

# JOURNAL OF COMMISSION WORK SESSION

## September 17, 2013

City Commission Work Session  
Civic Center, Gibson Room 212

Mayor Winters presiding

**CALL TO ORDER:** 5:30 p.m.

**ROLL CALL:** City Commissioners present: Michael J. Winters, Bill Bronson, and Bob Kelly. Commissioners Fred Burow and Bob Jones were excused.

**STAFF PRESENT:** Deputy City Manager; City Attorney; Directors of Fiscal Services, Park and Recreation, and Public Works; Police Captain; Fiscal Services Operations Supervisor; Sanitation Supervisor; and the Deputy City Clerk.

### 1. SANITATION RATES

Public Works Director Jim Rearden provided and discussed a PowerPoint presentation on Sanitation Rates.

### Previous Rate Increases

Year	Commercial	Residential	CCC
2004	3%	3%	0%
2005	3%	0%	0%
2006	3%	3%	3%
2007	3%	3%	14-100%
2008	4.5%	4.5%	25-50%
2009	0%	0%	0%
2010	0%	3%	40-50%
2011	0%	0%	0%
2012	0%	0%	0%
2013	0%	0%	NA

### RATE SETTING TIMETABLE

- Sept. 17, 2013  
-- Commission Work Session Presentation
- Sept. 17, 2013  
-- Set Public Hearing for Oct. 1, 2013
- Oct. 1, 2013 -- Public Hearing on Resolution
- Rates proposed to go into effect Oct. 8, 2013

Revenue and Expenses for an 8 year period								
	Actual FY 2009	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013
<b>Revenues</b>								
Residential	\$1,499,005	\$1,536,573	\$1,647,642	\$1,672,871	\$1,692,406	\$1,742,144	\$1,781,620	\$1,905,289
Commercial	\$1,107,958	\$1,156,910	\$1,342,568	\$1,275,099	\$1,252,169	\$1,275,370	\$1,345,740	\$1,225,531
Recycling Center	\$157,426	\$187,673	\$148,186	\$212,699	\$251,603	\$226,653	\$219,075	\$29,301
Miscellaneous	\$17,131	\$7,076	\$239,073 *	\$6,019				
Interest	\$10,862	\$21,032	\$6,325	\$1,615				
<b>Total Revenue</b>	<b>\$2,797,182</b>	<b>\$2,909,264</b>	<b>\$3,373,734</b>	<b>\$3,168,303</b>	<b>\$3,196,178</b>	<b>\$3,244,167</b>	<b>\$3,326,435</b>	<b>\$3,160,131</b>
<b>Expenses</b>								
Administration	\$406,699	\$388,688	\$391,329	\$393,295				
Residential Operating	\$1,252,517	\$1,267,712	\$1,380,873	\$1,386,699	\$1,546,238	\$1,693,414	\$1,781,377	\$1,874,905
Commercial Operating	\$211,285	\$268,343	\$261,357	\$262,521	\$1,080,179	\$969,281	\$1,167,466	\$1,176,442
Recycling Center Operating	\$271,869	\$291,558	\$318,521	\$386,730	\$295,026	\$308,355	\$279,177	\$61,413
Capital Outlay Other			\$6,500		\$96,108	\$105,230	\$27,432	\$0
Transfer Out (Health Ins)	\$13,490	\$14,510	\$14,510					
Capital Outlay Vehicles	\$65,419	\$474,138	\$434,734	\$202,781		\$225,135	\$0	\$0
<b>Total Expenses</b>	<b>\$2,721,278</b>	<b>\$3,242,849</b>	<b>\$3,428,194</b>	<b>\$3,138,426</b>	<b>\$3,017,551</b>	<b>\$3,294,285</b>	<b>\$3,235,451</b>	<b>\$3,102,760</b>
<b>Yearly Revenues over (under) Expenses</b>	<b>\$75,904</b>	<b>(\$333,585)</b>	<b>(\$54,470)</b>	<b>\$29,877</b>	<b>\$178,627</b>	<b>(\$51,118)</b>	<b>\$90,984</b>	<b>\$57,371</b>

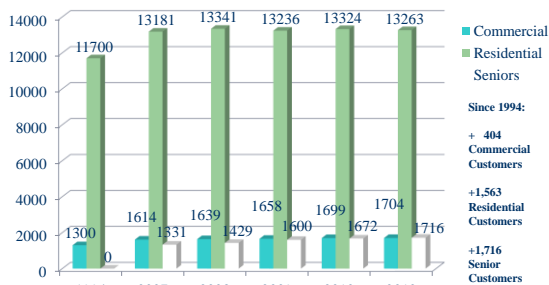
## Landfill Costs

Year	MWS Rate	Rate Increase CPI	Total Tons	Total Dollar Amount
2004	\$19.61	+2.25%	26,225.64	\$514,285
2005	\$20.33	+3.70%	36,275.42	\$737,479
2006	\$20.98	+3.25%	37,067.24	\$777,671
2007	\$21.39	+2.0%	37,879.27	\$810,238
2008	\$22.32	+4.35%	40,332.41	\$900,219
2009	\$22.52	+9.0%	39,936.67	\$899,374
2010	\$22.88	+1.60%	39,075.46	\$894,047
2011	\$23.05	+7.5%	38,776.50	\$893,798
2012	\$23.82	+3.35%	38,747.28	\$899,140
2013	\$24.20	+1.60%	34,123.61	\$825,791

## City Sanitation Customer Base

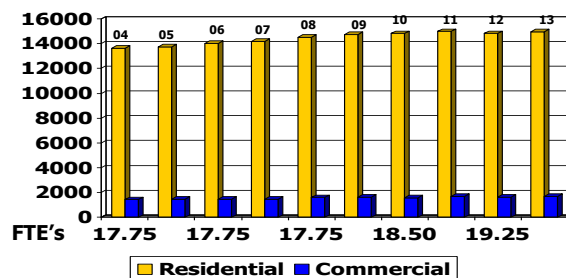
City Utility Customer Base FY 2013		21,075	100%
City SN Residential Customers		14,979	
Residential Senior Citizens	13,263 1,716		
City SN Commercial Customers		1,704	
<b>Total City</b>		<b>16,683</b>	<b>79%</b>
Montana Waste Systems			
Residential & Commercial		4,392	
<b>Total MWS</b>		<b>4,392</b>	<b>21%</b>

## SANITATION CUSTOMERS



## SANITATION SERVICES

RESIDENTIAL/COMMERCIAL CUSTOMER VS. FTE's



Citizen's Convenience Center - 2.0 to 2.8 FTE's NOT INCLUDED

## SANITATION VEHICLES ADMIN/RESIDENTIAL

TRUCK #	YEAR	MAKE / MODEL	MILEAGE
<b>FRONT LINE - SUPERVISOR/FOREMAN PICK-UPS</b>			
902	2002	GMC 2500 PICK-UP	93,549
903	2011	FORD - F250 PICK-UP	25,781
<b>BACK-UP-SUPERVISOR/FOREMAN PICK-UP</b>			
901	1994	2500 - CHEV PICK-UP	93,600
<b>FRONT LINE - RESIDENTIAL SIDE LOAD</b>			
908	2002	VOLVO	179,029
911	2007	CONDOR	94,349
913	2007	CONDOR	98,144
919	2003	VOLVO	169,799
924	2012	MACK	33,488
<b>BACK-UP - RESIDENTIAL SIDE LOAD</b>			
912	2003	VOLVO	155,957
923	2000	VOLVO	127,402

## SANITATION VEHICLES COMMERCIAL

TRUCK #	YEAR	MAKE / MODEL	MILEAGE
<b>FRONT LINE - BRUSH TRUCKS</b>			
905	2003	CONDOR REAR LOAD	105,730
907	2004	CONDOR REAR LOAD	105,175
<b>FRONT LINE - COMMERCIAL - REAR LOAD</b>			
908	2007	STERLING REAR LOAD	81,362
921	2000	VOLVO REAR LOAD	173,421
<b>BACK-UP - COMMERCIAL / BRUSH REAR LOAD</b>			
929	1998	VOLVO REAR LOAD	129,802
<b>FRONT LINE - COMMERCIAL - SIDE LOAD</b>			
915	2007	CONDOR	95,508
917	2013	PETERBILT	3,030
<b>BACK-UP - COMMERCIAL - SIDE LOAD</b>			
904	2003	AUTO CAR	157,693
<b>FRONT LINE - CARDBOARD TRUCK ONE DAY A WEEK / BACK-UP COMMERCIAL SIDELOAD</b>			
909	1997	VOLVO CARDBOARD TRUCK	170,656
<b>FRONT LINE ROLL-OFF</b>			
910	2010	KENWORTH	118,924
<b>BACK-UP ROLL-OFF</b>			
914	2003	STERLING	216,878

## REFUSE CONTAINERS

<b>2013</b>			
200 - 300 GALLON CONTAINERS @ \$313.05 = \$62,610			
81 - 96 GALLON CONTAINERS @ \$61.00 = \$4,941			
500 - 96 GALLON CONTAINERS @ \$54.57 = \$27,285			
<b>TOTAL AS OF 8-12-13</b>			<b>\$94,836</b>
<b>2012</b>			
150 - 300 GALLONS CONTAINERS @ \$293.80 = \$44,070			
500 - 96 GALLON CONTAINERS @ \$52.96 = \$26,856			
3 - 6 YARD CONTAINERS @ \$1,468.66 = \$4,406			
SIDE LOAD / REAR LOAD CONTAINERS = \$33,250			
<b>TOTAL</b>			<b>\$108,582</b>
<b>2011</b>			
150 - 300 GALLON CONTAINERS @ \$292.00 = \$43,845			
500 - 96 GALLON CONTAINERS @ \$53.95 = \$26,975			
SIDE LOAD / REAR LOAD CONTAINERS = \$22,845			
72 - 96 GALLON CONTAINERS @ \$49.25 = \$3,546			
USED 3 YARD CONTAINERS @ \$339.28 = \$4,750			
USED 2 YARD CONTAINERS @ \$354.28 = \$4,960			
<b>TOTAL</b>			<b>\$106,921</b>
<b>2010</b>			
100 - 300 GALLON CONTAINERS @ \$268.30 = \$26,830			
200 - 96 GALLON CONTAINERS @ \$51.50 = \$10,300			
500 - 96 GALLON CONTAINERS @ \$49.50 = \$24,750			
150 - 300 GALLON CONTAINERS @ \$279.00 = \$41,850			
<b>TOTAL</b>			<b>\$104,214</b>
<b>2009</b>			
175 - 300 GALLON CONTAINERS @ \$262.00 = \$45,850			
500 - 96 GALLON CONTAINERS @ \$42.61 = \$21,305			
ROLL - OFF CONTAINERS = \$36,658			
<b>TOTAL</b>			<b>\$103,813</b>
<b>300 GALLON CONTAINERS +4.9% ANNUALLY</b>			
<b>96 GALLON CONTAINERS +7.0% ANNUALLY</b>			

## Current Statewide Residential Rates

PUBLIC	RESIDENTIAL RATE \$6/gn	BILLING CUSTOMERS BY	COMPETITION	TIPPING FEE Landfill Fee	OWN LANDFILL	TRANSFER STATION
Billings	\$8.16	Utility Bill	NO	\$15.50 City \$17.00 County \$18.50 other	YES City of Billings	NO
Great Falls	\$9.96	Utility Bill	YES	\$24.20 / \$14.33	NO 10.5 mile out High Plains Landfill	NO
Helena	\$14.93	Taxes	NO	\$70.75	NO Lewis & Clark County	YES
Havre	\$15.38	Taxes	NO	\$10.00 cu yd	Hill County Landfill	NO
Kalispell	\$15.73	Taxes	YES	\$31.05	NO Flathead County Landfill	NO
Bozeman	\$22.50	Utility Bill	YES	\$27.00	NO Logan Landfill	NO
<b>PRIVATE</b>						
PRIVATE	RESIDENTIAL RATE \$6/gn	BILLING CUSTOMERS BY	COMPETITION	TIPPING FEE Landfill Fee	OWN LANDFILL	TRANSFER STATION
MWS GF	\$8.55	Quarterly Bill	YES	\$28.75	YES High Plains Landfill	NO
MWS County	\$16.06 to \$22.99	Quarterly Bill	NO	\$28.75	YES High Plains Landfill	NO
Evergreen Kalispell	\$13.75	Direct/On Line Billing	NO	\$31.05	NO Flathead County Landfill	NO
Allied/Republic Bozeman - No Response 2011	\$16.98 County Rate Almost Doubles	Quarterly Bill	YES	\$29.70	NO Gallatin County (Logan)	YES
Allied/Republic Missoula - No Response 2011	\$23.55	Quarterly Bill	NO	\$14.20 cu yd	NO Missoula Landfill Allied/Republic	NO

## Statewide Comm. Rate Comparisons

Containers	Great Falls	Helena	Billings	Kalispell	Bozeman	Missoula Republic Services	Montana Waste Systems GP(2010)
96 gallon	\$18.40	\$13.80 90 gallon	\$14.00 95 gallon	NA	\$22.50 100 gallon	\$28.60	\$19.45
1 yd or 300 gallon	\$25.25	\$60.85	\$31.17 - 300	\$27.92 – 300 \$34.00 – 400	\$49.22	\$64.90 1.5 yd \$74.10	\$36.25 1.5 yd \$37.00
2 yard	\$35.40	\$72.70	\$52.91	NA	\$62.52	\$87.05	\$38.25
3 yd const	\$40.00	NA	NA	NA	NA	NA	NA
3 yard	\$50.80	\$84.57	\$57.58	NA	\$82.51	\$100.60	\$49.15
4 yard	\$74.36	\$96.43	\$62.50	NA	\$102.87	NA	\$65.90
6 yard	\$100.63	\$120.12	\$77.83	NA	\$143.58	NA	\$90.55
8 yard	\$134.40	\$143.83	\$87.33	NA	\$	NA	\$117.65
20 yard	\$235.00 Rental Fee Long Term S2 Short Term S4	\$52.20 per month or \$1.79 per day, \$24.39 per dump, \$61.25 per ton disposal fee	\$100 per haul, \$12.50 per ton at the landfill, Rental Fee \$2 per day after 15 days of no activity	NA	\$329.00 Rental Fee \$1.00	Varies by customer, noted after first pull. Rental Fee \$1.50-\$4.00	\$220.00 Rental Fee \$4.00
30 yard	\$265.00 Rental Fee S2/4	Same As 20 yd	Same As 20 yd	NA	\$334.00 Rental Fee \$2.00	Same as 20 yd	\$254.00 Rental Fee \$4.00
40 yard	\$290.00 Rental Fee S2/4	Same As 20 yd	Same As 20 yd	NA	\$340.00 Rental Fee \$3.00	Same as 20 yd	\$288.00 Rental Fee \$4.00

Sanitation Cash Flows and Future Projections with needed increases 1 vehicle a year and lease of land										
Percent Increase in Revenues	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	10% Increase Budgeted FY 2014	5.00% Projected FY 2015	5.00% Projected FY 2016	5.00% Projected FY 2017	5.00% Projected FY 2018	5.00% Projected FY 2019
Beginning Balance	\$127,088	\$324,766	\$238,416	\$366,567	\$371,033	\$162,376	\$170,452	\$176,432	\$180,211	
<b>Revenues</b>										
Residential	\$1,892,406	\$1,742,144	\$1,761,620	\$1,905,299	\$1,927,200	\$2,023,560	\$2,124,738	\$2,230,975	\$2,342,524	
Commercial	\$1,252,169	\$1,275,370	\$1,345,740	\$1,225,531	\$1,464,959	\$1,538,207	\$1,615,117	\$1,695,873	\$1,780,667	
Recycling Center	\$51,603	\$26,653	\$219,075	\$29,301	\$0	\$0	\$0	\$0	\$0	
Land lease (Recycling)					\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Receivable/ Payable adjustment	\$19,051	(\$36,232)	\$37,167	(\$52,905)						
<b>Total Revenue</b>	<b>\$3,215,229</b>	<b>\$3,207,935</b>	<b>\$3,363,602</b>	<b>\$3,167,226</b>	<b>\$3,442,160</b>	<b>\$3,611,768</b>	<b>\$3,789,856</b>	<b>\$3,976,846</b>	<b>\$4,173,191</b>	
<b>Expenditures</b>										
Residential Operating	\$1,546,238	\$1,693,414	\$1,761,377	\$1,874,905	\$1,928,935	\$2,025,382	\$2,126,651	\$2,232,983	\$2,344,633	
Commercial Operating	\$1,090,179	\$869,201	\$1,167,466	\$1,176,442	\$1,274,581	\$1,338,310	\$1,405,226	\$1,475,487	\$1,549,261	
Recycling Center Operating	\$285,026	\$306,305	\$279,177	\$51,413	\$0	\$0	\$0	\$0	\$0	
Capital Outlay Other	\$96,108	\$105,230	\$27,432	\$0	\$447,301	\$240,000	\$252,000	\$264,000	\$277,830	
Capital Outlay Vehicles		\$220,135	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Expenses</b>	<b>\$3,017,551</b>	<b>\$3,294,285</b>	<b>\$3,235,451</b>	<b>\$3,102,760</b>	<b>\$3,650,817</b>	<b>\$3,603,692</b>	<b>\$3,783,876</b>	<b>\$3,973,070</b>	<b>\$4,171,724</b>	
Yearly Revenues over (under) Expense	\$197,678	(\$86,350)	\$138,151	\$4,466	(\$208,657)	\$6,076	\$5,980	\$3,779	\$1,468	
<b>Ending Balance</b>	<b>\$324,766</b>	<b>\$238,416</b>	<b>\$366,567</b>	<b>\$371,033</b>	<b>\$162,376</b>	<b>\$170,452</b>	<b>\$176,432</b>	<b>\$180,211</b>	<b>\$181,678</b>	

\*Includes purchase of \$206,091 from FY 2014.  
\*\* Includes revenue from sale of equipment (\$13,505) and Liens (\$3,472).

Sanitation Cash Flows and Future Projections with needed increases 1 vehicle a year										
Percent Increase in Revenues	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	10% Increase Budgeted FY 2014	5.00% Projected FY 2015	5.00% Projected FY 2016	5.00% Projected FY 2017	5.00% Projected FY 2018	5.00% Projected FY 2019
Beginning Balance	\$127,088	\$324,766	\$238,416	\$366,567	\$371,033	\$112,376	\$240,000	\$374,128	\$416,851	
<b>Revenues</b>										
Residential	\$1,892,406	\$1,742,144	\$1,761,620	\$1,905,299	\$1,927,200	\$2,119,920	\$2,225,916	\$2,341,564	\$2,468,603	
Commercial	\$1,252,169	\$1,275,370	\$1,345,740	\$1,225,531	\$1,464,959	\$1,611,455	\$1,692,028	\$1,734,328	\$1,777,687	
Recycling Center	\$51,603	\$26,653	\$219,075	\$29,301	\$0	\$0	\$0	\$0	\$0	
Receivable/ Payable adjustment	\$19,051	(\$36,232)	\$37,167	(\$52,905)						
<b>Total Revenue</b>	<b>\$3,215,229</b>	<b>\$3,207,935</b>	<b>\$3,363,602</b>	<b>\$3,167,226</b>	<b>\$3,392,160</b>	<b>\$3,731,376</b>	<b>\$3,917,945</b>	<b>\$4,015,893</b>	<b>\$4,116,291</b>	
<b>Expenditures</b>										
Residential Operating	\$1,546,238	\$1,693,414	\$1,761,377	\$1,874,905	\$1,928,935	\$2,025,382	\$2,126,651	\$2,232,983	\$2,344,633	
Commercial Operating	\$1,090,179	\$869,201	\$1,167,466	\$1,176,442	\$1,274,581	\$1,338,310	\$1,405,226	\$1,475,487	\$1,549,261	
Recycling Center Operating	\$285,026	\$306,305	\$279,177	\$51,413	\$0	\$0	\$0	\$0	\$0	
Capital Outlay Other	\$96,108	\$105,230	\$27,432	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Outlay Vehicles		\$220,135	\$0	\$0	\$447,301	\$240,000	\$252,000	\$264,000	\$277,830	
<b>Total Expenses</b>	<b>\$3,017,551</b>	<b>\$3,294,285</b>	<b>\$3,235,451</b>	<b>\$3,102,760</b>	<b>\$3,650,817</b>	<b>\$3,603,692</b>	<b>\$3,783,876</b>	<b>\$3,973,070</b>	<b>\$4,171,724</b>	
Yearly Revenues over (under) Expense	\$197,678	(\$86,350)	\$138,151	\$4,466	(\$258,657)	\$127,684	\$134,068	\$42,823	(\$55,433)	
<b>Ending Balance</b>	<b>\$324,766</b>	<b>\$238,416</b>	<b>\$366,567</b>	<b>\$371,033</b>	<b>\$112,376</b>	<b>\$240,000</b>	<b>\$374,128</b>	<b>\$416,851</b>	<b>\$361,518</b>	

\*Includes purchase of \$206,091 from FY 2014.  
\*\* Includes revenue from sale of equipment (\$13,505) and Liens (\$3,472).

Sanitation Cash Flows and Future Projections with needed increases 1 vehicle a year and sale of land										
Percent Increase in Revenues	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	10% Increase Budgeted FY 2014	5.00% Projected FY 2015	5.00% Projected FY 2016	5.00% Projected FY 2017	5.00% Projected FY 2018	5.00% Projected FY 2019
Beginning Balance	\$127,088	\$324,766	\$238,416	\$366,567	\$371,033	\$352,376	\$376,452	\$396,432	\$420,211	
<b>Revenues</b>										
Residential	\$1,892,406	\$1,742,144	\$1,761,620	\$1,905,299	\$1,927,200	\$2,023,560	\$2,124,738	\$2,230,975	\$2,342,524	
Commercial	\$1,252,169	\$1,275,370	\$1,345,740	\$1,225,531	\$1,464,959	\$1,538,207	\$1,615,117	\$1,695,873	\$1,780,667	
Recycling Center	\$51,603	\$26,653	\$219,075	\$29,301	\$0	\$0	\$0	\$0	\$0	
Land sale (Recycling)					\$700,000					
Receivable/ Payable adjustment	\$19,051	(\$36,232)	\$37,167	(\$52,905)						
<b>Total Revenue</b>	<b>\$3,215,229</b>	<b>\$3,207,935</b>	<b>\$3,363,602</b>	<b>\$3,167,226</b>	<b>\$4,092,160</b>	<b>\$3,561,768</b>	<b>\$3,739,856</b>	<b>\$3,926,449</b>	<b>\$4,123,191</b>	
<b>Expenditures</b>										
Residential Operating	\$1,546,238	\$1,693,414	\$1,761,377	\$1,874,905	\$1,928,935	\$2,025,382	\$2,126,651	\$2,232,983	\$2,344,633	
Commercial Operating	\$1,090,179	\$869,201	\$1,167,466	\$1,176,442	\$1,274,581	\$1,338,310	\$1,405,226	\$1,475,487	\$1,549,261	
Recycling Center Operating	\$285,026	\$306,305	\$279,177	\$51,413	\$0	\$0	\$0	\$0	\$0	
Capital Outlay Other	\$96,108	\$105,230	\$27,432	\$0	\$0	\$0	\$0	\$0	\$0	
Capital Outlay Vehicles		\$220,135	\$0	\$0	\$447,301	\$240,000	\$252,000	\$264,000	\$277,830	
<b>Total Expenses</b>	<b>\$3,017,551</b>	<b>\$3,294,285</b>	<b>\$3,235,451</b>	<b>\$3,102,760</b>	<b>\$4,110,817</b>	<b>\$3,603,692</b>	<b>\$3,783,876</b>	<b>\$3,973,070</b>	<b>\$4,171,724</b>	
Yearly Revenues over (under) Expense	\$197,678	(\$86,350)	\$138,151	\$4,466	(\$1,715,657)	(\$41,824)	(\$44,020)	(\$44,221)	(\$48,530)	
<b>Ending Balance</b>	<b>\$324,766</b>	<b>\$238,416</b>	<b>\$366,567</b>	<b>\$371,033</b>	<b>\$352,376</b>	<b>\$310,452</b>	<b>\$266,432</b>	<b>\$220,211</b>	<b>\$171,678</b>	
<b>Cash Reserve Balance</b>						<b>\$460,000</b>	<b>\$460,000</b>	<b>\$460,000</b>	<b>\$460,000</b>	

\*Includes purchase of \$206,091 from FY 2014.  
\*\* Includes revenue from sale of equipment (\$13,505) and Liens (\$3,472).

## RESIDENTIAL RATES PER MONTH

## SANITATION RATES CURRENT VS PROPOSED RATES

	CURRENT	PROPOSED
Regular 65 Gallon	8.34	9.17
Regular 96 Gallon	9.96	10.96
Additional 96 Gallon	5.65	6.22
Senior Citizen	6.94	7.63
Extra Pickup		
96 Gallon	5.65	6.22

COMMERCIAL RATES PER MONTH			DROP BOX PER PICK UP		
	<u>CURRENT</u>	<u>PROPOSED</u>	<u>CONTAINER</u>	<u>CURRENT</u>	<u>PROPOSED</u>
96 Gallon	18.40	20.24	3 yard construction dumpster	40.00	44.00
300 Gallon (shared)	25.25	27.78	20 yard construction dumpster	235.00	259.00
300 Gallon (sole use)	29.60	32.56	30 yard construction dumpster	265.00	292.00
or 1.5 yard			40 yard construction dumpster	290.00	319.00
2 yard	35.40	38.94	30 yard compacted	175.00	193.00
3 yard	50.80	55.88	40 yard compacted	175.00	193.00
4 yard (new)		74.36	<i>Compactor rates do not include the disposal fee. Disposal costs are charged by actual weight.</i>		
6 yard loose	100.63	110.69			
8 yard loose	133.63	147.00			
			<b>Per Day Rental Fees</b>		
Card Board Recycling	15.00	15.00 (no change)	Permanent w/ fixed pickup schedule	2.00	2.00 (no change)
			short term rental	4.00	4.00 (no change)
			after 5 days	2.00	2.00 (no change)

Director Rearden stated there has been interest in the Citizen's Convenience Center (CCC) property, but the RFP process seems to scare them off. The property has been valued from \$650,000 - \$850,000. Realtors have advised that 10% of the value on an annual lease should be possible, and leasing the property would provide a steady cash flow rather than holding reserve money.

He reported that the proposed Resolution 10039 does not include a \$100 surcharge for overweight construction dumpsters that he believes should be included to cover the additional disposal costs.

Mayor Winters noted there are parties interested in purchasing the property, and he believes the City would benefit from a nice facility at that location.

## 2. CITY'S RFP FOR GAS AND ELECTRIC SERVICES

Energy Consultant Bill Pascoe provided a PowerPoint presentation on the City's RFP for Gas and Electric Services.

<div data-bbox="199 1316 776 1465"> <h3>Energy Supply RFPs</h3> <p>1</p> </div>	<div data-bbox="199 1465 776 1736"> <h3>GREAT FALLS CITY COMMISSION</h3> <p>SEPTEMBER 17, 2013</p> <p>BILL PASCOE, PASCOE ENERGY CONSULTING</p> </div>
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<div data-bbox="813 1316 1425 1409"> <h3>Potential Cost Savings – Gas</h3> <p>2</p> </div>	<div data-bbox="813 1409 1425 1736"> <table> <tr> <th>Supplier</th><th>\$/MMbtu</th><th>Annual Cost</th><th>Annual Savings</th></tr> <tr> <td>Previous EWR Contract</td><td>\$5.65</td><td>\$254,000</td><td>-----</td></tr> <tr> <td>EWMT Full Service</td><td>??</td><td>??</td><td>??</td></tr> <tr> <td>RFP – Pessimistic</td><td>\$4.50</td><td>\$202,000</td><td>\$52,000</td></tr> <tr> <td>RFP – Optimistic</td><td>\$3.75</td><td>\$169,000</td><td>\$85,000</td></tr> </table> <ul style="list-style-type: none"> <li>Costs include supply (no transmission or distribution)</li> <li>Annual costs based on 45,000 MMbtu/year</li> </ul> </div>	Supplier	\$/MMbtu	Annual Cost	Annual Savings	Previous EWR Contract	\$5.65	\$254,000	-----	EWMT Full Service	??	??	??	RFP – Pessimistic	\$4.50	\$202,000	\$52,000	RFP – Optimistic	\$3.75	\$169,000	\$85,000
Supplier	\$/MMbtu	Annual Cost	Annual Savings																		
Previous EWR Contract	\$5.65	\$254,000	-----																		
EWMT Full Service	??	??	??																		
RFP – Pessimistic	\$4.50	\$202,000	\$52,000																		
RFP – Optimistic	\$3.75	\$169,000	\$85,000																		

### Potential Cost Savings – Electricity

Supplier	\$/MWh	Annual Cost	Annual Savings
Current Southern Contract	\$70	\$1,610,000	-----
NWE Default Supply	\$63	\$1,450,000	\$160,000
RFP – Pessimistic	\$51	\$1,170,000	\$440,000
RFP - Optimistic	\$43	\$ 990,000	\$620,000

- Costs include supply and transmission (no distribution)
- Annual costs based on 23,000 MWh/year
- Southern costs do not include ECP admin (\$3.50/MWh) and debt service (\$3.50/MWh) charges

### RFP Fundamentals

- Separate RFPs for natural gas and electricity
  - No overlap in potential suppliers
  - Industry practices are different
- Seeking supply for all City requirements including Veolia Water
  - Legacy non-City ECP electricity loads not included
- Seeking **fixed price** contracts for 1-5 years
  - Higher prices likely for longer term contracts

### Schedule

Step	Date
RFPs Released	September 22
Notice of Intent to Propose	October 4
Indicative Proposals	October 18
Final Proposals and Awards	October 24
Deliveries Begin	November 1

### Process Steps

- Notice of Intent to Propose
  - Opens discussions about contracts, credit and confidentiality
- Indicative Proposals
  - Non-price terms
  - Indicative (non-binding) prices
- Final Proposals
  - Non-price terms same as Indicative Proposals
  - Final (binding) prices

### Gas Supply RFP

- Supplier will provide volumes as metered
- Supplier will handle any imbalances with NWE and EWMT
- NWE transmission arranged by EWMT and included in EWMT delivery rates
- Two bills:
  - Supplier for supply
  - EWMT for delivery

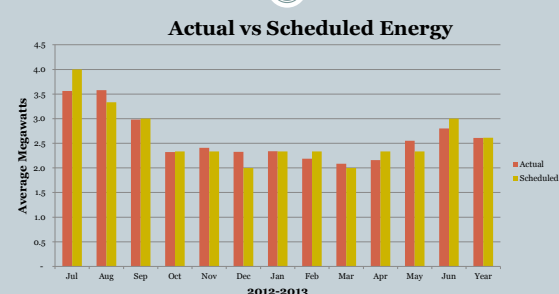
### Electricity Supply RFP

- Supplier will provide fixed amounts
- City will be responsible for handling imbalances with NWE
  - rounding errors that will net to zero over time
- City will be responsible for arranging and paying for transmission with NWE
- Three bills:
  - Supplier for supply
  - NWE for transmission and imbalances
  - NWE for distribution

### Electricity Supply (MW)

	On-Peak (7x16)	Off-Peak (7x8)
January	2	3
February	2	3
March	2	2
April	2	3
May	2	3
June	3	3
July	4	4
August	3	4
September	3	3
October	2	3
November	2	3
December	2	2

### Electricity Imbalances



<h3>Credit</h3>	<h3>Confidentiality</h3>
<ul style="list-style-type: none"> <li>• Credit is a significant issue with electricity suppliers due to events like 2001 West Coast Energy Crisis and Southern bankruptcy <ul style="list-style-type: none"> <li>◦ Less of an issue for gas suppliers</li> </ul> </li> <li>• Suppliers will assess City's creditworthiness and may require some form of security (letter of credit, pre-pay, etc)</li> <li>• Credit requirements will be considered in proposal evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers want to protect confidential information (price and non-price) <ul style="list-style-type: none"> <li>◦ This is a standard industry practice</li> </ul> </li> <li>• Gas – will release all prices from Final Proposals when contract is awarded</li> <li>• Electric – will release contract price and summary of other prices from Final Proposals 2 weeks after contract is awarded</li> </ul>

Mr. Pascoe noted that proposals are due at 9 a.m. on October 24th, and gas suppliers have been told that a decision will be made by 11:30 a.m. to avoid price adjustments.

Deputy City Manager Jennifer Reichelt reported there will be two special City Commission meetings on October 24<sup>th</sup>. A morning meeting will be held to award the gas supplier, and a late morning or early afternoon meeting to award an electricity supplier.

Commissioner Kelly requested a breakdown of potential gas cost savings over the past two years using Energy West Montana Full Service actual pricing.

### ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of September 17, 2013, at 6:39 p.m.