

Minutes of the Public Works and Public Utilities Committee for Monday, April 2, 2012.

The meeting was called to order by Alderman Simmons at 7:25 p.m. Present were Mayor Grenke, Aldermen Bormann, Orsini, Sanders, Wilkins, and Angell. Also attending were Lynn Behrns, Phil Hoffman, Mark Mustain, Police Chief Larry Dudgeon, Don Bobbitt, Adam Stites, Landon Magley, Darryl Spauldin, Pat Ward, and James Smith.

Electric Department

Committee reviewed the activity report and future work schedule for the Electric Department. Sanders asked Mustain if he had inspected an apparent problem downtown behind a building owned by Newton Davis, Jr. Mustain answered that roof gutters were indeed deteriorated and poured water onto a bank of three meters. The equipment was waterproofed and probably not in jeopardy, but the water does drain toward adjacent business. Behrns said that he was in the process of preparing a dangerous structure notice for the property.

Behrns updated the Committee on the status of future wholesale power purchases. One vender has withdrawn because of questions from its state regulator. The City's consultants are examining contracts of four others and waiting for "refreshes" on their quotes. Timing is critical, since rates are not guaranteed for more than one or two days. Behrns anticipates putting forward an ordinance (which would not include specifics) to allow the Mayor to sign a contract on a day's notice. The ordinance will be on the April 16 agenda. This way the Mayor will consult with aldermen with hard data, but not have to wait for a "called" special meeting. Behrns is hoping for a savings of up to \$3 per megawatt hour over the current price.

Mustain said that a vender is repairing the main turret bearing on one bucket truck. The repair requires an expensive part and must be accomplished quickly. The cost is about \$5,000. Behrns noted that such repairs are paid from the Equipment Use Fund and are not a budgetary concern. Although somewhat high, this is normal wear and tear on an expensive machine.

Mustain told Sanders that Asplundh is not yet working for us. They are parking at several locations in the City, but are working for Boone Electric Cooperative across much of northern Boone County. Mustain is just about ready to give them our first work list; but our share will only need one truck, not the five which will be in the vicinity through most of the year.

Water and Sewer Department

Committee reviewed the activity report and future work schedule for the Water and Sewer Department. They had no immediate questions. Behrns noted that Forsee was away to attending the birth of a new grandson.

Behrns described an emergent problem with leaky manholes. The worst seems to be one in proximity to the creek which runs south of the Methodist Church. Forsee has contacted several vendors. Initial results are in the packet. One was obviously too high. Forsee is seeking clarification from another. The work is expensive because marshaling costs are disproportionate. Forsee may be able to identify others vendors, but cannot wait too long, because infiltrations is a present focus of the Department of Natural Resources and we expect an inspection soon.

Streets and Sanitation

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

Sanders asked about demolition work on 105 North Allen. Behrns showed Committee an estimate from 5 Oaks for brick work on roof and second floor levels. The quote does not include next the set of beams and

edges along front of building. Committee had no issue with Behrns signing a change order not to exceed \$3,440 for the work. There was a brief discussion of what material should be used for a final surface of the vacant lot. Most members were inclined to use gravel

Other

Angell discussed the traffic count report on Head Street Hoffman said its does not include library drives. There was no good place for the counter than captured that information.

Hoffman presented a bid tabulation for stripping paint. The lowest quote was from Sherwin Williams at \$3,590.10. The purchase is for an estimate quantity of needed material. Committee discussed the usefulness of reflective glass beads. Members will look more closely at stripping in the field to gauge results. Hoffman said could find a more pronounced difference with right after application. The purchase will be on the next Board agenda.

The Street crew has done several culverts. The next phase of work on the Miles Ditch will start was soon as electric line burial is complete and the ground is dry enough. Hoffman said last year's work is very effective. Once again, the City expects to use free workers from Job Point.

As May Arise

Orsini said she had found a section of the City Code dealing with reconsideration of failed ordinances. It is 2-85. Behrns will talk to City Attorney Merritt Beck about its application.

Behrns asked if the Board would entertain use of the demolition subsidy on the apartment building across from the Police Station. It likely was a single-family residence at one time. Committee asked for time to think about it and also about whether to allow more than five subsidy contracts. Behrns thinks there may be as many as eight or nine contracts possible this year if the Board wants. He has already supplied three blank contracts to potential users. Bobbitt recommended the City not use subsidies for houses that have received dangerous structure notices. Behrns did say that the notices are often the result of the owners not having the funds to maintain the structures in the first place.

Bormann read a statement in response to some citizen comments about the City "wasting " money on vehicle and equipment purchases and buying in town instead of always for lowest price. It is:

"I heard that some people in this community believe that this board has been wasteful by not always accepting the lowest bid.

Our charge is the do what is best for the city, sometimes this means rejecting the lowest bid.

Many cities give preference to local contractors and vendors by ordinance.

There are sound economic reasons for choosing local contractors and vendors even when not the lowest bid.

Let me explain why this is so. Local contractors and vendors spend more of their money in our own community generating sales taxes for our city government. Local contractors and vendors pay local employees who also buy locally generating more sales tax. This process is repeated multiple times.

Out of town contractors and vendors take our money and spend it in their communities, not in ours. That money is gone from our community with little ever returning.

I have read that money spent in town goes around five times before leaving town. This helps our local

businesses meet their local payroll and support our local organizations. Students are constantly asking local businesses for contributions. If we don't support our local business, they cannot support our local organizations.

Next, some people believe that we should not be spending money on new vehicles and equipment, such as our recent purchase of a new Bobcat and a new dump truck.

We are fortunate that our city administrator has set up schedules for replacing equipment on a regular basis and has budgeted for this. Without this, we would be stuck with old equipment which would need more repairs and cost the City money in several ways. First, older equipment needs repairs more often than newer equipment. Second is the lost productive time ferrying equipment to and from the repair shop which becomes even more expensive if the repairs have to be done out of town. Third is the lost productive time of the City employees while waiting for the repairs to be made. Finally, if the repairs are done out of town, the repair shop does not have a local payroll and does not spend any of their fee in Centralia as discussed previously.

In addition, there is the inconvenience to the citizens of Centralia if streets are not plowed in a timely manner after a snow storm. Or, electricity remains off longer because the equipment is in the repair shop. Regular replacement of equipment keeps things running smoothly and can actually save the city money.

If we ever get into a position of NOT replacing equipment in a timely manner, we would be stuck with old equipment. It would be very difficult to come up with the money to ever buy new equipment again.

We can probably all remember times when we tried to save money by buying goods or services cheaply, and it turned out to be an expensive mistake. Many years ago my father told me that if you are buying a tool for one use only to buy the cheapest tool, but, if you are going to make a living with that tool, to buy the best. There is a lot of truth in that statement.

I hope this explanation helps explain our position. If not I would be happy to explain it further in person. We do not make these decisions lightly; there are reasons for what we do."

Orsini asked everyone to vote tomorrow.

Mayor Grenke reminded aldermen that they and he pick up Singleton Street once or twice a year. He suggested a Saturday in April (either the second or third) would be a good time. He will ask for consensus at the next committee meeting.

The Committee adjourned at about 8:20 p.m.