

Personnel & Finance Committee  
November 7, 2016

Present: Committee Members Larmore, Sovinski and Clausen; Council Members Scott, LeJeune, Fleck, and Buxton; Mayor Hazel; Director Hitchcock; Auditor Strawn; Mike Mertz, Electric Distribution Superintendent; Mike Sudman, WTP Superintendent; and Kerry Duncan WWTP Superintendent.

Committee Chairman Larmore called the meeting to order at 6:40 pm.

Mike Mertz explained the Capital Requests for the Electric Department and answered council questions. Requests included replacement of street lights on Logan Street, CMU pole and wire change outs, transformers and regulator purchases, and replacement of the 2003 bucket truck.

Mike Sudman explained the Capital Requests for the Water Treatment Plant and answered council questions. Requests included replacement of the south 1952 backwash pump, and the 1994 pickup truck.

Kerry Duncan explained the Capital Requests for the Wastewater Treatment Plant and answered council questions. Requests include the replacement of the 1-ton, 4x4 truck to be equipped with a bed/crane for lifting pumps and Eaglebrooke, Rec-Plex and Havemann lift station improvements. Kerry reported the plant is 24 years old, and in good shape now. But, he cannot make any guarantees there will be no breakdowns. Great improvements have been made on the liftstations in the last few years. Next year should complete the cycle of replacements needed. Kerry explained the agreement with the County for the initial installation of the liftstations being the county's responsibility, but maintenance and replacement is the City's responsibility.

Director Hitchcock reported waterline replacement projects are not in the budget, but a separate Ordinance will be presented so the public knows what is being done.

The specific line item requests were then reviewed.

Director Hitchcock explained the electric purchase power went up \$2.1 million because of long-term debt on the hydro projects. In the past the City has increased the EAA to recover downfalls, and Administration will look to Council on guidance of what to do to recover this amount. This should be the highest peak for the next four years. The rates have not be raised since 2005, but the EAA is increased every six months. Mayor Hazel recommended Sawvel and Associates be consulted for possible rate increases. Further discussion will take place in a future Utilities Committee meeting.

Director Hitchcock explained the water plant operating jumped \$200,000 for putting virgin material back into the carbon. The City will no longer be installing water mains in house, so they will be put out for public bid. The district county agreements line item also increased. Auditor Strawn explained the county added a \$6.50 per month charge in September of this year for the East Jefferson, West Jefferson, and Northeast Jefferson districts. This is to pay off a 30-year County debt. The City collects this from residents and then forwards the payments to the County. CM Sovinski asked if a property is still charged the \$6.50 monthly assessment if it is annexed to the City. Administration will need to look into this.

Kerry Duncan reported the WWTP is under review for renewal of their five-year permit. The current permit is good until January 31, 2017.

CM Sovinski asked if there will be an increase in the Electric requests for hiring Sawvel for review of rates. Administration will try to get a cost estimate.

A Personnel & Finance Committee meeting was scheduled for Thursday, November 10 at 12:00 noon for further budget review.

Chairman Larmore adjourned the meeting at 7:51 pm.

Submitted by Joan S. Wurster, Clerk of Council