



City of Grand Island

Tuesday, April 12, 2011

Council Session

Item G3

Approving Minutes of April 5, 2011 City Council Special Meeting/Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL SPECIAL MEETING/STUDY SESSION

April 5, 2011

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 April 5, 2011. Notice of the meeting was given in the *Grand Island Independent* on March 30, 2011.

Mayor Jay Vavricek called the meeting to order at 6:00 p.m. The following Councilmember's were present: Chuck Haase, Larry Carney, Bob Niemann, Kirk Ramsey, Peg Gilbert, Mitch Nickerson, Linna Dee Donaldson, Scott Dugan, Randy Gard, and John Gericke. The following City Officials were present: Interim City Administrator/Finance Director Mary Lou Brown, City Clerk RaNae Edwards, Interim City Attorney Jason Eley, and Public Works Director John Collins.

INVOCATION was given by Orv Qualsett followed by the PLEDGE OF ALLEGIANCE.

MAYOR COMMUNICATION: Mayor Vavricek introduced Community Youth Council members Dillon 'Spies and Tyler Barrientos. Acknowledged were eight different events the Mayor had attended this last week. Utilities Director Gary Mader was recognized and congratulated as Nebraska Municipal Power Pool (NMPP) Man of the Year.

PRESENTATIONS AND PROCLAMATIONS:

Proclamation "Lady Husker's Volleyball Saturday" April 9, 2011. Mayor Vavricek proclaimed Saturday, April 9, 2011 as "Lady Husker's Volleyball Saturday". Recognized was Orv Qualsett for his leadership in bringing this event to the Heartland Events Center. Orv Qualsett and Diane Willie were present to receive the proclamation.

RESOLUTIONS:

#2011-78 – Consideration of Approving Appointment of Mary Lou Brown as City Administrator and Approving Offer of Employment. Mayor Vavricek recommended Mary Lou Brown as the next City Administrator for the City of Grand Island as required by the Grand Island City Code.

Margaret Hornady, 2708 Arrowhead Road spoke in support.

Comments were made by Council regarding the lack of candidates and the process taken in filling this position. Several Councilmember's mentioned the qualifications and leadership of Ms. Brown.

Motion by Haase, second by Carney to postpone Resolution #2011-78 until the Mayor forwards additional candidates for Council's review for the position of City Administrator. Upon roll call

vote, Councilmember's Haase, Carney, Dugan, and Gericke voted aye. Councilmember's Niemann, Ramsey, Gilbert, Nickerson, Donaldson, and Gard voted no. Motion failed.

Comments by Council were made concerning the lack of municipal experience and the process of hiring Ms. Brown. Comments were also made concerning the knowledge, integrity, and ability of Ms. Brown.

Mayor Vavricek explained the process and the reasons for his recommendation. He commented that the Council was looking at the process and not the ability of the candidate. Mentioned was that the position of City Administrator for the City of Grand Island was a difficult job.

Motion by Gilbert, second by Niemann to approve Resolution #2011-78. Upon roll call vote, Councilmember's Carney, Niemann, Ramsey, Gilbert, Nickerson, and Donaldson voted aye. Councilmember's Haase, Dugan, Gard, and Gericke voted no. Motion adopted.

ADJOURNMENT: The meeting was adjourned at 7:06 p.m.

RaNae Edwards
City Clerk

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

April 5, 2011

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 April 5, 2011. Notice of the meeting was given in the *Grand Island Independent* on March 30, 2011.

Mayor Jay Vavricek called the meeting to order at 7:06 p.m. The following Councilmember's were present: Chuck Haase, Larry Carney, Bob Niemann, Kirk Ramsey, Peg Gilbert, Mitch Nickerson, Scott Dugan, Linna Dee Donaldson, Randy Gard, and John Gericke. The following City Officials were present: Interim City Administrator/Finance Director Mary Lou Brown, City Clerk RaNae Edwards, Interim City Attorney Jason Eley, and Public Works Director John Collins.

OTHER ITEMS:

Presentation on Wastewater Capital Improvement Plan Update and Cost of Service Based Rate Study. Utilities Director Gary Mader explained that the purpose of the Study Session was to provide the City Council with background information related to the CIP development for the rate model update for the Wastewater Treatment Plant. Explained were the results of the rate model update and the new excess strength surcharge for nitrates.

Derek Cambridge, Project Manager of Water for Black & Veatch gave a PowerPoint presentation concerning the May 2009 Rate Study. Presented were the following:

- Significant reduction in BOD and TSS loading from JBS with new lagoon construction
- Postponement of the digester project
- May 2010 Comprehensive Plan Update identified significant needs in the collection system
- Construction of additional JBS pretreatment facilities will reduce loading further and change wastewater characteristics

Council took a break at 7:29 p.m. and reconvened at 7:37 p.m.

Summary of the May 2010 Comprehensive Plan Update issued by CH2M Hill were:

- Identified \$118 million in projects from 2010 to 2020 and beyond
- From 2011 to 2015, \$60.5 million
- Largely replacement/rehabilitation of existing facilities
- Limited projects to increase collection system capacity

Comments were made by Council that these rates over the next 5 to 10 years may go up. Size of our facility was discussed with the ability of future growth.

Black & Veatch developed a total proposed 5 year CIP of \$44.1 million.

Anna White, Manager of Management Consulting with Black & Veatch presented the Rate Study Results. The following key issues of a cost of service study were presented:

- Maintain Revenue Adequacy
- Use Fair and Equitable Cost Allocations
- Use Practical Rates and Billing Formats
- Minimize Customer Impacts
- Maximize Customer Understanding and Acceptance

Discussion was held concerning JBS and fees collected. Fewer fees were being collected since JBS built their wastewater facility. The volume of water received at the City's Wastewater Treatment Plant was the same, but now their water was cleaner.

The following process was used for the rate design methodology:

- Review Suitability of Existing Rate Structure
- Examine Alternative Structures
- Design Cost of Service Rates
- Examine Impact of Rates on Individual Customers and Classes

Mr. Mader answered questions concerning monitoring nitrate levels for commercial/industrial operations. He stated they were able to monitor nitrates.

Mr. Mader recommended that the City proceed with an RFP for detailed engineering design services for the multiple projects needed to be done over several years. The first project recommended to proceed with was the Northeast Interceptor because of the need.

Mentioned was that typically the monthly residential bill would increase \$7.21 from 2011 to 2014.

Mr. Cambridge presented the Nitrate Extra Strength Surcharge. Graphs were shown that when JBS put in their new lagoon it decreased the organic load to the City, but increased the nitrogen level. There were no other businesses within the City that created nitrates.

ADJOURNMENT: The meeting was adjourned at 9:24 p.m.

RaNae Edwards
City Clerk