



City of Grand Island

Tuesday, July 12, 2005

Council Session

Item G2

Approving Minutes of July 5, 2005 City Council Study Session

The Minutes of July 5, 2005 City Council Study Session are submitted for approval. See attached MINUTES.

Staff Contact: RaNae Edwards

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

July 5, 2005

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 5, 2005. Notice of the meeting was given in the *Grand Island Independent* on June 29, 2005.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following members were present: Councilmember's Meyer, Whitesides, Pielstick, Gilbert, Nickerson, Cornelius, Hornady, and Walker. Councilmember's Pauly and Haase were absent. The following City Officials were present: City Administrator Gary Greer, City Clerk RaNae Edwards, Finance Director David Springer, Public Works Director Steve Riehle, and City Attorney Doug Walker

Mayor Communication: Mayor Vavricek thanked Renee Seifert, Convention Visitor's Bureau and Paul Briseno, Assistant to the City Administrator for their work on the "Great Race" that was here Saturday, July 2, 2005. Also mentioned was the joint meeting with the City Council, Central District Health Department, Hall, Hamilton, and Merrick County Boards which would be held on Monday, July 11, 2005 at 7:00 p.m. in the Council Chambers here at City Hall.

Mayor Vavricek gave the semi-annual "State of the City Address". Mentioned was the growth of the community, ongoing projects, new leadership of key city positions, city budget with regards to "zero based budgeting", economic development, and efficiency in government. Mayor Vavricek mentioned his strong consideration of serving the elected public in the race for the Third Congressional District. Mayor closed by stating the State of our City is "dynamic" and he appreciated the opportunity to serve the citizen's of Grand Island.

Discussion Concerning Water Rate Increase. Gary Mader, Utilities Department Director reported that at the June 21, 2005 City Council Study Session a request was made for more information concerning the increase of revenue for the Water Department. Council directed staff to provide a number of alternatives to the 10¢ per 100 cu. ft. rate change proposed by the Utilities Department. Those alternatives were:

- 1) No change in Water Rate blocks up to a consumption level of 1500 cu. ft. per month, with all remaining rate blocks adjusted to maintain a revenue increase equal to that of the originally proposed 10¢ per 100 cu. ft.
- 2) Add 5¢ to each rate block up to 1500 cu. ft. per month consumption, with all remaining rate blocks adjusted to maintain a total revenue increase equal to that of the originally proposed 10¢ per 100 cu. ft.
- 3) Apply at 20% rate increase across the board to all current rate blocks

Presented were tabulations of the effect of the rate scenarios on customer billings at consumption levels used for previous comparisons.

Council Request #1: Addition of New 500 Rate Block & Add \$0.146 to Remaining Blocks

Current Annual Revenue	\$3,070,049.38
Projected Revenue	\$3,608,868.92
Proposed Revenue Increase	\$ 538,819.54

Council Request #2: Addition of \$.05 1st Three Blocks & add \$0.123 to Remaining Blocks

Current Annual Revenue	\$3,070,049.38
Projected Revenue	\$3,610,700.09
Proposed Revenue Increase	\$ 540,650.71

Council Request #3: Calculate 20% Increase to All Rate Block

Current Annual Revenue	\$3,070,049.38
Projected Revenue	\$3,670,672.91
Proposed Revenue Increase	\$ 600,623.53

Grand Island Utility Department Proposed: Add \$0.10 to Each Rate Block

Current Annual Revenue	\$3,070,049.38
Projected Revenue	\$3,611,971.79
Proposed Revenue Increase	\$ 541,922.41

Councilmember Nickerson commented on the percentage changes in each category and stated the fair adjustment and one he would recommend would be a flat rate increase. (Council Request #3) Discussion was held concerning the gap between residential and commercial usage. Several councilmember's were in favor of not raising residential rates.

Discussion was held concerning other cities water rates. Mr. Mader stated our rate structure had been in place for decades. He commented on the gap between the rate blocks and recommended the original proposal the Utility Department brought forward of \$0.10 to each rate block.

Councilmember Whiteside recommended Council Request #2 be brought back for council decision. Councilmember Gilbert recommended the Grand Island Utility Department Proposal be brought back for consideration. It was decided these two proposals would be brought back to Council at the next regular meeting.

ADJOURNMENT: The meeting was adjourned at 7:50 p.m.

RaNae Edwards
City Clerk