

Assistant City Manager Mark Morgan called the meeting to order at 6:05pm. Mayor Drotzmann and Councilor Smith were in attendance, as well as City staff, to include: City Manager Byron Smith, Finance Director Mark Krawczyk, Ron Sivey, Bill Schmittle, Roy Bicknell, and Heather La Beau. City Engineer Chas Hutchins from Anderson Perry was also present.

Assistant City Manager Mark Morgan: Revenue Review & Projection for Public Works Departments

The sewer revenue showed some contraction in winter usage which was offset by adding new accounts. Water revenue showed major contraction in the summer of 2019, mitigated by new accounts, a CPI increase and March & April usage increase of approximately 20%. There has been an increase in the number of accounts that are 60 and 90 days past due. No revenue growth has been budgeted for water and sewer for fiscal year 2021. Fiscal Year 2021 capital improvement projects total \$780,000 for the water department and \$1.2 million for the sewer department. It is difficult to project the impact on revenue for the Street Fund. The lockdown may reduce the amount of revenue received from the gas tax due to the lockdown. Franchise fees are not expected to decline. The Street Fund spending for FY '21 includes \$225,000 for capital improvement projects.

City Engineer Chas Hutchins: Public Works Standards

There are two types of drawings the city uses, City Standards and ODOT specifications. None of the drawings are currently in CAD. Anderson Perry has been updating the design standards and specifications drawings to incorporate current city standards and should have the project completed later this summer. The final drawings will be presented to the Public Infrastructure Committee for review.

Assistant City Manager Mark Morgan: FY '20-'21 CIP Project Preview

The committee will review the existing projects in the Capital Improvement Plan appendixes for future discussion on prioritizing the projects.

Adjourn

There were no other items of discussion and the meeting was adjourned at 6:50pm.



UTILITY FUND REVENUE

COVID-19 Discussion



Sewer Current FY

- Some contraction in winter-time usage
 - Commercial Users
 - Extensive Leak Fixes
- Usage offset by
 - Added 100 new accounts
 - 1.8% CPI Increase
- Monthly Revenue Generally Flat YOY
 - April '19 Sewer Revenue: \$402,000
 - April '20 Sewer Revenue: \$395,000 (-1.8%)



Water Current FY

- Major contraction in Summer '19 Use (~20%)
 - Elasticity of Demand
 - Cooler/Wetter than average (1 July Day 100*+)
- FY '20 Ending Revenue Projection (-1.5%)
- Mitigating Circumstances
 - Added 100 new accounts, & 1.8% CPI Increase
 - COVID-19 “Home Depot Effect”
 - March & April Usage up ~20%



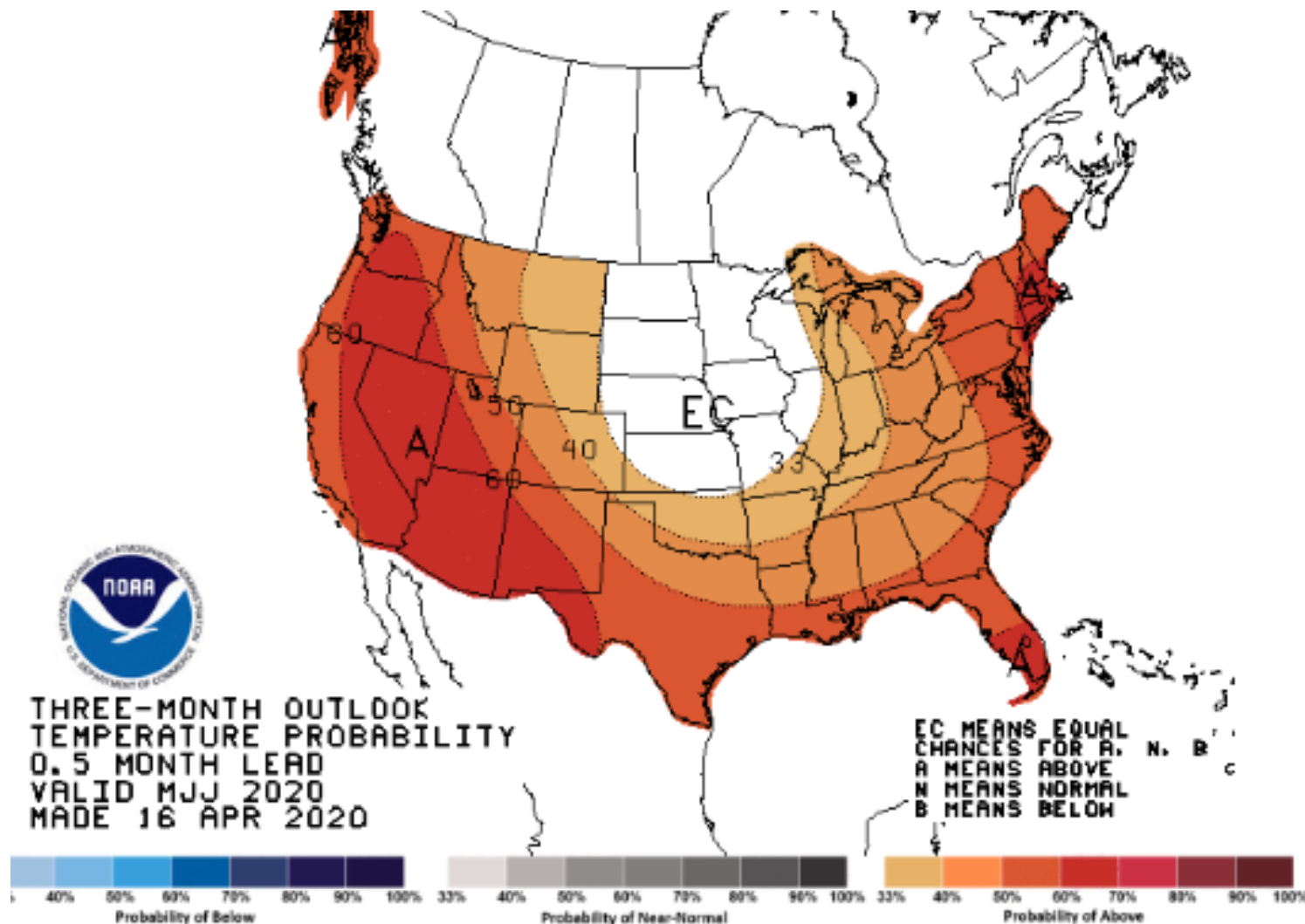


COVID-19 Revenue Impact

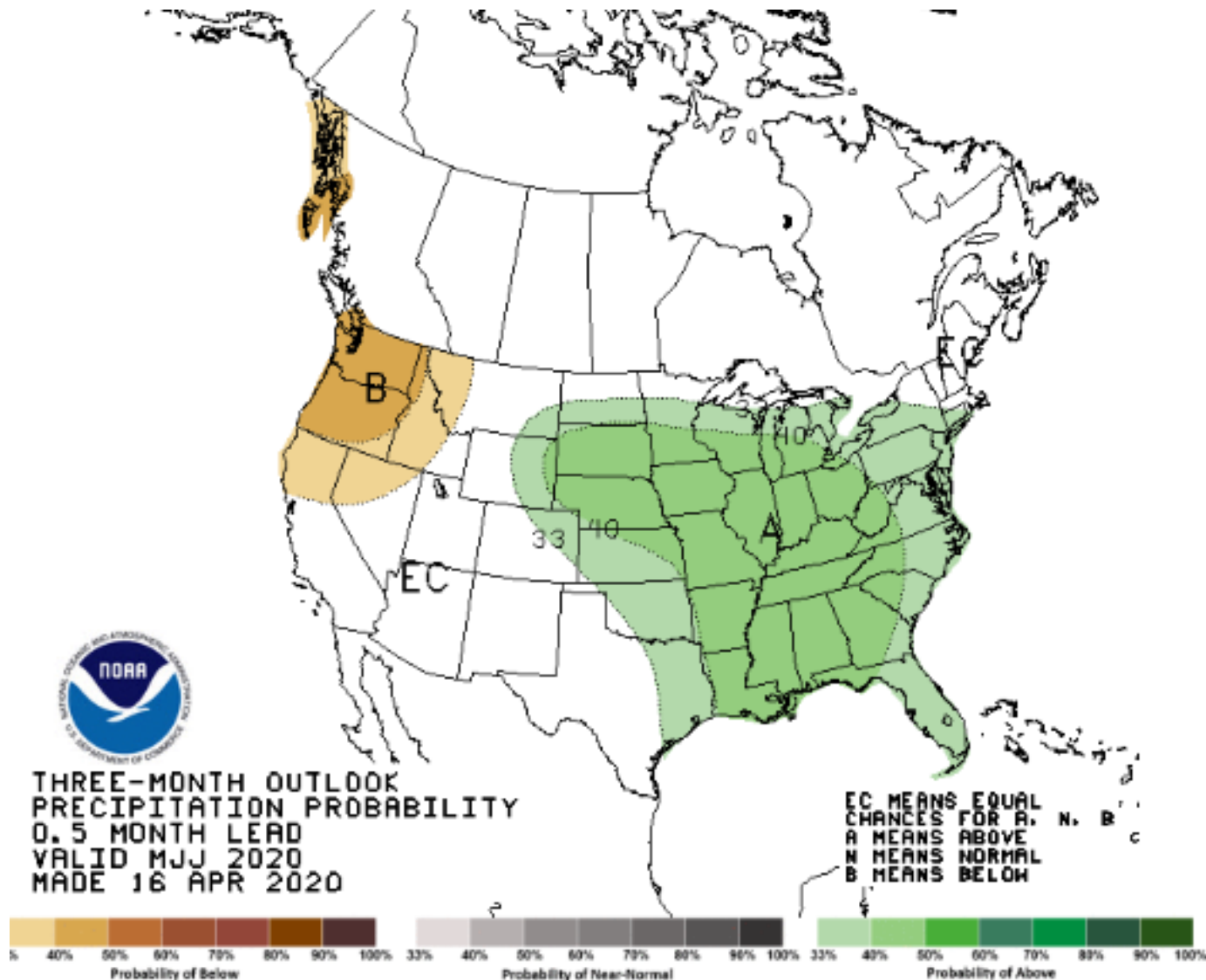
- 60 & 90 Day Past Due (3% & 1% of Billing)
- 30 Day+ Past Due 5%
- Little Change YOY in 30-Day Past
- 60 & 90 Day Increase Likely From Not Performing Shutoffs.



Temperature Future



Precipitation Future





Water FY '21 Revenue Budget

- Budget \$0 Revenue Growth (\$4.5M)
- Likely Adding ~50-80 Accounts
- Likely Hot/Dry Summer
- Unknown CPI from COVID-19
- Unknown Demand Impact from COVID-19
- Still \$776,000 Higher than FY 2019 Actuals
- Still \$1,402,000 Higher than FY 2018 Actuals





Sewer FY '21 Revenue Budget

- Budget \$0 Revenue Growth (\$4.7M)
- Likely Adding ~50-80 Accounts
- Demand unlikely to change
- Unknown CPI from COVID-19
- Still \$1.2M Higher than FY 2019 Actuals
- Still \$2.2M Higher than FY 2018 Actuals





Water FY '21 Expense Budget

- Operations Flat (No COLA Recommend)
- CIP Projects: \$780,000
 - 1920's Era W. Ridgeway Water Line: \$320K (Fall)
 - Well #6 Backup Generator: \$320K (Spring)
 - Leak Detection: \$30K



W. Ridgeway

- 1920's Vintage
- Lead Pipe
- 8" to 12"



Well #6 Backup Generator

- Industrial Area
- Backup Water to entire city in power outage





Sewer FY '21 Expense Budget

- Operations Flat (No COLA Recommend)
- CIP Projects: \$1.2M
 - Lift #3 Alternative: \$400K (Fall)
 - 7th Street Bottleneck: \$600K (Spring)
 - Collection System Plan: \$100K (plus Storm)
 - Lift #1 Upgrades: \$100K



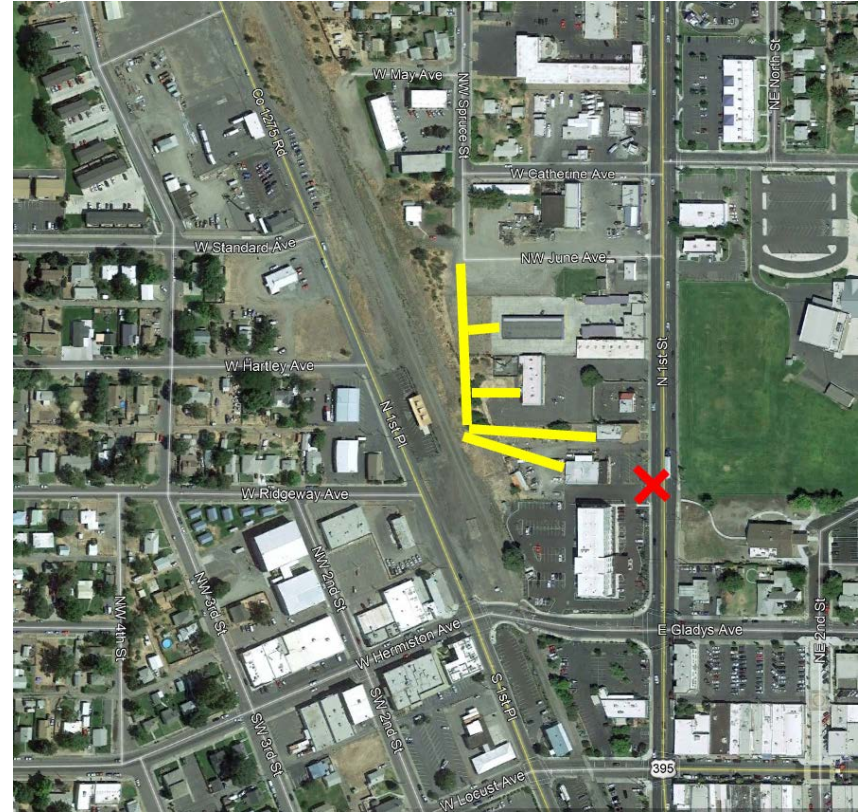
Lift #3 Original

- 1981 Pump
- 1981 Electrical
- Replace in 395
- ~\$900,000

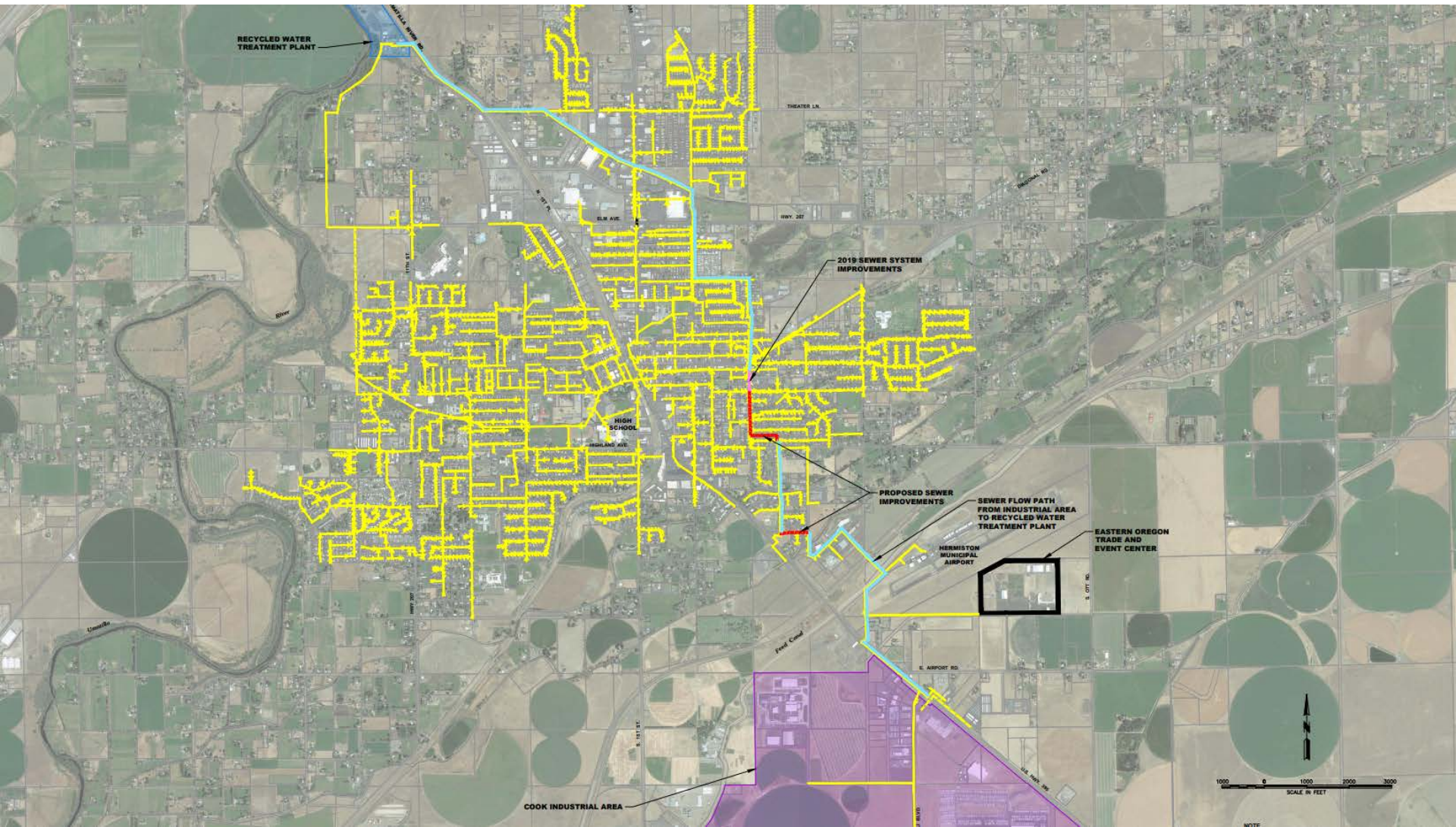


Lift #3 Alternative

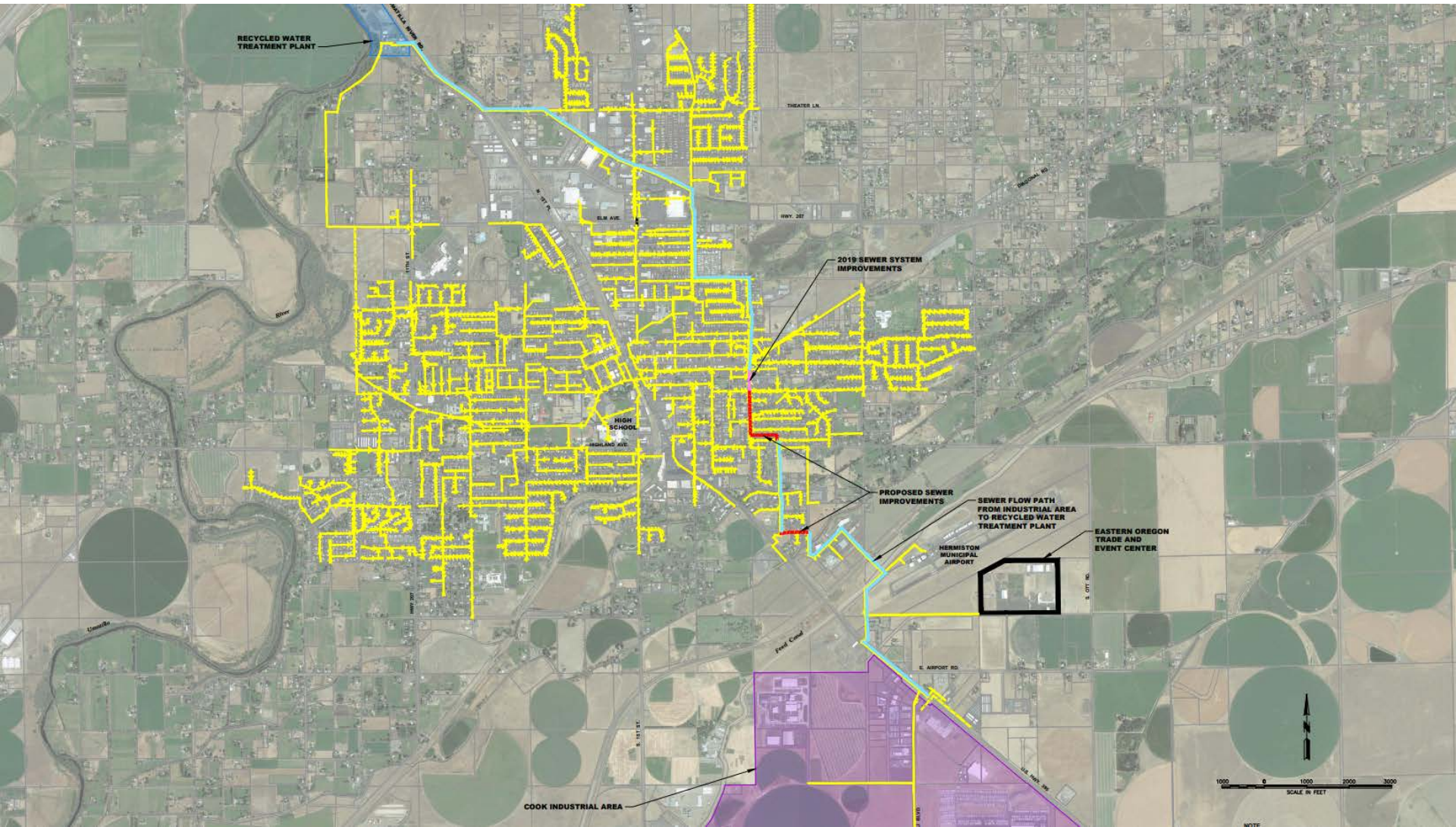
- Eliminate Pumping
- Gravity 4 Services
- \$400,000



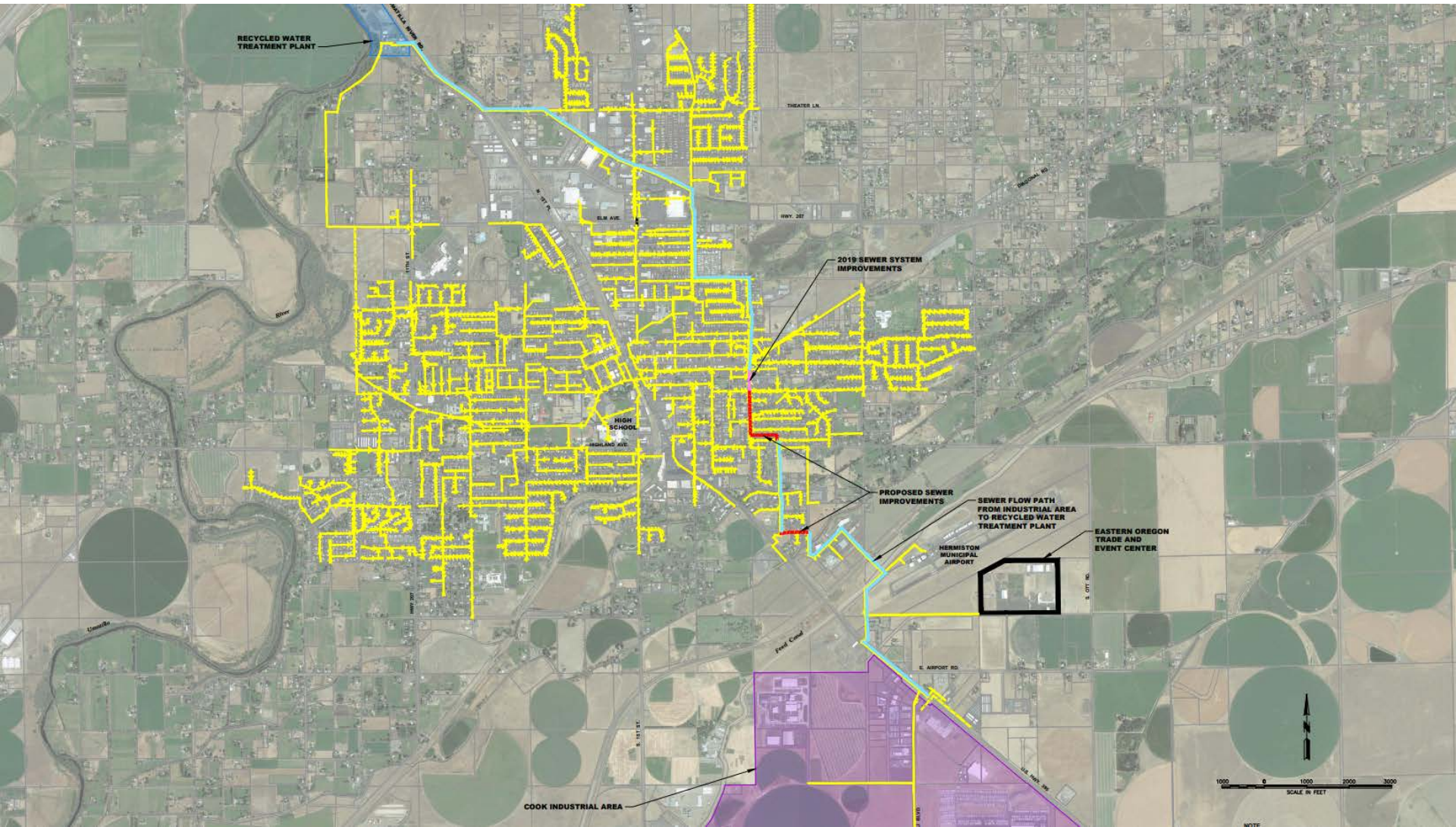
7th Street Bottleneck



Collection System Master Plan



Stormwater System Plan





FY '21 Street Fund



Street Fund Revenue

- State Gas Tax
 - \$0.02/gal increase Jan. 1, 2020
- Federal Gas Tax (Reimbursement)
- COVID-19 Lockdown Spring 2020
 - Revenues ~2 months behind
 - Revenues Thru March, 2020 (too early)
- Franchise Fees



Street Fund Revenue

- State Gas Tax
 - 9% Increase from FY '19 Actual Received
 - ? Increase from FY '20 Actual
- Federal Gas Tax (Reimbursement)
 - 60% Reduction from FY '20 Budget
 - Build Cash in FY '21



Street Fund Spending Plan

- “Rebuilding Year”
- Planned Revenue to Reserve
 - \$608,000 State & Fed Gas Tax
 - \$421,000 Franchise Fees
- Spending- Geer & Harper: \$125,000
- N. 1st Place: \$100,000 (Earmark)





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