfer station (\$20,000); and new reinforced gate entrance at landfill (\$20,000). There were no FTE changes and no rate increases proposed.

Mr. Wattier answered questions concerning recycling. Since the hail storm they had seen a lot of shingles in the landfill.

2014-2015 Wastewater Proposed Budget. Public Works Director John Collins introduced Wastewater Superintendent Marvin Strong. Mr. Strong reviewed the funding sources totaling \$27,098,327 and expenditures of \$33,078,916. The 2015 overview had an ending cash balance of \$10,081,269 which contained \$3.3 million of restricted cash for bond reserve requirements.

Mr. Strong explained the Wastewater Treatment Plant (WWTP) capacity. The plant was currently operating at less than 1/2 of its organic capacity. The residential population of Grand Island could potentially double before the WWTP would run out of organic capacity. Reviewed were the 2015 projected operations & maintenance savings. Electricity was 4% lower and contract services, diesel fuel, and other general supplies (sludge disposal) was 4.8% lower than FY 2014.

Mr. Strong commented on the 2014/2015 Capital Projects. The Headworks project was on schedule, may be done early and below budget. North Interceptor Phase 1 was completed and was designed to accommodate projected growth through the Year 2062. North Interceptor Phase 2 was designed to accommodate projected growth through the Year 2062. Phase 2b would be completed in conjunction with Capital Avenue widening project. Other projects mentioned were US Highway 281 Sewer Assessment District, Wildwood Subdivision, and Husker Highway Sanitary Sewer.

City Administrator Mary Lou Brown complemented Mr. Strong and his team with working with JBS.

2014-2015 Golf Course Proposed Budget. Parks & Recreation Director Todd McCoy stated the rounds averaged around 30,000 each year. These figures fluctuated due to the weather. Revenues were forecast at \$674,746 for 2013-2014. Proposed capital projects for 2014-2015 were to replace the clubhouse windows at \$30,000 and recondition 26 golf carts at \$48,000.

Discussion was held concerning the new irrigation system. Mr. McCoy stated they hoped to see some energy savings in the near future.

RESOLUTIONS:

#2014-230 – Consideration of Approving 2014-2015 Fee Schedule. Finance Director Jaye Monter reviewed the following proposed changes to the 2014-2015 Fee Schedule:

- Administration – elimination of State issued liquor licenses
- Parks Department – fee increases for Cemetery, Golf Course, Heartland Public Shoot Park
- Fire Department – addition of 8 new fees
- Public Works – new Special Event fees
- Wastewater Treatment Plant – increase of various fees
- Solid Waste – addition of uncovered load fees

Motion by Minton, second by Nickerson to approve Resolution #2014-230.

Special Events fees were discussed. Police Chief Lamken commented on the lack of resources for police escorts. Currently they supplied off duty officers at the expense of the event sponsors. Ms. Monter stated the cost to the City for insurance was \$2,000 annually for use of state highways for special events.

Motion by Donaldson, second by Nickerson to remove the Special Event fee from the Public Works Department. Upon roll call vote, Councilmembers Paulick, Stelk, Gericke, Nickerson, Hehnke, Haase, Donaldson, and Mann voted aye. Councilmembers Minton and Gilbert voted no. Motion adopted.

Discussion was held regarding the Lincoln Park Pool costs and revenues. Mr. McCoy stated the fees were fairly low. Last year the fees were raised a little. They were forecasting \$55,000 in expenses and \$45,000 in revenues.

Discussed was the definition of the Engine company run fee. Ms. Monter stated this would be specified in the final budget document.

Motion by Gilbert, second by Haase to delay the final vote of the fee schedule as amended to a later date prior to budget approval. Upon roll call vote, Councilmembers Paulick, Stelk, Gilbert, Nickerson, Hehnke, Haase, and Donaldson voted aye. Councilmembers Minton, Gericke, and Mann voted no. Motion adopted.

ADJOURNMENT: The meeting was adjourned at 9:34 p.m.

RaNae Edwards  
City Clerk