

Council Work Session/Retreat
Centralia City Hall, Council Chambers
Saturday, January 21, 2017
10:00 am
Proposed Agenda

- I. General Discussion Items
 - A. Survey Results Report
 - B. Comprehensive Plan Review
 - C. Protective Inspection City v./County
 - D. Salary & Benefit Review
 - E. Cash v. Accrual Based Accounting.

- II. FY2018 (April 1 2017 – March 31, 2018)
 - A. Street Overlay
 - B. FY 2018 Capital Budget Overview
 - C. Revenues
 - D. Expenses

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- III. Follow up

From: Matt Harline, City Administrator
To: Board of Aldermen
Date: January 20, 2017
Re: Retreat Memo



Item IA Survey Results Report

The Board received the results from the last survey in the packet last Monday.

Recommendations:

- 1) Planning.
 - a) Complete the Comprehensive Plan.
 - b) Adopt an update to the Transportation Plan including a future street projects and;
 - c) A sidewalk plan once the.
- 2) Sidewalk maintenance.
 - a) Complete the engineering RFQ process and proceed with sidewalk improvements.
 - b) Develop a bid packet for sidewalks in town.
 - c) Set aside money for specific sidewalk repair and gap filling as well as cooperative sidewalk assistance projects.
 - d) Adopt a policy for fixing sidewalks in major pedestrian corridors and filling gaps in subdivisions where we don't have property owner cooperation.
- 3) Blighted buildings.
 - a) Continue to give small incentives to property owners of derelict houses to demolish them.
 - b) Apply for the CDBG Demolition Grant for commercial buildings if possible.
 - c) Set a goal of four houses per year demolished or remodeled that are identified as dangerous.
- 4) Appearance.
 - a) Review trash and debris abatement procedures and step up enforcement of these cases.
 - b) Streamline weed abatement cases, review process for potential delays.
 - c) Improve our public relations efforts. We demolished 8 houses this year.

Item IB. Comprehensive Plan Review

- Survey and draft plan is in process.
- Send out survey February
- Review Meetings in March
- Hearings and adopt Plan in March/April.

Permit No.	Address / Description	On Dangerous Building List?	Took Assistance?	Name of Applicant	Status
D-16-10	622 N. Allen At.	No	No	Harmon	Demolished
D-16-09	208 E. Railroad	yes	No	Richard West -> New Beginnings Church	Demolished
D-16-08	220 W. Barnes St.	No	yes	JC2 LLC	Completed
D-16-07	520 W. HWY 22	No	No	Cissell Mueller Const.	Completed Commercial
D-16-06	424 N. Hickman	yes	yes	Asbury	Completed
D-16-05	320 S. Walnut	No	No	Lonnie Nichols	Completed
D-16-04	207 S. Columbia	yes	yes	Whitehead	Completed
D-16-03	424 Fullenweider	No	yes	Don Torreyson	Completed
D-16-02	320 W. Sneed	yes	yes	Don Torreyson	Completed
D-16-01	329 N. Rollins	yes	yes	Deborah & Phillip Crump and Bettie Jo Donaldson	Completed

Item IC. Protective Inspection City v./County

If the Board wishes to move forward with a rental inspection program, we would be required to hire our own inspector, as the County does not have a rental inspection program and would not offer the service. Based on 2010 US Census Data we have 522 rental units occupied. If we required an inspection every time a unit became vacant, (possibly with a rule that a unit did not have to be re-inspected more than once per year) and required an inspection at least once every five years, we would have between 105 and 522 inspections per year. At 200 inspections per year (about one per working day) if we charge \$50 for an inspection and \$25 for a re-inspection with 20% needing a re-inspection we would generate \$11,000 per year. If the same inspector did building inspections and we charged the same as the County we could generate up to an additional \$28,000 per year. If we remove commercial inspections the revenues would drop to \$21,000 (estimated) per year.

Year	Income	Contract/Cost	Net
FY-2013	\$ 13,269	\$ 15,930	\$ (2,661)
FY-2014	\$ 33,324	\$ 33,759	\$ (435)
FY-2015	\$ 24,459	\$ 22,209	\$ 2,250
FY-2016	\$ 29,182	\$ 39,579	\$ (10,397)
FY2017e	\$ 39,939	\$ 36,493	\$ 3,446
City program	\$ 32,000	\$ 85,000	\$ (53,000)
	\$ 28,034	\$ 29,594	\$ (1,560)

The County pays an inspector between \$36,649 and \$54,953 per year (not including benefits). If we hired an inspector at \$35,000 /year with benefits and overtime our costs would be \$55,300 plus a truck and other expenses, plus \$7,000 to contract for commercial inspections puts the cost at around \$80,000 to \$85,000 per year.

Some of that could be recovered by better collection on fees, charging fees for fence permits, but it would require a substantial investment from the already tight General Fund. Training the inspector to read plans and enforce commercial building permits would cut that by \$7,000 (estimated) per year.

Staff recommendation: Continue to investigate the possibilities and look for offsetting revenue sources to bring this activity in house. The time removed from the City Administrator's daily chores, and possibly some from the City Clerk's staff would be enormous. In addition this position would likely become responsible for dangerous building inspection and abatement duties in cooperation with the Code Enforcement Officer, Sandy Buck.

Item ID. Salary & Benefit Review

Is it time to do a new salary survey – Intern.

- 40% of the Electric Department left in 2016 and pay was one of the contributing factors in both cases.
- Salary survey data exists from MRWA and MPUA as well as other cities. With the existing data we could develop an reasonably good study at minimal cost.

Item IE. Cash v. Accrual Based Accounting

My questions and comments are in black and the responses from Amanda Schultz of Williams Keepers are in red.

I am planning to address the Board of Alderman about the type of accounting protocol we want to pursue in the future. For that reason I'd like to review the discussion points for full accrual versus cash basis accounting as my limited mind understands them. My recollection is that you recommend we do one or the other because our current procedure requires a tremendous end of the year effort, to give us one day of a full accrual view a year. Our options are to:

1. Do nothing and continue to do a lot of work for one good look at the organization's finances each year. This is where we're at right now. The City's management and Board of Aldermen are used to seeing essentially cash basis financials during the year, and accrual basis financials only once a year as a result of the audit. The cash basis financials are significantly different than the accrual basis financials, so it takes a lot of work to get there. We're fine continuing to do this, we just want to make sure that's what management and the Board of Aldermen want...
2. Adopt full-accrual accounting. This means we do more work all year, and an overall greater workload, but a slight reduction in work at the year end. This would also allow us to take full advantage of having the new chart of accounts to get a monthly update on purchases made and cleared and much clearer picture of the overall financial health of the organization, albeit stretching an already busy staff. In fact it would almost certainly require additional staff. Have you already setup the new chart of accounts? If so, and if your system allows for full accrual accounting, this is certainly a possibility but it will also be a significant amount of work – the individuals who will be involved in the accounting will likely need some upfront training, it could add quite a bit of time to the City's month-end process, etc.
3. Adopt cash-based accounting. This would see an overall reduction in the workload, especially at the end of the year. In exchange, we get a less rigorous view of the organizations financial health and status, but with a thorough review of accounts payable and receivable at the end of the year we could reduce this blind spot. Yes, the main "pro" of adopting the cash basis is its simplicity; however, the main "con" is also its simplicity – the City will no longer have a complete/longer term view of its financial health and status (but as I mentioned above,

management and the Board of Aldermen are used to seeing essentially cash basis financials during the year right now).

As far as you are aware, do we owe an accrual based view to any Federal or State agencies for debt, grants or any other reason? **Not that I'm aware – however, you should review your agreements to be sure.** Would a cash-based financial statement reduce our ability to get grants or secure debt in the future? **Not that I am aware – we have other municipal audit clients that use the cash/modified cash basis that still have grants/debt.**

I also spoke with Mike Watson at Central Bank of Boone County and Todd Goffoy from Piper-Jaffray. Goffoy indicated that there could possibly be some effect, but the best answer would come from our lenders. Watson said it wouldn't make any difference in his opinion.

Staff recommendation: Investigate the switch to a cash basis with the intent to implement it as soon as possible.

IIA. Street Overlay

Street	Segment	Width	Length	Depth in Inches	Estimated Tons of Asphalt	Road Condition	Estimates	2016 (FY2017)	2017	2018
Safe Routes to Schools (Jefferson St.)		sidewalk project.						145,000.00		
Gano Chance	Jefferson-RR tracks	22	2662	2	893.281	5	69,675.93	69,675.93		
Jefferson Street (Cox to S term) overlay		32	1698	1.5	621.593	5	48,484.28	49,453.97		
Barr St. (RR tracks to Bruton)		28	1774	1.5	568.238	3	44,322.57	45,209.02		
Howard Burton	RR tracks to Switzler	50	851	1.5	486.764	3	37,967.58	37,967.58		
Howard Burton	Booth-north RR tracks	20	1740	1.5	398.105	4	31,052.21	31,052.21		
Mayes Meadow		24	1138	1.5	312.444	1	48,741.26		48,741.26	
Eastmont Dr	Bryson-Gano Chance	27	614	2	252.865	4	19,723.51		20,117.98	
West Wind Dr	Bryson-Gano Chance	28	627	2	267.783	5	20,887.07		21,304.82	
Bryson Dr	West Wind-100' e Brian	23	395	2	138.574	2	10,808.79		11,024.96	
Briarwood Ln	Bryson-Gano Chance	27	206.67	2	85.112	2	6,638.75		6,771.52	
Southwest (Allen - cul-desac)		21	725	2	232.228	3	18,113.79		18,476.07	
Bryson dr	100" e Briarwood-Eastrn	26	156	2	61.866	3	4,825.59		4,922.10	
Meadowlark		27	193	1.5	59.613	3	9,299.60		9,299.60	
Sunrise Circle		18	845	1.5	173.999	4	13,571.96		38,564.92	
Poage St.	(Lee to Jefferson)	27	1300	1.5	401.537	2	31,319.90			31,319.90
Central Street	Gano Ch - cul-de-sac	29	738	2	326.446	3	42,462.81			42,462.81
Locust (Central - Pool)		18	1310	1.5	269.751	3	42,081.10			42,922.72
Adams (R. Griff. to Bruton)		18	1920	1.5	395.360	6	30,838.06			31,454.82
Reed St	Whitman-Rodney Griffin	24	608	2.5	278.216	7	21,700.86			22,134.87
Bruton St	Allen -Jenkins	21	1012	2	324.158	5	25,284.35			25,537.20
Stone St	Switzer-Poage	16	283	3	103.599	4	8,080.71			8,737.45
Barnes (Barr to Columbia)		21	300	2	96.094	3	7,495.36			
Widen Jenkins (200 block)		40	240	1.5	109.822	5	8,566.13			
Columbia (COLT to Barnes)		22	440	1.5	110.737	6	8,637.51			
S. Allen (Lakeview south)		20	2400	1.5	549.111	6	62,830.64			
Downtown Streets, cubrs and Sidewalks		40	1282	3	1173.267	5	91,514.79			
S. Columbia (Countryland to Gano)		22	707	3	355.870	2	27,757.82			
Hickman (100 N, part)		28	176	3	112.751	5	8,794.56			
Jefferson Street (Cox to S term) rebuild		32	1698	4	1657.582	6	258,582.83			
Randolph St	Remington to Rowland	36	1412	6	2326.033	3	296,520.00			
Ivy Lane (#619 - Orchard)		21	632	4	404.878	3	63,160.91			
Allen (RR tracks - Singleton)		47	484	2	346.977	4	54,128.41			
Southland extension		18	75	2	20.592		3,212.30			
Campbell Street Construction		28	652	3	417.690	3	67,614.81			
*Rollins (Lakeview to Sims rebuild)		30	640	4	585.718		45,686.01			
					15,403.38		\$ 1,628,192	\$ 378,359	\$ 179,223	\$ 206,588
Tons							2967.98	1584.49	2099.07	

The Mayor Requested that we review the street overlay program.

**ADDITIONAL INFORMATION WILL HANDED OUT AT THE MEETING
FOR BUDGET ITEMS**