DIRECTORS’ MEETING
MONDAY, JANUARY 23, 2006 - 11:00 A.M.
CONFERENCE ROOM 113

I. MAYOR

*1. NEWS RELEASE - RE: Mayor Presents Award Of Excellence For November -(See Release)

*2. Letter from Mayor Coleen Seng to Larry Hudkins, Chair, Lincoln/Lancaster County Public Building Commission - RE: ‘K’ Street Records Facility - (See Letter)

*3. NEWS RELEASE - RE: City’s 4TH Of July Celebration To Remain At Oak Lake -(See Release)

4. NEWS ADVISORY - RE: Mayor Seng’s Public Schedule Week of January 14 through 20, 2006 -Schedule subject to change -(See Advisory)

5. NEWS RELEASE - RE: Christmas Tree Recycling Ends Sunday -(See Release)

6. NEWS RELEASE - RE: Open House Planned On Stormwater Project - (See Release)

7. NEWS ADVISORY - RE: Mayor Seng will have a news conference at 9:00 a.m., 01/18/06 will discuss the plans for the 6th Annual Abraham Lincoln Celebration -(See Advisory)

8. NEWS RELEASE - RE: Wastewater Maintenance Workers Repair Leaking Manhole -(See Release)

9. NEWS RELEASE - RE: City’s 6th Annual Abraham Lincoln Celebration To Include Lincoln-Douglas Debate - (See Release)
II. DIRECTORS

PLANNING

*1. Memo & Material from Marvin Krout - RE: Proposed code amendments to be considered January 23, 2006 (Bill #06-5, Change of Zone #04066; Bill #06R-9, Miscellaneous #04015; and Bill #06-6, Miscellaneous #05007) (See Material)

2. Letter from Mike DeKalb to Jill Schuerman, Brian D. Carstens & Assoc. - RE: Stevens Creek Pointe 1st Addition Final Plat #05127-Generally located at 134th & Adams Street -(See Letter)

3. Letter from Joe Rexwinkle to Marsha Kinning, Brian D. Carstens & Assoc. - RE: Hartland’s View Pointe West 1st Addition Final Plat #05112 - Generally located at NW 56th & W. St. Paul Street - (See Letter)

4. Letter from Joe Rexwinkle to Karen Brouwer - RE: Country View Estates 3rd Addition Final Plat #05124 - Generally located at S. 53rd & Pony Hill Court - (See Letter)

5. E-Mail Response from Jean Walker to William Carver - RE: Do not support Change of Zone #05078 -(See E-Mail)

PUBLIC WORKS & UTILITIES

1. Memo & Material from Mike Brienzo, Transportation Planning - RE: 2030 Long Range Transportation Plan Update: Public Open House Responses - (Copy of this Material on file in the City Council Office)

URBAN DEV./HOUSING REHAB & REAL ESTATE DIVISION

*1. Interoffice Memo from Clinton W. Thomas - RE: 6th-7th, C-D Alley Vacation - Street & Alley Vacation #05009 North/South Alley, west of Lot 1, Kraus & Schmitts Subdivision -(See Memo)

III. CITY CLERK
IV. COUNCIL

A. COUNCIL REQUESTS/CORRESPONDENCE

JON CAMP

1. E-Mail from Nick Cusick, IMSCORP CEO sent to Jon Camp - RE: LES rate proposal -(See E-Mail)

ROBIN ESCHLIMAN

1. Request to Lynn Johnson, Parks & Recreation Director - RE: Center lanes being painted on bike trails (RFI#2 - 11/09/05)

PATTE NEWMAN


V. MISCELLANEOUS -

*1. E-Mail from Laura Bell - RE: Landscape Ordinance -(Council received copies of this E-Mail on 1/09/06 before Formal Council Meeting) (See E-Mail)

*2. E-Mail from Doug Rotthaus, REALTORS Association of Lincoln - RE: Proceed cautiously with flood standards -(Council received copies of this E-Mail on 1/09/06 before Formal Council Meeting) (See E-Mail)

*3. E-Mail from Janine Copple - RE: Floodplain Ordinance -(See E-Mail)

*4. E-Mail from Phil Harris - RE: Concerning the buffer zone around schools where sex offenders may reside -(See E-Mail)


*7. Letter from Richard Saffee, Site Leader, Lincoln Operations, Pfizer Global Manufacturing - RE: LES Power Cost Adjustment is an inappropriate and unfair mechanism for allocating price increases and costs -(See Letter)

8. E-Mail from Jane Raybould, B&R Stores, Inc. - RE: LES Proposed Rate Increase & PCA -(See E-Mail)

9. E-Mail on behalf of Kawasaki Motors Manufacturing Co. - RE: LES Rate increase - (See E-Mail)

10. E-Mail from Scott Sandquist - RE: Sex offender restrictions - (See E-Mail)

11. E-Mail from Julie Hankins - RE: The Smoking Ban - (See E-Mail)


15. Letter & Material from Lincoln Electric System - RE: 2006 LES Legislative Guidelines - (See Material)

VI. ADJOURNMENT

*HELD OVER FROM JANUARY 16, 2006.
DIRECTORS’ MEETING
MINUTES
MONDAY, JANUARY 23, 2006
CONFERENCE ROOM 113

Council Members Present: Ken Svoboda, Chair; Patte Newman, Vice-Chair; Jonathan Cook, Dan Marvin, Annette McRoy, Robin Eschliman, Jon Camp.

Others Present: Mayor Coleen Seng, Mark Bowen, Ann Harrell, Rick Hoppe, Lin Quenzer, Mayor’s Office; City Clerk Joan Ross, Deputy City Clerk Teresa Meier-Brock; Dana Roper, City Attorney; Directors and Department Heads; Tammy Grammer, City Council Staff; Deena Winter, Lincoln Journal Star Representative; Terry Bundy, Lincoln Electric System; and Colby Mach, LIBA.

I. MAYOR

Mayor Coleen Seng announced they received a nice plaque from the Cornhusker State Games, they appreciate the City’s help. They came by with Annette (McRoy) to visit.

The Public Works & Utilities Department received a little appreciation letter from Hubert Seng and it said not related.

She will be attending the U.S. Conference of Mayors from Wednesday through Friday and will be back on Saturday.

[Mayor Seng handed out material to Council] She has a letter for Council which she sent to the County Board in regards to a former County roadway. She asked the County Board to review the material so they can continue to talk about it and how they are going to move forward on this matter. She knows they had a brief discussion last week and they will keep working on it. [Copy of Material on file in the City Council Office] [See Attachment ‘A’-Letter]

[Mayor Seng handed out a letter to Council-RE: LES Proposed Rate Changes.] She has a letter for Council in regards to the Lincoln Electric System (LES) power cost adjustment which she is going to read and then Terry Bundy from LES is here and he has two pieces of material that he will hand out to Council. One is from the Bonding Agency and the other is from their Board. Mayor Seng read the letter to Council. [See Attachment ‘B’]
Terry Bundy from LES handed out material to Council regarding the Bond Rating and a letter from the LES Board. [Copy of material from Terry Bundy is on file in the City Council Office] Mayor Seng commented if Council wants to they can certainly ask Terry Bundy some questions or wait until they have read all the material. Mr. Bundy will be at the Council Meeting this afternoon. Mr. Marvin stated he made copies of the Amendment which he will pass out to Council. [Copy of amendment on file in the City Council Office]

Mr. Svoboda stated he would prefer to hold questions until the public hearing this afternoon as opposed to having that dialog here in a less structured place, it gives them at least the opportunity to review the material. But, if there’s anything quickly that they would like to ask Terry Bundy since he is here. Terry Bundy commented he thinks this is consistent with what the Mayor noted and the document is just a request from all of the members of the LES Board. That action be delayed two weeks so a total solution can be determined and as far as the Board is concerned any subject that the Council would like on the table is on the table. Mayor Seng noted she thinks it is important that the public knows there is going to be some amendments. Mr. Svoboda commented okay, they will discuss it at the Council meeting this afternoon.

Marvin Krout (Planning Director) stated regarding Items 5, 6, & 7 that’s on their Agenda this afternoon the request for delay, he would like to suggest that City Council have the public hearing today. Based on some discussions with developers over the last week there are some amendments they would like to bring back, so they suggest that Council have the hearing, take public comments and continue the hearing to four weeks from today. Also, they hope that Council will invite people from the development community who have mostly talked to each other rather than talk to us to contact us over the next four weeks, so that we can see if there are additional issues that we can work on together. We have been successful and have had the chance to sit down and talk to people about it and we would like to continue to meet with people if they’re willing. Mr. Cook noted four weeks would be President’s Day so maybe continue to February 27th which would be the night meeting. Mr. Svoboda commented okay. [See Formal Council Agenda of January 23rd for descriptions of Items 5, 6, & 7.]

[Lynn Johnson handed out a memo to Council regarding the response to Robin Eschliman’s RFI#2 about painted center lines on bike trails.] Lynn Johnson (Parks & Recreation Director) stated Robin (Eschliman) had submitted a Request For Information a couple months ago regarding painted center lines on trails. They responded to it verbally, but had not responded in writing and so this is the response to the cycle that they paint those lines on the trails and why they do it. [Copy of RFI#2 response on file in the City Council Office]
*1. NEWS RELEASE - RE: Mayor Presents Award Of Excellence For November. — NO COMMENTS

*2. Letter from Mayor Coleen Seng to Larry Hudkins, Chair, Lincoln/Lancaster County Public Building Commission - RE: ‘K’ Street Records Facility. — NO COMMENTS

*3. NEWS RELEASE - RE: City’s 4TH Of July Celebration To Remain At Oak Lake. — NO COMMENTS

4. NEWS ADVISORY - RE: Mayor Seng’s Public Schedule Week of January 14 through 20, 2006 -Schedule subject to change -(See Advisory). — NO COMMENTS

5. NEWS RELEASE - RE: Christmas Tree Recycling Ends Sunday. — NO COMMENTS

6. NEWS RELEASE - RE: Open House Planned On Stormwater Project. — NO COMMENTS

7. NEWS ADVISORY - RE: Mayor Seng will have a news conference at 9:00 a.m., 01/18/06 will discuss the plans for the 6th Annual Abraham Lincoln Celebration. — NO COMMENTS

8. NEWS RELEASE - RE: Wastewater Maintenance Workers Repair Leaking Manhole. — NO COMMENTS

9. NEWS RELEASE - RE: City’s 6th Annual Abraham Lincoln Celebration To Include Lincoln-Douglas Debate. — NO COMMENTS

II. DIRECTORS

PLANNING

*1. Memo & Material from Marvin Krout - RE: Proposed code amendments to be considered January 23, 2006 (Bill #06-5, Change of Zone #04066; Bill #06R-9, Miscellaneous #04015; and Bill #06-6, Miscellaneous #05007). — NO COMMENTS
2. Letter from Mike DeKalb to Jill Schuerman, Brian D. Carstens & Assoc. - RE: Stevens Creek Pointe 1st Addition Final Plat #05127-Generally located at 134th & Adams Street. — NO COMMENTS

3. Letter from Joe Rexwinkle to Marsha Kinning, Brian D. Carstens & Assoc. - RE: Hartland’s View Pointe West 1st Addition Final Plat #05112 - Generally located at NW 56th & W. St. Paul Street. — NO COMMENTS

4. Letter from Joe Rexwinkle to Karen Brouwer - RE: Country View Estates 3rd Addition Final Plat #05124 - Generally located at S. 53rd & Pony Hill Court. — NO COMMENTS

5. E-Mail Response from Jean Walker to William Carver - RE: Do not support Change of Zone #05078. — NO COMMENTS

PUBLIC WORKS & UTILITIES

1. Memo & Material from Mike Brienzo, Transportation Planning - RE: 2030 Long Range Transportation Plan Update: Public Open House Responses - (Copy of this Material on file in the City Council Office). — NO COMMENTS

URBAN DEV./HOUSING REHAB & REAL ESTATE DIVISION

*1. Interoffice Memo from Clinton W. Thomas - RE: 6th-7th, C-D Alley Vacation - Street & Alley Vacation #05009 North/South Alley, west of Lot 1, Kraus & Schmitts Subdivision. — NO COMMENTS

III. CITY CLERK

City Clerk Joan Ross stated on their Agenda for today, Items 2 & 3 will be called together. [#2, 06-3, Change of Zone 05042-Application of Ridge Development Company for a change of zone from O-3 Office Park District to B-2 Planned Neighborhood Business District on property generally located at S. 14th Street and Pine Lake Road.; and #3, 06R-8, Use Permit 89C-Application of Ridge Development Company to develop 183, 980 sq. ft. of retail, restaurant, bank and office uses, with adjustments to the required yard setbacks and to allow lots without frontage to a public street or private roadway, on property generally located at South 14th Street and Pine Lake Road.]
Items 5, 6, & 7 will be called together and they have permission to go ahead and call abbreviated descriptions. Mr. Marvin asked how do they provide notice? Mr. Svoboda stated he will make an announcement with the request from Planning to delay these items until February 27th, but they will still hold public hearing today and hold public hearing open until February 27th. Mr. Svoboda asked Marvin Krout if they want the amendments that were proposed introduced today for discussion or hold everything until the February 27th. Mr. Krout replied it’s probably simpler to hold everything until the end. Mr. Svoboda said okay, so the motion is to just extend the 2nd Reading. [See Formal Council Agenda of January 23rd for descriptions of these items.]

Items 9 & 10 under “Public Hearing - Resolutions” are both RTSD funding but are separate projects, can these items be called together or does Council prefer separate. Ms. McRoy responded she prefers separate because they are two totally different projects. Council agreed these items will be called separate. [#9, 06R-1, Approving the transfer of Railroad Transportation Safety District funding in its 2005-06 budget year, for the implementation process for the Antelope Valley Project-Phase 1, the “Amended Draft Single Package”; & #10, 06R-2 - Approving the transfer of Railroad Transportation Safety District funding in its 2005-06 budget year, for the Harris Overpass on “O” Street.]

For Items 11 & 12 under “Public Hearing-Resolutions” they have Substitute Resolutions which were in their packets. [#11, 06R-3/06R-3S, Accepting the donation of a sculpture, “Listen” from the Lincoln Haymarket Development Corporation, for placement on public property at the entrance to the Haymarket Pedestrian bridge on 8th Street.; and #12, 06R-5/06R-5S, Approving a Lincoln Electric System 4.5 percent increase in electric rates and implementation of a power cost adjustment, both to be effective with billing statements rendered on and after February 1, 2006.]

For Item 25 under “Ordinances-3rd Reading & Resolutions for Action” there is a Motion-To-Amend. [#25, 05-189, Street Vacation 05011 - Vacating the west east seven (7) feet of 23rd Street between Vine and U Streets.]
For Item 27, Council should have received in their packets a Motion-To-Amend. [#27, 05-165B - Change of Zone 05054B-Application of Prairie Home Builders for a change of zone from AG to R-5 PUD located north of Adams Street; and a change of zone from AG to B-2 PUD and O-3 PUD located north of Adams Street; and the requested approval of the Development Plan for the Prairie Village Center Planned Unit Development on property located generally at N. 84th & Adams Street.]

For Item 42, she handed out this morning a Substitute Resolution which they will bring up at the public hearing next week. Noting, they had some claims that were settled and taken care of. [#42, 06R-13 - Accepting the report of new and pending claims against the City and approving disposition of claims set forth for the period of January 1-15, 2006.]

City Clerk Joan Ross stated to Council that Teresa (Meier-Brock) will be taking the meeting today.

IV. COUNCIL

A. COUNCIL REQUESTS/CORRESPONDENCE

JON CAMP -

Mr. Camp stated he has another flyer for Mike Merwick (Building & Safety Director) from “Knickerbockers”.

Mr. Camp stated several of them on the Council were discussing some of the reports that the City Departments put out and held up one. Mr. Camp commented this one is from Lincoln Housing Authority which they received the other day, it’s a beautiful report, unfortunately, he assumes it’s very expensive. Several of them are composing a letter to send out that their position so far is that they would like to see economy by the City. Mr. Camp commented he would rather of seen this money go towards providing housing for a couple of families, so he would just like to publicly state that they sure appreciate (inaudible) by City Departments.

1. E-Mail from Nick Cusick, IMSCORP CEO sent to Jon Camp - RE: LES rate proposal. — NO COMMENTS
1. Request to Lynn Johnson, Parks & Recreation Director - RE: Center lanes being painted on bike trails (RFI#2 - 11/09/05). — [Lynn Johnson handed out to Council earlier the response to this RFI#2.] (See that discussion)

Ms. McRoy asked Public Works if someone could take a look at the City bus stop across from Matt Talbot Kitchen because there is no street light? They have had some complaints regarding the bus in the evening which is going towards West “O” Street that they zip right by them because they cannot see the people standing there. So, a few people have been stranded downtown or in that area that need to go to the City Mission. Noting, it is around 5:15 p.m./5:30 p.m. when it’s getting dark and the bus drivers are almost done for the day. So, maybe they can think about putting a light or something telling the drivers to slow down and take a look. Karl Fredrickson stated they will look into it. Ms. McRoy commented okay, you can get back to her and she will handle it from there.

Ms. Newman stated she has a question about Pawn Shops, someone’s medallion was stolen and he had to buy it back at the Pawn Shop. What is the law on that? Police Chief Casady stated that’s the State law, a purchaser in good faith is the lawful owner of property even though it was originally stolen. Ms. Newman commented she thought they required a list. Is there a monetary breaking point that they ask them for a list of things that come in? Chief Casady replied they get a pawn slip by law on every item the Pawn Shop takes in, either on pawn or is a direct sale, they have to provide us within 24 hours with a record of their transaction. Ms. Newman questioned if the medallion was recorded stolen do you match those up. Chief Casady stated the computer matches everything that it can. The problem is that there are hundreds of thousands of items pawned, so we have to rely on computer processing to do that and for that you need a model number, serial number, something along those lines. We do provide the ability for pawn brokers to look up all of our stolen property within the past 120 days, but they are not required by law to do it.
1. Request to Marc Wullschleger & Wynn Hjermstad, Urban Development/ Marvin Krout & Ed Zimmer, Planning Department - RE: Triplets-serious concerns over the future of Whittier School (RFI#37 - 11/23/05). — 1.) SEE RESPONSE FROM MARC WULLSCHLEGER, URBAN DEVELOPMENT DIRECTOR RECEIVED ON RFI#37 - 12/05/05. — NO COMMENTS

KEN SVOBODA - NO COMMENTS

V. MISCELLANEOUS -

*1. E-Mail from Laura Bell - RE: Landscape Ordinance -(Council received copies of this E-Mail on 1/09/06 before Formal Council Meeting). — NO COMMENTS

*2. E-Mail from Doug Rotthaus, REALTORS Association of Lincoln - RE: Proceed cautiously with flood standards -(Council received copies of this E-Mail on 1/09/06 before Formal Council Meeting). — NO COMMENTS

*3. E-Mail from Janine Copple - RE: Floodplain Ordinance. — NO COMMENTS

*4. E-Mail from Phil Harris - RE: Concerning the buffer zone around schools where sex offenders may reside. — NO COMMENTS

*5. E-Mail from Aaron Brown - RE: Wal-Mart. — NO COMMENTS


*7. Letter from Richard Saffee, Site Leader, Lincoln Operations, Pfizer Global Manufacturing - RE: LES Power Cost Adjustment is an inappropriate and unfair mechanism for allocating price increases and costs. — NO COMMENTS
8. E-Mail from Jane Raybould, B&R Stores, Inc. - RE: LES Proposed Rate Increase & PCA. — NO COMMENTS

9. E-Mail on behalf of Kawasaki Motors Manufacturing Co. - RE: LES Rate increase. — NO COMMENTS

10. E-Mail from Scott Sandquist - RE: Sex offender restrictions. — NO COMMENTS

11. E-Mail from Julie Hankins - RE: The Smoking Ban. — NO COMMENTS


AD D E N D U M - (JANUARY 23RD)

I. MAYOR

1. NEWS ADVISORY - RE: Mayor Seng’s Public Schedule Week of January 21 through 27, 2006 -Schedule subject to change - (See Advisory). — NO COMMENTS

2. NEWS RELEASE - RE: Christmas Tree Mulch Now Available. — NO COMMENTS

3. NEWS RELEASE - RE: New Projects Announced For “Lincoln Cares”-TierOne Bank Foundation, World’s Foremost Bank to match contributions for 4th consecutive year. — NO COMMENTS

4. Letter & Material from Mayor Coleen Seng to Attorney General Jon Bruning - RE: The price of gasoline in Lincoln. — NO COMMENTS

-9-
II. CITY CLERK - NONE

III. CORRESPONDENCE

A. COUNCIL REQUESTS/CORRESPONDENCE

JON CAMP

1. E-Mail from Jon Camp to Mayor Seng and Members of the Lincoln City Council - RE: ‘K’ Street Facility. — NO COMMENTS

2. E-Mail from Jon Camp to Wynn Hjermstad, Urban Development Department - RE: University Place Redevelopment. — NO COMMENTS

B. DIRECTORS AND DEPARTMENT HEADS

PLANNING

1. Letter from Jean Walker to Jon Camp - RE: Change of Zone #05078 (Text amendment relating to Theater Policy). — NO COMMENTS

C. MISCELLANEOUS

1. E-Mail from Douglas Rotthaus, REALTORS Association of Lincoln - RE: Opposed to Proposed Landscape Design Standard. — NO COMMENTS

2. E-Mail from Lynn Darling - RE: New streetscaping. — NO COMMENTS

3. E-Mail from Richard Sutton, Ph.D., Registered Landscape Architect - RE: Landscape Ordinance Revisions. — NO COMMENTS

4. E-Mail from Jodi Delozier - RE: Deny the LES raise increase/surcharge. — NO COMMENTS

5. E-Mail from Tadd Delozier - RE: Against the LES rate hike. — NO COMMENTS

[End of Addendum]

VI. MEETING ADJOURNED - Approximately at 11:34 a.m.

*HELD OVER FROM JANUARY 16, 2006.
January 9, 2006

Lancaster County Commissioners
County-City Building
Lincoln, Nebraska 68508

Dear Commissioners:

As you know, the City has been researching revenue that finances street construction to expand the community infrastructure to encourage job creating growth. As we have discussed ways to finance street construction I have always preferred to use existing authority to the greatest extent possible.

Late this fall, in talking with other communities, City Finance Department research uncovered a change made by the Lancaster County Commissioners in 1996 regarding the ability of the County to levy a tax specifically collected for road improvements.

State law 39-1904 which allows a County to levy a road tax says “One-half of such tax collected within cities or villages, when collected, shall be paid to the cities or villages within the county where levied to be used for the construction, improvement, or maintenance of municipal streets and alleys; and the remaining portion of the such tax, when collected, shall be placed in the county road fund...” Even though this state law required the County share the road tax, City of Lincoln records show that the County never shared the revenue with the City.

According to research by the City Finance Department, until 1996 Lancaster County relied on authority under state law 77-1605.01 to not share the road tax revenue. State law 77-1605.01 gave the County the authority to levy a tax for road purposes independently or in cooperation with the government subdivisions in the County. This state law apparently served as the basis for Lancaster County to levy a tax and not share one-half of the revenue as required by State law 39-1904.

In 1996 the State Legislature repealed state law 77-1605.01 and eliminated the authority the County had used to.not share road tax revenue with the city and villages required under state law 39-1904. Starting in 1996, the County record shows that the County Commissioners voted to eliminate the “county road tax”, but did not reduce the County levy. Instead the County rolled the separate road tax levy into the County general fund levy. This change appears to have been an intentional action to avoid sharing the road tax revenue with Lincoln and the other cities and villages in Lancaster County. The Finance Department can trace that the County now transfers what appears to be an amount comparable to the former road tax levy from the County General Fund into the County “Bridge and Road Fund” for use only by the county.

In effect the County continues to levy the road tax, but does so in a manner to avoid sharing revenue with the municipalities in the county from which most of it is collected. In our review of the state laws governing County budgeting, we do not find that the County had the authority to roll the separate road tax levy into their general fund levy. Based on the information I have it appears the County should separate the previous “road tax” from the County general fund levy and begin sharing the revenue with the municipalities from which it is collected as required under State law 39-1904.

Please review the attached materials and let me know how the Commission would like to proceed to resolve this matter.

Sincerely,

Coleen Seng
Mayor of Lincoln

cc attachments
January 23, 2006
TO – City Council
FROM – Mayor Coleen J. Seng
RE – LES Proposed Rate Changes

As you know, during the holidays I worked with LES to add more accountability and annual reviews to the LES Board’s request for a power cost adjustment (PCA). At that time, local employers expressed concern about the process by which the City ultimately would put an end to what could have been an indefinite PCA. I wanted more accountability and annual action on the PCA proposal. At my request, those elements were added to the proposed PCA resolution.

For the past few weeks, my staff and I have had an ongoing dialogue with both LES and the business coalition opposing the PCA. I am speaking on this topic again today because I am concerned about the potentially negative impact the PCA proposal could have on Lincoln jobs.

Last summer, the City Council approved new rates for LES that affected all electricity consumers. While I also am concerned about the overall impact of higher rates on residential users, I also recognize that large electrical users absorbed a higher rate increase (12%) last summer than did other users.

In my view, the PCA proposal still needs more work. It is ready for public hearing, but it is not ready for the City Council to vote. I do not support the PCA proposed for large business users. If it is passed by the City Council, I will veto it. Councilman Dan Marvin has agreed to introduce the amendment to remove the PCA and delay action for two weeks.

I have instructed LES officials to identify and enact as many cost-cutting measures as possible to reduce the need for additional revenue. I also have asked that alternative revenues from fees and other charges be explored to help address this LES budget issue. All alternative revenue possibilities must be on the table in our efforts to find an alternative to the current PCA proposal.

However, LES has indicated that even with new savings and alternative revenues, a rate increase of at least 4.5 percent will be needed to close the financial gap.

While my greatest concern in reviewing the LES proposals has been the impact it would have on jobs. I also remain concerned about the overall impact of higher rates on residential users. The final adjustments need to balance the impact on the overall community.

LES already is working to cut costs. In addition, Councilman Marvin and I have discussed a package of amendments that he will offer to strike the PCA for business users and replace it with changes in service and fee charges that have not kept pace with other utilities. These changes can generate new revenue to help eliminate the estimated shortfall. According to initial estimates from LES, updating the connection fee alone could generate more than $1 million annually in new revenue.

In the interest of time, it is important that this matter not be sent back to the LES Board, but instead be finalized at the City Council level. Therefore, it would be best for the Council to go ahead and conduct the public hearing today. I also encourage you to support Councilman Marvin’s amendments.

While the amendments should be introduced today, the amendments do not need Council action today. The introduction itself sends the message that an alternative is being prepared, but is not yet complete. It will take the rest of this week to complete the estimates and determine the final combination of cuts, fee changes and adjusted rates required to resolve this matter. My office will coordinate this effort.

I suggest the Council schedule this for action in two weeks on February 6. At that time, a complete solution should be available that will meet our needs and not leave the bond markets doubting how the LES financial issue will be resolved.