

## **Minutes of the Public Works and Public Utilities Committee for Monday, February 6, 2012.**

The meeting was called to order by Alderman Simmons at 7:00 p.m. Present were Mayor Grenke, Aldermen Bormann, Orsini, and Angell. Also attending were Lynn Behrns, Phil Hoffman, Mark Mustain, Police Chief Larry Dudgeon, Evelyn Robertson, Landon Magley, Darryl Spauldin, and James Smith.

Those present participated in the Pledge of Allegiance.

### Comments from Citizens

Evelyn Robertson of 221 Sunset inquired about the status of the street sweeper. She was told that a replacement sweeper was recently purchased. It was a used machine in good condition. A vacuum hose had been added to allow cleaning of storm sewer inlets. The old sweeper was almost unusable and would likely be sold later in the meeting. Robertson wanted to be sure that the City would be able to use the machine to clean debris from the gutters and inlets—especially cigarette butts. She said that she supports CREDI and the Chamber and wants to do everything possible to present an appealing appearance to downtown and the entire City. She asked that the City look at ways to get people to be more aware of litter and encourage them to use receptacles for disposal. She also suggested signs around the square as reminders.

Orsini suggested that a Chamber representative might make a personal visit when making the economic development report for the next General Government and Public Safety Committee meeting.

### Electric Department

Committee reviewed the activity report and future work schedule for the Electric Department.

Mustain said that his department is gathering bids for wire and materials for burying the lines along the Miles Street ditch project and some other work. A tabulation will be available for approval at the February Board meeting.

Behrns detailed the latest information about wholesale power supplies. The first unit of the Prairie State Energy Campus was on line and going commercial mid-February. The second unit should be on line in May. Centralia has a one megawatt share in each unit. The invoices from each will be appearing on the list of bills over \$1,250.00. Since the City takes all-requirements power under its present contract with Ameren Energy Marketing, the power from Prairie State is being sold into the MISO market. The market rate is extremely low for the moment. Receipts for this sale cover the incremental costs of generation, but not all of the debt service costs for construction. This may change in the summer months; but for the first year, the total cost for the Prairie State power will be higher than the AEM contract. The blended cost will still be lower than what the City has been paying under the contract which just ended; and the Electric Fund should henceforth be showing an operating “profit” sufficient to pay for several large items described in the preliminary budget. The low market rates may continue for some time, but not indefinitely. Eventually, the rates should get closer to or exceed the AEM base price. The City and its three municipal partners are pursuing a chance to lock in the low costs for the years 2015 and 2016. Staff feels that the market rate will be higher before that time, but much depends on federal regulation. (Prairie State is a modern design that will be immune to most projected regulatory standards, except for an outright carbon tax.)

### Water and Sewer Department

Committee reviewed the activity report and future work schedule for the Water and Sewer Department. Forsee described work done on one frozen meter and the circumstances of replacing a fire hydrant. Preparation is proceeding for the installation of the remainder of the SCADA system for the water wells and towers. Forsee will need to replace at least one water meter which has been at the treatment plant for more than twenty-five years. Because of its size, the new meter will cost more than \$3,000.

#### Streets and Sanitation

Committee reviewed the activity report and future work schedule for the Street and Sanitation Departments.

Hoffman presented a tabulation of bids for sale of the old street sweeper. Highest bid was from Gary Ahrens at \$713.00. Orsini moved to sell the sweeper to Ahrens for the bid price. Bormann seconded the motion. On roll-call vote, all members present voted in favor. No members voted against or abstained. Behrns will prepare a bill of sale.

Behrns noted that a deposit made for fire truck. 5% this year and the remaining cost in the next fiscal year (about May or June). The total price would be \$95,000, but Fire Chief Rusch reports that several potential upgrades will not be necessary. This should leave enough slack in the present General Fund budget to allow finally ordering the replacement dump truck. That projected cost would be \$88,860, piggybacking off the MoDOT bid. The truck would not be delivered until the next fiscal year, but the cost would be an encumbrance against this year's budget. Behrns is working on another pass of the next budget. If the numbers remains constant, the truck purchase should be on the February regular Board agenda. One of the present Street Department dump trucks will go to the Water Department, which will then sell its worst truck. The sale proceeds will go back to the General Fund.

Hoffman presented traffic counts and pedestrian counts for intersection of Jefferson and Sims. Automobile traffic averaged over 4,000 trips per day. The hours at the start and finish of the school day were particularly heavy. Pedestrian traffic was less than 20 crossings per day, but the count grew as weather improved. Committee discussed the issue for some time. It looked at the possibility of moving the signs to Booth Street or Head Street. Behrns was instructed to get counts for side-street traffic on these streets and Sims Street. Behrns noted that drivers will required some time to acclimate to any change. Hoffman said that traffic to east will rise during the summer. Angell thought that summer would be a good time to implement any change. Orsini checked some internet resources and calculated that (at current prices) as much as \$1,250/day of gasoline was added to drivers' use because of the stop. Angell noted that traffic functioned well with no stop signs on Jefferson between the railroads and Highway 22. Others said that the present pattern of signs was paralleled on S. Allen. The topic will be considered again when Hoffman has the additional counts.

Participants identified for each of the five recognition signs for the Softball Championship Team. A contract should be available soon for approval. The actual cost to the City will be \$520.

Hoffman and Behrns recommended that the City set April 15-22 as Cleanup Week. This is the week after Easter.

Hoffman reported that his department had collected 42,710 pounds of recyclable materials in 2011. This includes 36 dump truck loads of plastic and 45 bails of cardboard.

Hoffman distributed a letter from the Centralia Special Road District. The District suggests that the

City not sell the paving machine, but instead allow it to be stored by the District, which would then share in maintenance costs. The District has patch work which could make use of the paver, and its employees are experienced. They and the City's crew could then be able to work on small projects on City streets without having to rent and haul a roller. Committee thought this was a good idea. Behrns will work with the District on a written contract to bring back to the Board.

Hoffman will be repairing and replacing several weed eaters, but the expense should stay under \$1,250.

#### Other

Behrns presented more refined summaries of the public utilities budgets. The general fund budget is not yet presentable.

The Sanitation Fund budget incorporates the rate increase from December. It estimates revenue of \$399,355 and operating expenses of \$390,636. A reserve of \$102,212 is maintained to cover the City's post-closure obligations on the landfills. Some repairs are necessary on the recycling trailer, and the remaining surplus will be added to the fund balance for replacement of a trash truck in about three years.

The preliminary budget for the Water Fund has estimated revenues of \$553,900 and operating expenses of \$435,908. Behrns proposes a \$30,000 transfer to the General Fund, the purchase of a replacement pickup truck, and replacement of one of the doors on the water treatment plant. \$100,000 will be maintained as a plant repair/replacement reserve. The reserve accumulated for repair/replacement on Well No. 6 will likely be used. The reserves for Wells No. 3 and 4 will be increased to a total of \$25,000. This would leave about \$59,000 for materials and equipment use costs for addition and replacement of water mains under the Supervised Construction Plan. (This is far more than the Water Department is likely to be able to install.) No increase is proposed for the water rates.

The preliminary budget for the Sewer Fund has estimated operating expenditures of \$170,807. Behrns recommends \$35,000 be available for slip lining more sewer mains, \$12,000 is shown for upgrading one of the irrigation pumps at Bob Benoit's storage pond. This is a low-cost method of increasing his capacity to use effluent water. The price is from an estimate from the vendor who has been performing pivot upgrades, but some of the work will be done by City staff. The treatment plant replacement reserve is increased by the amount set by ordinance. To accomplish this, Behrns is recommending a rate increase of 7% on sewer charges—or 64 cents per month for the average residential user of 5,000 gallons of water. This will realize about an additional \$14,000 for the Sewer Fund. Angell questioned the adequacy of the increase. He asked about the total cash need for slip lining. Forsee said that the cost for the old area between Allen and Jefferson, and between Sneed and Sims, could be more than \$500,000. Thus, \$35,000 per year would take a long time to show results. [Later, Forsee reviewed his calculation and amended the estimated cost to be closer to \$150,000.] An ordinance to raise the sewer rates effective April 1 will be on the next Board agenda.

The preliminary budget for the Electric Fund has estimated revenue of \$3,282,258 and estimated operating expenses of \$3,032,279. Behrns is not proposing any changes in electric rates. Because of the new arrangements for purchasing wholesale power, as discussed at the first of the meeting, Behrns has used a worst-case estimate for power costs and projects only moderate weather next year. The Fund still more than breaks even for operations. Behrns shows \$152,078 to be allocated to debt

service for the second substation. Transfers to the General Fund are raised to \$80,000. A second installment will be made on the new fund accounting software. The portable chipper is very old, and \$35,000 will be needed to replace it. Behrns would like to use about \$78,000 for acquisition of a GIS system to the benefit of all City departments, including the Police. This would still leave a depreciation reserve of \$693,015 and an unencumbered balance of \$468,128. Should the market for resale of Prairie State power be any greater; the unencumbered balance should be greater, but it is highly unlikely to be less.

Behrns noted that the last payment will be made in April on the lease-purchase of the Lakeview Street/Columbia Street improvements. Thereafter, a bit more than \$100,000 should be available in the Transportation Sales Tax Fund. Behrns will be sending out an RFP for engineering work on improving a portion of Switzler Street and all of Jefferson Street between the railroad tracks. This should not exceed \$30,000. He would like to hold back \$15,000 for replacement or repair of several blocks of sidewalk to further ADA objectives. The remaining work from this fund would be proposed overlays on Southgate Street (as a detour for Hubbell traffic), North Rollins (used heavily by seniors), and North Hickman (to further access to and the value of the empty MoDOT shop).

#### As May Arise

Dudgeon said that Representative Quinn says that the rumble warning strips on Highway 124 and Highway 151 should soon be replaced. He also noted that the Joint Dispatch radio equipment was fully installed and his dispatchers were trained on its use.

The Committee adjourned at about 8:45 p.m.