

Columbia City Council
Pre-Council Meeting Minutes – September 20 at 5:45 p.m.
Conference Room 1A/1B – City Hall

Council members present: Mayor McDavid, Paul Sturtz, Jason Thornhill, Gary Kespohl, Daryl Dudley, Laura Nauser and Barbara Hoppe

Absent: None

The Police Chief provided the Council an update regarding downtown safety cameras (REP100-10). The recommended camera locations are (1) Hitt/Broadway, (2) 10th/Broadway, (3) 10th/Cherry, and (4) 9th/Cherry. Staff is requesting Council direction to prepare an RFP. Some initial research of the types of cameras available was included in the Council report. (See Council meeting minutes for formal Council action).

Tony St. Romaine, Assistant City Manager and Greg Weber, VP and General Manager, of Central States Rail Associates were present. Mr. St. Romaine reviewed the items in the Council agenda report R99-10, specifically, the accessibility issues and the time frame/cost for doing so. (See Council meeting minutes for formal Council action). Mr. Weber provided the Council with a copy of a letter from the President of CSRA and himself describing the complications involved in providing a fully accessible rail car in two years.

The Council reviewed items on the FY2011 budget amendment sheet, including the necessary reductions due to a rate increase reduced from 3% to 2% (see attached)

The Finance Director distributed and reviewed with Council a preliminary draft of the statement of revenues, expenses and changes in retained earnings for the eleven months ended August 31, 2010 and 2009 (see attached)

Meeting adjourned at approximately 6:50 p.m.

CENTRAL STATES RAIL ASSOCIATES

MARK E. VAUGHN - PRESIDENT

102 OAK RIDGE LANE

DENVER, IOWA 50622

PH:319-984-5508 CELL 573-355- 0586

SEPTEMBER 20 2010

Dear Mayor and City Council:

Central States Rail Associates (CSRA) would like to take this opportunity to clarify our position and intentions concerning the possible addition of an ADA compliant railcar to our historic dinner train operation which will be starting soon in Columbia.

When CSRA signed an operating agreement in June of this year with the City of Columbia to bring our operations to the city we firmly believed, as we do today, that our historic dinner train is exempt from the provisions of ADA specifically by the following section within that legislation:

Section 304 (c) of the ADA:

(c) Historical or Antiquated Cars.

(1) Exception. To the extent that compliance with subsection (b)(2)(C) or (b)(7) would significantly alter the historic or antiquated character of a historical or antiquated rail passenger car, or a rail station served exclusively by such cars, or would result in violation of any rule, regulation, standard, or order issued by the Secretary of Transportation under the Federal Railroad Safety Act of 1970, such compliance shall not be required.

(2) Definition. As used in this subsection, the term historical or antiquated rail passenger car means a rail passenger car

(A) which is not less than 30 years old at the time of its use for transporting individuals;

(B) the manufacturer of which is no longer in the business of manufacturing rail passenger cars; and

(C) which (i) has a consequential association with events or persons significant to the past; or

(ii) embodies, or is being restored to embody, the distinctive characteristics of a type

of rail passenger car used in the past, or to represent a time period which has passed.

However, CSRA is fully aware and is sensitive to the needs of the disabled community in Columbia and would like nothing more than to be able to offer our historic dinner train service to everyone in the community inclusive of those with disabilities. Unfortunately, due to the historic nature of our current railcars we plan to use in the operation, it is extremely difficult and expensive to make conversions to these vintage cars to allow for accessibility.

Modifications to an historic car requires extensive engineering and redesign of critical structural components. In addition there are few facilities in this country that have the ability to do this type of modification. Because of the highly specialized nature of the work it is also extremely expensive. Costs for purchasing, remodeling and rebuilding a suitable car could very easily exceed \$175,000 thus placing an excessive and unreasonable financial burden on our new business; one of the very reasons that operations such as ours were exempted by the authors of the ADA legislation. Furthermore, the modifications to a rebuilt historic railcar effectively reduce passenger capacity and revenue considerably while increasing maintenance costs, thus making recovery of the capital investment unobtainable without an additional funding source. In other words, the cost is simply beyond our present budgetary capability and as a small business, we simply can not carry such a financial burden alone on a large project such as this.

In light of these issues, CSRA is very willing and would desire to work with the City of Columbia, all interested individuals and groups. By doing this we would hope to find a solution to the issue of accessibility with the goal of ultimately adding an ADA compliant car to our historic train. CSRA will endeavor to work with all possible outside funding sources for grant funding so an ADA compliant historic dinning car may become a reality. We would like our operation to be one of the first in the country to offer this service. Research indicates that there presently NO other dinner train operations which offer a full service, fully accessible and fully compliant historic dinning car. It is our desire to be proactive with the local disabled community and provide a service to them if at all possible.

Thank You for your consideration

Sincerely

Mark Vaughn - President CSRA

Greg Weber - VP & General Manager

The following items need a motion to be added to the FY 2011 Budget Amendment Sheet

Concil Request to Reduce Electric Rate Increase from 3% to 2%

General Fund:

Revenues: Reduce General Fund PILOT from Electric - rate increase reduced from 3% to 2%	(\$80,000)
Revenues: Increase use of Appropriated Fund Balance	\$80,000

Electric: Reductions necessary due to rate increase reduced from 3% to 2%

Revenues: Reduce Electric Revenues to reflect lower rate increase	(\$1,236,000)
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Operating Expense Changes:

Reduce funds available for energy efficiency rebates. From \$900,000 to \$650,000	(\$250,000)
Reduce PILOT payment to the General Fund	(\$80,000)
Reduce Power Plant Equip Parts - delay servicing equip according to recommended schedules	(\$10,000)
Reduce Landfill Gas Generator Maintenance - utilize in-house staff for some of the scheduled engine rebuild	(\$50,000)
Reduce materials for maintenance of the distribution system	(\$100,000)
Reduce Contract Labor on distribution system. Lower preventative maintenance may result in a higher potential for out of service.	(\$90,000)
Reduce Travel & Training - reflected above with other departments (\$25,082)	

Capital Project Changes:

Reduce CIP Load Mgmt Project EL00049 from \$170,000 to \$70,000	(\$100,000)
Move \$500,000 for Primary Control Center Project EL0164 to 2012	(\$500,000)
Total Expense Changes	<u>(\$1,205,082)</u>
Net Impact to Electric Fund	(\$30,918)

CITY OF COLUMBIA
WATER AND ELECTRIC UTILITY FUND
PRELIMINARY DRAFT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE ELEVEN MONTHS ENDED AUGUST 31, 2010 AND 2009

	2010						2009					
	Water	% of Total	Electric	% of Total	Combined	% of Total	Water	% of Total	Electric	% of Total	Combined	% of Total
OPERATING REVENUES:												
Water	\$14,699,520	97%	\$0	0%	\$14,699,520	12%	\$13,726,653	97%	\$0	0%	\$13,726,653	12%
Residential	0	0%	42,552,596	39%	42,552,596	34%	0	0%	36,891,643	37%	36,891,643	32%
Commercial and Industrial	0	0%	49,209,790	45%	49,209,790	40%	0	0%	46,579,910	46%	46,579,910	40%
Intragovernmental Sales	0	0%	737,288	1%	737,288	1%	0	0%	736,340	1%	736,340	1%
St. lighting & traffic signs	0	0%	1,122,865	1%	1,122,865	1%	0	0%	1,117,007	1%	1,117,007	1%
Sales to public authorities	0	0%	7,328,630	7%	7,328,630	6%	0	0%	7,093,635	7%	7,093,635	6%
Sales for resale	0	0%	4,906,233	5%	4,906,233	4%	0	0%	5,375,097	5%	5,375,097	5%
Miscellaneous	489,038	3%	2,370,594	2%	2,859,632	2%	387,879	3%	3,186,445	3%	3,574,324	3%
TOTAL OPERATING REVENUES	15,188,558	100%	103,227,996	100%	123,416,554	100%	14,114,532	100%	100,980,077	100%	115,094,609	100%
OPERATING EXPENSES:												
Production	3,264,647	38%	70,882,750	82%	74,147,397	78%	3,837,279	39%	64,478,425	82%	68,315,704	77%
Transmission and distribution	3,381,659	40%	10,391,219	12%	13,772,878	14%	4,071,593	42%	9,139,518	12%	13,211,111	15%
Accounting and collection	1,252,523	15%	2,249,749	3%	3,502,272	4%	1,250,409	13%	2,193,873	3%	3,444,282	4%
Administrative and general	593,947	7%	3,273,009	4%	3,866,956	4%	621,860	6%	2,924,215	4%	3,546,075	4%
TOTAL OPERATING EXPENSES	8,492,776	100%	86,796,727	100%	95,289,503	100%	9,781,141	100%	78,736,031	100%	88,517,172	100%
OPERATING INCOME BEFORE PAYMENT-IN-LIEU-OF-TAX AND DEPRECIATION	6,695,782		21,431,269		28,127,051		4,333,391		22,244,046		26,577,437	
PAYMENT-IN-LIEU-OF-TAX	(2,342,768)		(8,799,484)		(11,142,252)		(2,189,601)		(7,818,988)		(10,008,589)	
DEPRECIATION	(2,330,728)		(7,705,125)		(10,035,853)		(2,306,090)		(7,157,615)		(9,463,705)	
OPERATING INCOME (LOSS)	2,022,286		4,926,660		6,948,946		(162,300)		7,267,443		7,105,143	
NON-OPERATING REVENUES (EXPENSES):												
Investment revenue	593,071		5,117,402		5,710,473		(79,379)		2,576,820		2,497,441	
Loss on the sale of fixed assets	(3,960)		(53,819)		(57,779)		(18,307)		(38,348)		(56,655)	
Miscellaneous revenue	148,682		1,139,511		1,288,193		143,717		1,452,805		1,596,522	
Revenue from other governments	0		8,312		8,312		0		9,043		9,043	
Interest expense	(2,216,558)		(3,633,859)		(5,850,417)		(1,742,597)		(3,704,521)		(5,447,118)	
Unrealized Gain (Loss) on Investments	0		0		0		0		0		0	
Miscellaneous expense	(41,495)		(62,488)		(103,983)		(32,068)		(61,576)		(93,644)	
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,520,260)		2,515,059		994,799		(1,728,634)		234,223		(1,494,411)	
INCOME (LOSS) BEFORE OPERATING TRANSFERS	502,026		7,441,719		7,943,745		(1,890,934)		7,501,666		5,610,732	
OPERATING TRANSFERS:												
Capital Contributions	0		0		0		86,661		0		86,661	
Operating transfers from other funds	0		0		0		0		0		0	
Operating transfers to other funds	0		(45,833)		(45,833)		0		(45,833)		(45,833)	
TOTAL CONTRIBUTIONS AND TRANSFERS	0		(45,833)		(45,833)		86,661		(45,833)		40,828	
NET INCOME (LOSS)	502,026		7,395,886		7,897,912		(1,804,273)		7,455,833		5,651,560	
RETAINED EARNINGS, BEGINNING OF PERIOD					172,660,356						166,953,199	
RETAINED EARNINGS, END OF PERIOD					\$180,458,268						\$172,604,759	

CITY OF COLUMBIA
WATER AND ELECTRIC UTILITY FUND
PRELIMINARY DRAFT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	2009						2008					
	Water	% of Total	Electric	% of Total	Combined	% of Total	Water	% of Total	Electric	% of Total	Combined	% of Total
OPERATING REVENUES:												
Water	\$15,366,698	97%	\$0	0%	\$15,366,698	12%	\$14,748,541	97%	\$0	0%	\$14,748,541	12%
Residential	0	0%	40,239,328	36%	40,239,328	32%	0	0%	38,675,208	36%	38,675,208	32%
Commercial and Industrial	0	0%	51,076,559	46%	51,076,559	40%	0	0%	50,794,471	48%	50,794,471	42%
Intragovernmental Sales	0	0%	812,276	1%	812,276	1%	0	0%	837,800	1%	837,800	1%
SL Lighting & traffic signs	0	0%	1,218,947	1%	1,218,947	1%	0	0%	1,158,676	1%	1,158,676	1%
Sales to public authorities	0	0%	7,899,621	7%	7,899,621	6%	0	0%	7,360,756	7%	7,360,756	6%
Sales for resale	0	0%	5,940,915	5%	5,940,915	5%	0	0%	2,593,675	2%	2,593,675	2%
Miscellaneous	437,843	3%	3,442,908	3%	3,880,751	3%	497,182	3%	4,943,530	5%	5,440,712	4%
TOTAL OPERATING REVENUES	15,804,541	100%	110,630,554	100%	126,435,095	100%	15,245,723	100%	106,364,116	100%	121,609,839	100%
OPERATING EXPENSES:												
Production	5,010,747	44%	71,445,583	82%	76,456,330	77%	3,745,490	38%	66,382,778	82%	70,128,268	77%
Transmission and distribution	4,421,848	39%	10,151,606	12%	14,573,254	15%	4,247,377	43%	9,120,759	11%	13,368,136	15%
Accounting and collection	1,367,645	12%	2,828,384	3%	4,196,029	4%	1,248,080	13%	2,351,000	3%	3,599,080	4%
Administrative and general	680,867	6%	3,187,546	4%	3,868,413	4%	728,630	7%	2,901,481	4%	3,628,111	4%
TOTAL OPERATING EXPENSES	11,480,907	100%	87,613,119	100%	99,094,026	100%	9,967,577	100%	80,756,018	100%	90,723,595	100%
OPERATING INCOME BEFORE PAYMENT-IN-LIEU-OF-TAX AND DEPRECIATION	4,323,634		23,017,435		27,341,069		5,278,146		25,608,098		30,886,244	
PAYMENT-IN-LIEU-OF-TAX	(2,475,739)		(9,005,702)		(11,481,441)		(2,412,657)		(8,802,977)		(11,215,634)	
DEPRECIATION	(2,516,706)		(7,833,938)		(10,350,644)		(2,402,463)		(7,204,064)		(9,606,527)	
OPERATING INCOME (LOSS)	(668,811)		6,177,795		5,508,984		463,026		9,601,057		10,064,083	
NON-OPERATING REVENUES (EXPENSES):												
Investment revenue	(50,819)		2,918,558		2,767,739		228,381		3,046,745		3,275,126	
Loss on the sale of fixed assets	(28,752)		(38,946)		(67,698)		(4,300)		(44,039)		(48,339)	
Miscellaneous revenue	181,949		1,518,866		1,700,815		145,368		3,378,898		3,524,266	
Revenue from other governments	0		9,043		9,043		0		17,645		17,645	
Interest expense	(1,900,878)		(4,040,012)		(5,940,890)		(2,005,701)		(3,616,033)		(5,621,734)	
Unrealized Gain (Loss) on Investments	166,919		1,345,385		1,512,304		(4,758)		464,208		459,450	
Miscellaneous expense	(35,041)		(66,481)		(101,522)		(38,374)		(59,398)		(97,772)	
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,666,622)		1,546,413		(120,209)		(1,679,384)		3,188,026		1,508,642	
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(2,335,433)		7,724,208		5,388,775		(1,216,358)		12,789,083		11,572,725	
OPERATING TRANSFERS:												
Capital Contributions	268,382		0		268,382		553,613		166,256		719,869	
Operating transfers from other funds	0		0		0		0		0		0	
Operating transfers to other funds	0		(50,000)		(50,000)		0		(46,625)		(46,625)	
TOTAL CONTRIBUTIONS AND TRANSFERS	268,382		(50,000)		218,382		553,613		119,631		673,244	
NET INCOME (LOSS)	(2,067,051)		7,674,208		5,607,157		(662,745)		12,908,714		12,245,969	
RETAINED EARNINGS, BEGINNING OF PERIOD					166,953,199						154,707,230	
RETAINED EARNINGS, END OF PERIOD					\$172,560,356						\$166,953,199	