

May 12, 2010
Joint Council-Utility Board Meeting Minutes

The May 12, 2010 meeting of the Cascade City Council and the Cascade Municipal Utility Board was called to order at 5:15 p.m. by Mayor Staner in the City Hall Chambers. Council members Boffeli, Henry, Knepper, Moriarity and Soppe answered roll call. Motion by Boffeli, 2nd Henry to approve the agenda – all ayes.

Present from the Utility Board were trustees McDermott, Reiter, Chairman Gavin, and Utility Manager Benke. Motion by Reiter, 2nd McDermott to approve the agenda – all ayes.

Administrator Lansing informed the Council that the City's current health insurance plan premiums would reduce by 2.25% if the Council decides to stay with this plan. Utility Manager Benke informed the Board that the Utility's plan (not the same plan as the City's) would reduce by 3.71%. The City currently budgets 15% of the maximum exposure each fiscal year for partial self-funding with any unspent balance being put into a Partial Self-Funded Reserve account at the end of the fiscal year. The Utilities have not set up such a fund. Chairman Gavin felt it would be tough to make a decision without having more detail of the plan that is proposing to give both the City and the Utilities a greater savings than their current plans. Council member Henry would also like to compare the two plans. Gavin asked the deadline for deciding on a plan. Lansing answered around the 3rd week of June as the renewal date is July 1st. Gavin explained that if the Utilities chose the plan that would save them more money, there would be no loss to their employees. Lansing presented a Delta Dental Plan that would need two employees to participate. The plan is a completely voluntary plan, the entire premium would be paid by the employees participating and the City & Utilities would have no administration costs. Motion Henry, 2nd Moriarity to set up another joint meeting and have a representative from Benefit Resources present to explain the differences between the 2 health insurance plans and how the new plan could affect the partial self funding program and approve any employee wishing to participate in the voluntary Dental plan at their own expense – all ayes. Like motion by McDermott, 2nd Reiter – all ayes.

Administrator Lansing announced that the City and Utilities could switch administration companies for the Flexible Benefit plan and save some money. The administration rate for each participant with the current company will be increasing to \$5.40 per month, plus a \$450 annual fee. This would cost \$903.60 for the employees that currently participate in Flex. The new company cost would be \$319.20 annually for the current employees that participate. Motion Boffeli, 2nd Soppe to switch companies for the cost savings – all ayes. Like motion by Reiter, 2nd McDermott – all ayes.

Administrator Lansing informed the Council that if they were to share the cost of purchasing a jet-vac unit with the Utilities, the money would need to come from a reserve fund since there is no excess money in the FY10 budget. Utility Manager Benke found out that Vermeer would defer the billing on the unit until July which would put the expense into the FY11 budget. Motion Henry to approve the purchase of a jet-vac unit with Cascade Municipal Utilities died for lack of a 2nd. Council member Boffeli asked who would use the unit more. Benke answered that the City would get more use from the unit. Utility Board member McDermott pointed out the fact that the City could use the unit at the sewer plant. Mayor Staner informed the Council that they needed to let the Utility Board know one way or the other. Council member Moriarity questioned if the Utility Board was going to purchase the unit regardless if the City shared the cost. Gavin and McDermott both replied that the Utility Board is considering purchasing the unit. Council member Soppe was not in favor of purchasing the unit since it was not budgeted and asked if the City would be cutting back on staff since this unit was going to save man hours. Motion Moriarity, 2nd Henry to approve the cost sharing for purchasing a used trailer mounted jet-vac unit from Vermeer of Eastern Iowa only by finding savings in next year's budget and not take the

money from any of the reserve funds. Motion passed 4-1 with Knepper voting nay. Motion Reiter, 2nd McDermott to approve the purchase by splitting the cost with the City of Cascade for the used trailer mounted jet-vac unit from Vermeer of Eastern Iowa – all ayes.

Administrator Lansing informed the Council and Utility Board that due to the City's official population still being under 2,000 an audit would need to be conducted on FY10. In the past, both the City and the Utilities are audited. Therefore requests for proposals will be sent to several firms.

Council member Henry requested that the Utility Board consider giving the City of Cascade a reduced rate for their usage of electricity. Henry explained that the City currently pays a commercial rate of \$.0765 per kWh and the Utilities currently offer a demand rate of \$.065 per kWh to two demand users. Henry asked if the Utilities would consider a rate somewhere between these two rates as a form of savings to the City and the taxpayers. Chairman Gavin replied that the Utility Board would consider the request, but pointed out that a savings to one user typically will cost all other users more. Gavin indicated the last time the Utilities had a rate study done was over 10 years ago and a rate study may show that the current rates are lower than what should be charged for service which is what the main goal of a rate study is.

Administrator Lansing explained that since the Utilities' project of going underground with lines, some changes will need to be done with the City's spring well house on the end of Tyler St NE. Lansing felt that the City could convert from 3-phase to single-phase and would only need one pump. This would cost approximately \$5,468 to do. Utility Manager Benke thought the Utilities could save approximately \$25,000 by not having to run 3-phase to the well house. Motion Henry, 2nd Boffeli to convert the spring well house to single-phase and only install one pump and see if the Utility Board would share the cost of the conversion – all ayes.

Administrator Lansing informed the Council and Utility Board that the current 2-way radio system being used will not be usable some time in June 2011 due to FCC dropping the frequency. The radios could be replaced with a new 2-way radio system from ComElec at a cost of \$15,746. The only other option is going to push-to-talk cell phones at a cost of \$1,050 to purchase the phones plus \$5,100 for service with a 5 year cost projection of \$26,550. Utility Manger Benke pointed out that the push-to-talk cell phones would run off of cell phone towers and in the event of the disaster, towers could either be down or over-loaded and not usable. With the 2-way radio system, there would be no down time in a disaster situation.

Administrator Lansing informed the Council that there would be cost of \$14,140 to the City for installing streetlights on 1st Avenue East and \$13,367 for installing streetlights in residential areas on the northeast & northwest sides of Cascade. The purchase of the streetlights was budgeted in FY11, but the installation was not.

Utility Board trustee Reiter thanked the Council for his re-appointment to the Utility Board.

Motion Moriarity, 2nd Boffeli to adjourn the meeting at 6:45 – all ayes.

Shelley Annis, Deputy Clerk