

JOURNAL OF COMMISSION WORK SESSION
January 15, 2019

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 5:30 p.m.

CITY COMMISSION MEMBERS PRESENT: Bob Kelly, Bill Bronson, Tracy Houck, Owen Robinson, and Mary Sheehy Moe.

STAFF PRESENT: City Manager Greg Doyon, Deputy City Manager Chuck Anderson, and Executive Assistant Krista Artis; City Attorney Sara Sexe; Finance Director Melissa Kinzler; Planning and Community Development Director Craig Raymond; Public Works Director Jim Rearden; and, City Clerk Lisa Kunz.

Planning and Community Development Deputy Director Tom Micuda introduced new employee Historic Preservation Officer Kate McCourt.

PUBLIC COMMENT – None.

1. BUILDING ACTIVE COMMUNITIES INITIATIVE – WALKABILITY STUDY – Canceled.

2. SANITATION RATE REVIEW

Public Works Director Jim Rearden commented that a lot of progress has been made updating the fleet in the last five years. He noted that the competition, Montana Waste Systems, was purchased by Republic Services, d/b/a Montana Waste Systems, about six months ago. Republic Services is also present in Bozeman and Missoula.

Mr. Rearden reviewed and discussed the attached PowerPoint presentation covering the rate setting timetable, customer base, staffing, operating costs, landfill costs and tonnage, equipment, maintenance costs, cash flow with capital outlay/debt service without depreciation, previous residential and commercial rate increases, monthly residential and commercial current versus proposed rates, and current statewide rates. Great Falls' proposed rates are the third lowest in the state.

Mayor Kelly requested that the admins in the operations department actively communicate the new proposed \$50 dry run fee to contractors.

3. BOARD AND COMMISSION REAPPOINTMENT PROCESS

Commissioner Moe reported that, after the last Commission meeting, she reviewed appointments to boards and commissions made by the Commission. She reviewed a handout titled: Relevant Policy Language – Resolution 10235 – Appointments to Boards since June 5, 2018.

Commissioner Moe explained that prior to June, her understanding was that Executive Assistant Krista Artis was advertising whether there was a person seeking reappointment or not. Adoption of Resolution 10235 obviated the advertising requirement if there was a board member that expressed an interest in being reappointed.

When there is a recommendation for reappointment by a board or commission, the motion sets forth the name of the individual to be reappointed in the agenda report. Although the Commission gets a recommendation, Commissioner Bronson has pointed out that the Commission has the right to choose to appoint anyone it wants to. She would prefer that each of the candidates be considered equally for the vacant seats, rather than reappointing the recommended person and then choosing from amongst the remaining applicants to fill the other vacant seats.

Commissioner Houck pointed out the difference is that some of the advisory groups provide a recommendation to the Commission.

Commissioner Moe reviewed and discussed the attached PowerPoint presentation covering what she believes to be better options and implications, side issues, sample scenario, status quo and status quo implications. She again reiterated that she would prefer that the Commission select the best applicants for all vacant seats, and that the agenda report be changed accordingly so that there is not a separate motion for reappointments and the recommended applicant name not be included in the proposed motion.

Executive Assistant Krista Artis explained that she was advertising and wasn't receiving a lot of applications. Her predecessor explained to her that, due to the City not getting applicants, the advertising was eliminated to streamline the process when a reappointment was going to be made. She conducted a trial period from October to May. During that time she was advertising, but wasn't getting applications. She then proposed the revisions as set forth in Resolution 10235 that were adopted in June.

Executive Assistant Artis further explained that she does her best to craft the agenda report and motions based on how she thinks the Commission will present the item, and based on past experience and the recommendation of the board. The Commission does not have to follow the suggested motion language.

City Attorney Sara Sexe added that the Resolution contains language that members whose terms expire shall serve until a successor is appointed.

Mayor Kelly summarized that the Commission wants to reward participation, a mechanism to dismiss a member who does not meet qualifications, and to make sure the public is aware that the process is a level playing field when applications are being reviewed.

Commissioner Moe would prefer that the motions not be separated out if there is also a reappointment, and that the Commission be given the number of vacant seats, the names of the applicants, and the recommendation of the board. She would rather the Commission make all of the appointments at one time.

Commissioner Robinson requested that the agenda report make it clear that a person has served

and has asked to be reappointed, as well as include the qualifications of the other applicants for consideration.

Commissioner Bronson commented that there may be some merit to going back and looking at the structure of the staggering terms. He cautioned the Commission about using the term “best” when referring to applicants. He commented that a disadvantage that could come if the system is tweaked is to discourage people from re-applying.

Commissioner Houck suggested a practice change that the motions be extended so that the minutes reflect the term the applicant is being appointed to serve.

Executive Assistant Artis responded that information is contained in the agenda report, rather than the motion. She requested direction from the Commission if it wanted different language in the motions, and noted that the Commission doesn’t have to follow the drafted motion, it could prepare its own motions.

Commissioner Moe concluded that she prefers that the underlying committee’s recommendation be a single motion, and that she doesn’t believe there is a need for policy change.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that the second quarter 2019 budget, and revisions to Title 17, Chapter 4, and Title 2, Chapter 9 will be reviewed at the February 5th work session.

With regard to Title 17 review, Commissioner Bronson indicated an interest in participating in staff discussions during the review process. Manager Doyon requested that the Commission members communicate any Title 17 ordinance concerns to him or to Commissioner Bronson. He also noted that Deputy City Manager Chuck Anderson is involved in the development review process.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal work session of January 15, 2019 at 6:27 p.m.

City of Great Falls Sanitation Division

2019 RATE ANALYSIS

January 15, 2019
City Commission Work Session

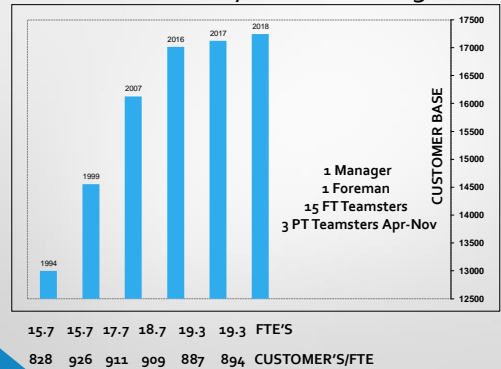
SANITATION RATE SETTING TIMETABLE

- January 15, 2019
-- Commission Work Session Presentation
- January 15, 2019
-- Set Public Hearing for February 5, 2019
- February 5, 2019
-- Public Hearing on Resolution 10282
- March 1, 2019
-- Rates proposed to go into effect

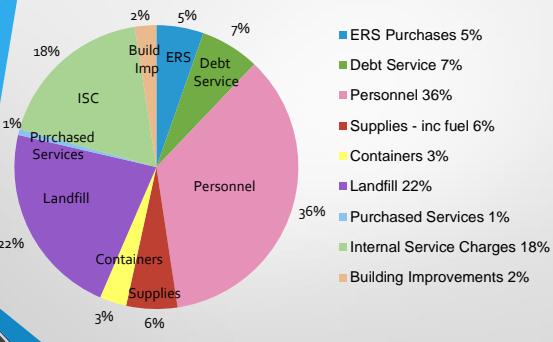
City Sanitation Customer Base

City Utility Customer Base FY 2018	21,790	100%
City SN Residential Customers	15,699	
City SN Commercial Customers	1,187	
Total City	16,886	77.5%
Montana Waste Systems		
Residential & Commercial	4,904	
Total MWS	4,904	22.5%

Collection Systems Staffing



Sanitation Operating Costs Adopted FY 2018-2019



Landfill Costs & Tonnage

Fiscal Year	Landfill Rate/Ton	Rate Increase CPI	Landfill Tonnage	Landfill Costs
2010	\$22.88	1.60%	34,757	\$795,249
2011	\$23.05	0.75%	34,392	\$792,739
2012	\$23.82	3.35%	37,747	\$870,109
2013	\$24.20	1.60%	34,124	\$820,813
2014	\$24.47	1.10%	33,644	\$819,128
2015	\$24.78	1.25%	33,795	\$833,152
2016	\$24.86	0.32%	34,541	\$855,641
2017	\$25.61	3.00%	35,138	\$871,237
2018	\$26.64	4.00%	33,704	\$879,356
2019 estimated	\$27.35	2.65%	33,818	\$902,658

10 year average annual rate increase + 1.96%



Sanitation Equipment Fall 2018

ID	Department	Year	Manufacturer	Model	VIN	License #	
901	Sanitation - Pickup	2016	Ford	F250	1FD7X2B62GE855441	2-07637B	
902	Sanitation - Pickup	2002	GMC	2500	1GDGC24UX2231268	2-2074	
903	Sanitation - Pickup	2011	Ford	F250	1FTBF2A65BEC75729	2-30137A	
904	Sanitation - Commercial	2003	Auto Car	WX64	4V2DC6LF33N353008	2-2239	
909	Sanitation - Commercial	2016	Kenworth	T440	3BKBLJ0X9HF147259	2-13567A	
917	Sanitation - Commercial	2013	Peterbilt	320	3BPZL50XXDF214433	2-58996	
915	Sanitation - Commercial	2007	American LaFrance	CONDOR	5SXHANCY17R247867	2-2419	
910	Sanitation - Roll Off	2010	Kenworth	T800	1NKDL50X9AR261304	2-2483	
914	Sanitation - Roll Off	2003	Sterling	LT9500	2FZHAZAN83AL87200	2-2138	
916	Sanitation - Roll Off	2016	Kenworth	T800	1NKDL70X6HJ147118	2-13557B	
905	Sanitation - Rear Loader	2019	Peterbilt	PB 520	TBD		
906	Sanitation - Rear Loader	2007	Sterling	LT9500	2FZHAZDE58AZ53445	2-2417	
918	Sanitation - Rear Loader	2017	Kenworth	T440	3BKBLJ0XFOH149742	2-15998B	
920	Sanitation - Rear Loader	2018	Auto Car	ACX64	5VCACLA9H225522		
921	Sanitation - Rear Loader	2017	Kenworth	T440	3BKBLJ0XFOH149743	2-15997B	
908	Sanitation - Automated	2016	Peterbilt	PB 320	3BPZLJ0X0GF100211	2-93976A	
911	Sanitation - Automated	2018	Auto Car	Expeditor	5VCACAF3JH224214	Temp	
912	Sanitation - Automated	2017	Auto Car	ACX 64	5VCACRUF2HH222716	2-15999B	
913	Sanitation - Automated *	2007	American LaFrance	CONDOR	5SXHANCY07R210535	2-2448	
923	Sanitation - Automated	2016	Peterbilt	320	3BPZLJ0X0GF100212	2-93977A	
924	Sanitation - Automated	2012	Mack	LEU613	1M2AU02C0CM006339	2-30134A	
919	Sanitation - Automated	2017	Auto Car	ACX64	5VCACRUF4HH222717	2-16000B	
* Next scheduled replacement							
Average Vehicle Year FY 2018		2013				Average Vehicle Year FY 2015	2004

11 Year Maintenance Cost (Old Fleet vs New Fleet)

Year	Actual/ Projected	Plan with no changes 7% increase per year	Plan with Intercap Loan 6 new trucks 2016 6 new trucks 2023
2013	Actual	\$ 380,137.00	\$ 380,137.00
2014	Actual	\$ 397,455.00	\$ 397,455.00
2015	Actual	\$ 432,530.00	\$ 432,530.00
2016	Actual	\$ 462,807.10	\$ 459,543.00 (6 new units)
2017	Actual	\$ 495,203.60	\$ 487,217.00
2018	Actual	\$ 529,867.85	\$ 431,411.00
2019	Projected	\$ 566,958.60	\$ 409,284.00
2020	Projected	\$ 606,645.70	\$ 416,970.00
2021	Projected	\$ 649,110.90	\$ 425,309.40
2022	Projected	\$ 694,548.66	\$ 433,815.59
2023	Projected	\$ 743,167.07	\$ 357,867.99 (6 new units)
Total 11 Year Cost		\$5,958,431.48	\$4,631,539.98

Expected Savings With New Units: \$1,326,891.50

Total Sanitation Fund Cash Flow with Capital Outlay/ Debt Service without Depreciation

	Actuals FY 2017	Actuals FY 2016	Actuals FY 2015	Actuals FY 2014	Proposed FY 2019 % Revenue Increase	Proposed FY 2020 % Revenue Increase	Proposed FY 2021 % Revenue Increase	Proposed FY 2022 % Revenue Increase	Proposed FY 2023 % Revenue Increase	Proposed FY 2024 % Revenue Increase
Regimes Cash Balance	\$115,605	\$72,168	\$66,684	\$55,800	\$192,205	\$238,687	(\$8,341)	(\$8,626)	\$11,561	\$14,124
Expenses										
Miscellaneous	\$4,828	\$14,088	\$11,921	\$9,657	\$5,000	\$4,500	\$5,771	\$5,775	\$5,775	\$5,775
Commercial utility	\$1,084,112	\$1,200,499	\$1,300,091	\$1,351,144	\$1,384,173	\$1,421,681	\$1,462,974	\$1,492,975	\$1,492,975	\$1,492,975
Utility Equipment Rentals	\$201,112	\$201,111	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Transient Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contract	\$1,647	\$7,792	\$0	\$11,513	\$11,513	\$14,886	\$15,611	\$15,611	\$15,611	\$15,611
Sanitation Lines	\$0	\$0	\$0	\$445	\$445	\$480	\$514	\$546	\$587	\$629
Interest	\$4,232	\$4,015	\$4,473	\$10,200	\$10,200	\$11,115	\$11,890	\$12,478	\$13,098	\$13,779
Resurfacing	\$2,214,470	\$2,175,103	\$2,200,081	\$2,206,008	\$2,412,216	\$2,518,977	\$2,608,756	\$2,662,775	\$2,662,775	\$2,662,775
Rate of Scrap & Repairs	\$1,912	\$1,264	\$0	\$1,267	\$1,267	\$1,194	\$1,463	\$1,463	\$1,463	\$1,463
Interest Cont.	\$0	\$64,041	\$1,065,611	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$1,478,528	\$1,878,915	\$1,721,087	\$1,512,641	\$1,700,000	\$1,991,482	\$1,191,011	\$1,192,284	\$1,192,284	\$1,192,061
Expenses*										
Personnel Services	\$1,247,915	\$1,281,464	\$1,369,091	\$1,376,969	\$1,442,596	\$1,514,613	\$1,590,061	\$1,669,081	\$1,758,175	\$1,841,044
Supplies & Material	\$113,908	\$107,095	\$206,266	\$309,720	\$306,562	\$178,500	\$307,068	\$415,172	\$408,241	\$401,013
Other Professional Services	\$20,186	\$21,711	\$16,002	\$16,538	\$24,210	\$27,421	\$28,097	\$30,341	\$31,858	\$33,451
Landfill Costs	\$613,112	\$614,641	\$685,684	\$707,762	\$700,000	\$691,500	\$677,261	\$644,111	\$619,227	\$600,866
Tire/tyr	\$0	\$280	\$0	\$2,011	\$1,000	\$1,101	\$1,101	\$1,118	\$1,216	\$1,278
Interest Serv. Charge - Vehicle & Equip. Maintenance	\$397,497	\$422,540	\$479,443	\$487,217	\$411,011	\$409,284	\$416,970	\$425,000	\$433,616	\$447,888
Interest Serv. Charge - Other	\$256,175	\$271,706	\$299,618	\$299,100	\$309,178	\$324,637	\$340,693	\$357,012	\$375,808	\$394,598
Debt Service	\$0	\$0	\$206,100	\$213,697	\$213,700	\$208,000	\$212,214	\$212,714	\$0	\$0
Capital Outlay	\$508,300	\$405,276	\$1,218,937	\$227,000	\$118,200	\$246,000	\$246,000	\$246,000	\$246,000	\$246,000
Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$3,575,181	\$3,677,707	\$4,806,174	\$5,770,538	\$4,062,807	\$4,129,102	\$4,191,261	\$4,311,279	\$4,235,621	\$4,264,228
Revenue Over (Under) Expenses	(\$346,653)	(\$188,824)	(\$182,777)	(\$17,896)	(\$282,808)	(\$17,700)	(\$280)	(\$109,847)	(\$44,107)	(\$111,166)
Adjustment to receivables / payables	\$33,093	(\$108,624)	(\$49,027)	(\$82,407)	\$0	\$0	\$239,971	\$0	\$0	\$0
Ending Unamortized Cash Balance	\$552,246	\$664,604	\$532,060	\$392,205	\$129,407	(\$8,144)	(\$8,624)	\$111,830	\$68,166	\$13,706
Current Debt Service	\$173,174	\$117,609	\$177,609	\$177,609	\$177,609	\$177,609	\$177,609	\$177,609	\$177,609	\$177,609
Minimum Principal & Interest	\$122,397	\$7,912	\$97,081	\$97,081	\$97,081	\$97,081	\$97,081	\$97,081	\$97,081	\$97,081
	\$79,777	\$627,008	\$359,023	\$227,209	\$227,209	\$226,992				

*Expenses increased 1% starting in FY 2019, exception: Interest Serv. Charge - Vehicle & Equipment Maintenance

% of operating expenses

% of operating expenses

** net debt service proposed in 2019/2022

Balance of the cash resource for debt service.

Previous Residential Rate Increases

Year	Residential Rate	Residential Increase
2009	\$ 9.66/mo.	\$0
2010	\$ 9.66/mo.	\$0.30/mo.
2011	\$ 9.96/mo.	\$0
2012	\$ 9.96/mo.	\$0
2013	\$ 9.96/mo.	\$0
2014	\$10.96/mo.	\$1.00/mo.
2015	\$11.51/mo.	\$0.55/mo.
2016	\$11.51/mo.	\$0
2017	\$12.09/mo.	\$0.58/mo.
2019 Proposed	\$12.70/mo.	\$0.61/mo.

10 year average annual increase: \$0.30

Previous Commercial Rate Increases

Commercial Container	Year 2015 / 2017	Year 2019 Proposed
1.5 yard	\$ 34.19	\$ 35.90
2 yard	\$ 40.89	\$ 42.90
3 yard	\$ 58.67	\$ 61.60
4 yard	\$ 78.08	\$ 82.00
6 yard	\$116.22	\$122.00
8 yard	\$154.35	\$162.00
3 yard Construction Dumpster	\$ 48.00	\$ 50.00
20 yard Roll-Off		
30 yard Roll-Off	Rates Increased 2017	No Change
40 yard Roll-Off		

MONTHLY RATES

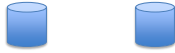
<u>RESIDENTIAL</u>	<u>CURRENT</u>	<u>PROPOSED</u>
Regular 96 Gallon	\$ 12.09	\$ 12.70
*Duplex (\$12.70 per unit)	\$ 29.17	\$ 25.40 *new rate
*Tri-plex (\$12.70 per unit)	\$ 34.19	\$ 38.10 *new rate
Additional 96 Gallon	\$ 6.86	\$ 7.20
Senior Citizen	\$ 8.41	\$ 8.90
<u>COMMERCIAL</u>		
96 Gallon	\$ 21.25	\$ 21.25
1.5 yard	\$ 34.19	\$ 35.90
2 yard	\$ 40.89	\$ 42.90
3 yard	\$ 58.67	\$ 61.60
4 yard	\$ 78.08	\$ 82.00
6 yard	\$ 116.22	\$ 122.00
8 yard	\$ 154.35	\$ 162.00
Cardboard Recycling	\$ 15.00	\$ 15.00
<u>DROP BOX (per pick-up)</u>		
3 yard construction dumpster	\$ 48.00	\$ 50.00
20 yard const. dumpster	\$285.00	\$285.00
30 yard const. dumpster	\$321.00	\$321.00
40 yard const. dumpster	\$352.00	\$352.00
*Dry Run Fee		\$ 50.00 *new rate
Per Day Rental Fees	\$ 2.00	\$ 2.00

Current Statewide Rates

PUBLIC	RESIDENTIAL RATE	COMPETITION	LANDFILL FEE	OWN LANDFILL
Billings	\$10.98	NO	\$18.90	YES
Great Falls	\$12.09	YES	\$27.35	NO
Helena	\$14.98	NO	\$30.25	NO
Havre	\$15.38	NO	\$37.04	NO
Kalispell	\$15.97	YES	\$31.05	NO
Bozeman	\$24.45	YES	\$27.00	NO
PRIVATE	RESIDENTIAL RATE	COMPETITION	LANDFILL FEE	OWN LANDFILL
Republic Services via MWS GF	\$10.26	YES	\$28.75	YES
Republic Services via MWS County	\$11.22 Black Eagle \$23.86 Outside Belt \$13.83 Inside Belt	NO	\$28.75	YES
Evergreen Kalispell	\$15.95	YES	\$31.05	NO
Republic Services Bozeman (2019)	\$25.68	YES	\$27.00	NO
Republic Services Missoula (2019)	\$29.77	NO	\$62.96	YES

Sample Scenario

2 vacant seats



5 applicants, 1 of whom currently serves

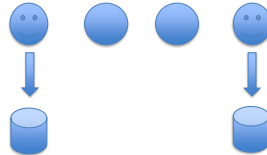


Status Quo

Re-appoint or Not



Select Best Applicants for Remaining Seats



Status Quo Implications

Advantages

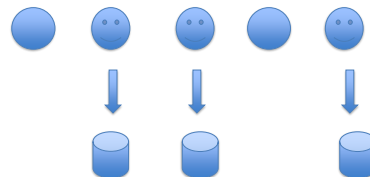
- Rewards service, which may attract more applicants
- Rewards "institutional knowledge"

Disadvantages

- Gives equally or better-qualified applicants lower odds of being appointed, which may discourage applications
- Non-reappointment implies dissatisfaction

Moe [thinks] Better Option

Select Best Applicants for All Vacant Seats



Moe Better Implications

Advantages

- Gives all candidates equal consideration and equal odds of being appointed, which may encourage applications
- Preserves individual commissioners' preferences without cementing a particular preference
- Doesn't hand un-reappointed applicant out to dry.

Disadvantages

- May endanger "institutional knowledge"

Side Issues

Wording of Motion

- Separate motion for re-appointment?
- Name recommended applicants?

Appropriately Staggered Terms

- Ensure continuum of institutional knowledge
- Review current terms & fix