

January 12, 2011
Joint Council-Utility Board Meeting Minutes

The January 12, 2011 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 and Reiter, Chairman Gavin, and Utility Manager Benke. Motion by McDermott, 2nd Reiter to approve the agenda – all ayes.

Mayor Staner requested the topic of an electric rate study be put onto the joint meeting for discussion. Staner and Council members are not trying to step on toes as decisions of the Cascade Municipal Utilities operations is the Utility Board's, but wants to have discussion about a rate study. Council member Henry asked what the pros would be to having a rate study. Trustee Reiter answered that a study will show if costs are being applied accurately to all classes and ensure the Iowa Utility Board that the rates are accurately and fairly being applied to all customers. Chairman Gavin explained that the Iowa Utility Board does not have control of Cascade Municipal Utility rates like they would an investor owned provider and that the goal of the study would be to make sure all classes are paying their own way and no one class is making up for another. Cascade Municipal Utilities is in a coop that purchases power and are bound to long-term contracts in purchasing that power with very little or no flexibility. Gavin further explained that a rate study would give Cascade Municipal Utilities a defense to where the rates are set if challenged by a customer or class of customers. Council member Henry asked how other electric suppliers can offer rate tiers. Gavin explained that larger providers have the option of more classes, which Cascade Municipal Utilities cannot offer. Utility Manager Benke explained that ballpark figures for the cost of the study would be \$10,000. Mayor Staner explained that the Utility Board's job is to administer the best rates to the customers and the Council's job is to look at the growth of the City and try to bring in new businesses and both groups can do that by staying competitive with other electric suppliers. Gavin reported that overall Cascade Municipal Utilities rates are better than surrounding competitors and the study will also compare our rates to our competitors. Council member Henry asked who would actually do the study. Gavin explained that IAMU will make a recommendation and the company will most likely be from the private sector with experience in electric rate studies. Council member Moriarity asked why a rate study is needed if Cascade Municipal Utilities' rates are better than it's competition. Trustee Reiter answered to make sure our rates are spread evenly to all of our customers. Chairman Gavin reported that the study will be conducted as soon as possible. Gavin also suggested that since the Utility Board and the Council are supposed to meet quarterly, we should get back to that schedule to ensure efficient communications between bodies.

Council members and Utility Board members discussed a change to the public works hours, which are currently 7:30 a.m. to 4:30 p.m. with an hour lunch. The workers requested beginning at 7:00 a.m. and ending at 3:30 p.m. with a half hour lunch. Utility Manager Benke discussed this with his outside crew and they would like 7:30 a.m. to 4:00 p.m. with a half hour lunch. Trustee McDermott feels that quitting at 3:30 is too early in the afternoon. Council member Henry feels if the hours are "not broken, then there is no need to fix them". Henry feels that in the winter it is still dark at 7:00 a.m., these times won't work with other construction companies that come into the City to do work, starting garbage at 7:00 a.m. is too early and that there simply is no upside for the residents to change the hours. Council member Moriarity suggested staggering the start and ending times for the employees on a rotation. Council member Boffeli agrees with the employees that an hour lunch is too long and there is already an on-call employee if an emergency occurs. Trustee Reiter feels that 3:30 is too early that if someone comes home around 3:30 in the afternoon to a problem, they have no one to call. Chairman Gavin feels a half hour lunch and shortening the work day is a compromise and could be tried on a temporary basis to see if it causes

overtime or public concern and suggests getting public and all staff input on a change in hours and bringing it back to the next joint meeting.

Chairman Gavin reported that the Utilities are unsure of what will be done with the 2011 Overhead to Underground Project at this time, but do plan to discuss it and should have a plan soon. Administrator Lansing reported that the City has budgeted for 8 decorative poles for the residential areas and 8 poles for 1st Avenue lighting.

With no other business, motion Soppe, 2nd Boffeli to adjourn the meeting at 6:05 p.m. – all ayes.

Shelley Annis, City Clerk