

Columbia City Council Work Session Minutes

Monday, June 15, 2015 5:00 p.m.

City Hall – Conference Room 1A/1B

701 East Broadway

Council members present: Mayor McDavid, Clyde Ruffin, Mike Trapp, Karl Skala, Ian Thomas, and Laura Nauser (arrived at 5:07)

Absent: Betsy Peters

The City Council met on June 15, 2015 at approximately 5:05 p.m. in Conference Room 1A/1B of City Hall, 701 E. Broadway, Columbia, Missouri.

Council Members McDavid, Ruffin, Trapp, Skala, Thomas, and Nauser (arrived at approximately 5:07 p.m. were present. Council Member Peters was absent.

Mayor McDavid made a motion for the City Council of the City of Columbia, Missouri, to immediately hold a closed meeting in Conference Room 1A/1B of City Hall, 701 E. Broadway, Columbia, Missouri, to discuss negotiations with employee groups as authorized by Section 610.021(9) RSMo. The motion was seconded by Mr. Skala.

The vote was recorded as follows: VOTING YES: RUFFIN, TRAPP, SKALA, THOMAS, MCDAVID. VOTING NO: NO ONE. ABSENT: NAUSER, PETERS.

At approximately 5:06 p.m., the City Council went into closed session pursuant to RSMo Section 610.021(9).

The closed meeting adjourned at approximately 5:18 p.m., and the meeting was then open for the normal pre-council work session meeting, which began at approximately 5:19 p.m.

Infrastructure Impact and System Expansion Fees for the Water and Electric Utilities:

Director of Water and Light, Tad Johnsen, stated that in preparation for this year's budget, we did a line extension analysis by Mark Beauchamp, President of Utility Financial Solutions. Mr. Johnsen noted that this is just on the electrical side.

Mr. Beauchamp provided overview of his experience and noted that they do electric cost of service (COS) studies for utilities and teach subject policy. A line extension analysis involves: identifying the contribution margins for fixed cost recovery from new customers; identifying the impacts on the transmission and substations of CWL; and developing a policy to help ensure growth is good for all rate payers and fair to new customers.

Contribution margins help to recover distribution costs from a new customer. (Revenues less variable costs (power supply) is contribution toward fixed cost recovery) Net Present Value of fixed cost recovery over time considering the risks of providing service to customer. Desired outcome – Growth will be good for everyone and fair to new customer.

He reviewed fixed cost contribution rates by customer class and noted that we get \$4.8 Million in fixed cost from rates for residential service. We want to cover those investments over 7 years. The determination of maximum investment is what we should we pay (the max) so we don't harm our existing rate payers. For residential, it's \$952. When the COS study is updated, these numbers should be updated too. Usually every 3 years. Mr. Beauchamp reviewed the new customers' impact on transmission and substations.

Mr. Matthes added that Council must decide if this is what was asked for and what the community is ready to accept. This is the most defensible model defined. Mr. Skala asked what the ramifications might be if we changed the proportion of responsibility. Mr. Matthes replied that we can look into that in the future. Nancy Thompson added that significant changes might implicate the Hancock amendment and we must be cautious on that.

Supporting documentation for this item can be viewed at the following link:
<http://www.gocolumbiamo.com/Council/Commissions/agenda.php?meetingid=2880&bciid=56>

Parks Sales Tax Projects:

Mike Griggs, Director of Parks and Recreation thanked the internal committee that worked on scheduling for this. Parks Sales Tax first passed by Columbia voters November 2000 for the Stephen's Lake Park acquisition and development. Mr. Skala asked if there has been any discussion on the trail for railroad right of way. Mr. Griggs stated that there are bridges that would make that a costly project. He continued to review the list of proposed improvements. Mr. Thomas asked for more details on the Clary Shy improvements. Mr. Griggs explained that it would be for parking, playfield, and Shelter or ARC improvements for fitness room space. The cost estimate was \$400,000. Mr. Thomas doesn't see the need for more parking here except during the Farmer's Market. Mr. Griggs added that Columbia Public Schools is agreeable to allowing parking at their lot during those times. Mr. Matthes understood that Council was in agreement to move this to a 6 year cycle for the future.

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Other items Council may wish to discuss: None.

There being no further discussion, the meeting adjourned at approximately 6:42 PM.