

JOURNAL OF COMMISSION WORK SESSION
October 6, 2015

City Commission Work Session
Civic Center, Gibson Room

Mayor Winters presiding

CALL TO ORDER: 5:30 p.m.

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

STAFF PRESENT: City Manager; City Attorney; Directors of Fiscal Service and Public Works; Police Chief; and the City Clerk and Deputy City Clerk.

***** Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of this meeting for additional detail. *****

1. PUBLIC COMMENT

There were no comments from the public.

2. SANITATION RATE REVIEW

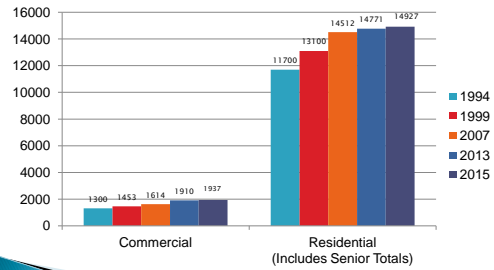
Public Works Director Jim Rearden introduced Maintenance Supervisor Doug Alm and Sanitation Supervisor Ross Bartell. Director Rearden provided and discussed a PowerPoint presentation regarding sanitation rates as follows:

<p style="text-align:center">City of Great Falls</p> <p style="text-align:center">2015 Sanitation Division Rate Analysis</p> <p style="text-align:center">Presented at the October 6, 2015 City Commission Work Session</p>	<p style="text-align:center">SANITATION RATE SETTING TIMETABLE</p> <ul style="list-style-type: none">▶ Oct. 6, 2015 -- Commission Work Session Presentation▶ Oct. 6, 2015 -- Set Public Hearing for Oct. 20, 2015▶ Oct. 20, 2015 -- Public Hearing on Resolution▶ Rates proposed to go into effect Oct. 27, 2015
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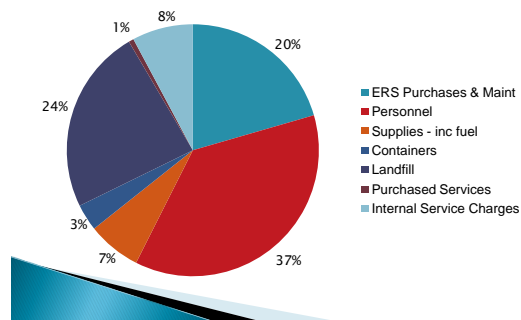
City Sanitation Customer Base

City Utility Customer Base FY 2015	21,625	100%
City SN Residential Customers	14,927	
City SN Commercial Customers	1,937	
Total City	16,864	78%
Montana Waste Systems		
Residential & Commercial	4,761	
Total MWS	4,761	22%

City Sanitation Customer Base



Sanitation Operating Costs Budgeted FY 2014-2015



Landfill Costs & Tonnage

Year	LANDFILL RATE/TON	Rate Increase CPI	Landfill Tonnage	Landfill Costs
2005	\$19.61	2.25%	32,184.19	\$631,132
2006	\$20.33	3.70%	32,803.65	\$666,898
2007	\$20.98	3.25%	33,634.14	\$705,644
2008	\$21.39	2.00%	35,373.28	\$756,634
2009	\$22.32	4.35%	34,950.92	\$780,105
2010	\$22.52	0.90%	34,946.38	\$786,992
2011	\$22.88	1.60%	34,757.38	\$795,249
2012	\$23.05	0.75%	34,392.16	\$792,739
2013	\$23.82	3.35%	33,725.63	\$803,345
2014	\$24.20	1.60%	33,643.57	\$814,174
2015	\$24.78	1.25%	33,795.07	\$837,442

AVERAGE ANNUAL INCREASE - 2.40% OR \$0.47/TON

Container Costs

2009		
300 GALLON CONTAINERS	\$262.00 EACH	TOTAL FOR THE YEAR \$103,813
96 GALLON CONTAINERS	\$42.61 EACH	
2010		
300 GALLON CONTAINERS	\$279.00 EACH	\$104,514
96 GALLON CONTAINERS	\$49.50 EACH	
2011		
300 GALLON CONTAINERS	\$292.00 EACH	\$106,921
96 GALLON CONTAINERS	\$53.95 EACH	
2012		
300 GALLON CONTAINERS	\$294.00 EACH	\$108,582
96 GALLON CONTAINERS	\$52.96 EACH	
2013		
300 GALLON CONTAINERS	\$313.05 EACH	\$94,836
96 GALLON CONTAINERS	\$54.57 EACH	
2014		
300 GALLON CONTAINERS	\$317.00 EACH	\$114,825
96 GALLON CONTAINERS	\$52.90 EACH	
2015		
300 GALLON CONTAINERS	\$317.57 EACH	AS OF 10/5/15 \$85,855
96 GALLON CONTAINERS	\$52.15 EACH	

300 Gallon - 3.55% annual increase 96 Gallon - 3.73% annual increase

2015 PETERBILT 320 W/HEIL 7000



MAINTENANCE COSTS NEW VS OLD

TWO NEW TRUCKS MAINT COSTS	TWO OLD TRUCKS MAINT COSTS
APRIL 8, 2015 - SEPT. 21, 2015	APRIL 8, 2015 - SEPT. 21, 2015
\$4,364.08	\$20,822.49
\$16,458.41 NEW vs. OLD SAVINGS	



Sanitation Truck Replacement Plan

TRUCKS TO BE REPLACED	MAINT 10014 - 10016	MAINT 1018 - 10015	EST MAINT COST OF NEW UNITS
#920 - 98 VOLVO (REAR LOAD)	\$20,061.97	\$ 4,217.93	\$7,000.00
#921 - 07 VOLVO (REAR LOAD)	\$23,538.53	\$27,939.08	\$7,000.00
#912 - 03 VOLVO (SIDE LOADER)	\$30,186.54	\$19,888.37	\$7,500.00
#911 - 07 CONCOR (RES SIDE LOADER)	\$22,861.47	\$22,543.97	\$7,500.00
#904 - 03 AUTOCAR (COMM SIDE LOAD)	\$12,157.01	\$ 4,148.82	\$7,000.00
#913 - 07 CONCOR (RES SIDE LOADER)	\$22,021.12	\$24,216.77	\$7,500.00
TOTAL	\$130,826.79	TOTAL \$121,254.44	TOTAL \$45,000.00
		ANNUAL SAVINGS W/ NEW TRUCKS	\$85, 826.79
CURRENT ANNUAL INCREMENT PUT INTO ERS	\$ 208,036.00		
ESTIMATED SAVING IN REPAIRS WITH NEW UNITS	\$ 85,826.79		
CASH AVAILABLE FOR INTERCAP LOAN	\$ 291,862.79		
REPLACEMENT COST FOR THE SIX UNITS LISTED	\$1,400,000.00		
CURRENT INTEREST RATE OF INTERCAP LOAN	1.25%		
PAYMENT CALCULATED FOR SIX YEAR TERM	\$ 242,314.20		
SAVINGS PER YEAR (Cash available vs. loan payment)	\$ 40,548.59		

10 Year Maintenance Cost Chart With Both Plans

Current Plan No Changes

1 new truck per year
Maintenance Costs have been going up 7% each year

2013 Maintenance Cost	\$380,137.00
2014 Maintenance Cost	\$397,455.00
2015 Maintenance Cost	\$432,530.00
2016 Maintenance Cost	\$462,807.10
2017 Maintenance Cost	\$495,203.60
2018 Maintenance Cost	\$529,867.85
2019 Maintenance Cost	\$566,958.60
2020 Maintenance Cost	\$606,645.70
2021 Maintenance Cost	\$649,110.90
2022 Maintenance Cost	\$694,548.66
2023 Maintenance Cost	\$743,167.07

Total Ten Year Expected Cost \$5,958,431.47

InterCap Loan Plan

6 New Trucks in 2016 & 2021

2013 Maintenance Cost	\$380,137.00
2014 Maintenance Cost	\$397,455.00
2015 Maintenance Cost	\$432,530.00
2016 Maintenance Cost	\$365,233.00
2017 Maintenance Cost	\$372,537.66
2018 Maintenance Cost	\$379,988.41
2019 Maintenance Cost	\$387,588.18
2020 Maintenance Cost	\$395,339.95
2021 Maintenance Cost	\$403,246.74
2022 Maintenance Cost	\$335,364.08
2023 Maintenance Cost	\$342,071.36

Total Ten Year Expected Cost \$4,191,491.38

Expected Maintenance Savings With New Units \$1,766,940.09

W/O TRUCK REPLACEMENT

Total Sanitation Fund Cash Flow with Capital Outlay without Depreciation								
	Unaudited Actuals FY 2015	Budgeted FY 2016 5% Revenue Increase	Projected FY 2017 2.5% Revenue Increase	Projected FY 2018 2.5% Revenue Increase	Projected FY 2019 2.5% Revenue Increase	Projected FY 2020 2.5% Revenue Increase	Projected FY 2021 3% Revenue Increase	Projected FY 2021 3% Revenue Increase
Beginning Cash Balance	\$315,605	\$552,346	\$609,671	\$703,125	\$660,248	\$689,421	\$536,438	
Revenues								
Miscellaneous	\$8,826	\$8,825	\$8,825	\$8,825	\$8,825	\$8,825	\$8,825	\$8,825
Commercial utility	\$1,038,132	\$1,521,407	\$1,559,442	\$1,598,428	\$1,638,389	\$1,679,349	\$1,729,729	\$1,729,729
Utility Equipment Rentals	\$201,332	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Sanitation Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cardboard	\$5,647	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Sanitation Liens	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$4,232	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential	\$2,218,450	\$2,023,560	\$2,074,149	\$2,126,003	\$2,179,153	\$2,233,632	\$2,300,641	\$2,300,641
Sr Citizens Serv	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Scrap & Surplus	\$1,912	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
InterCap Loan								
Sale of Machinery, Equipment & Land								
Total Revenue	\$3,478,529	\$3,559,592	\$3,648,216	\$3,739,056	\$3,832,167	\$3,927,605	\$4,044,995	
Expenses*								
Personal Services	\$1,247,915	\$1,292,949	\$1,357,596	\$1,425,476	\$1,496,750	\$1,571,588	\$1,650,167	
Supplies & Material	\$111,998	\$361,135	\$379,192	\$398,151	\$418,059	\$438,962	\$460,910	
Other Purchased Services	\$20,186	\$22,875	\$24,019	\$25,220	\$26,481	\$27,805	\$29,195	
Landfill Costs	\$833,152	\$833,152	\$858,147	\$883,891	\$910,408	\$937,720	\$965,852	
Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Internal Serv Chrgs	\$653,630	\$706,236	\$741,548	\$778,625	\$817,556	\$858,434	\$901,356	
Debt Service								
Total Expenses	\$3,575,181	\$3,402,267	\$3,554,761	\$3,781,933	\$3,802,994	\$4,080,588	\$4,358,179	
Revenues Over (Under) Expenses	(\$96,653)	\$57,325	\$93,455	(\$42,877)	\$29,173	(\$152,983)	(\$313,185)	
Adjustment to receivables / payables	\$333,393	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Cash Balance	\$552,346	\$609,671	\$703,125	\$660,248	\$689,421	\$536,438	\$223,253	
*Expenses increased 5% starting in FY 2016.								
* Land Fill costs increased 3% annually								

WITH TRUCK REPLACEMENT

Total Sanitation Fund Cash Flow with Capital Outlay without Depreciation								
	Unaudited Actuals FY 2015	Budgeted FY 2016 5% Revenue Increase	Projected FY 2017 2.5% Revenue Increase	Projected FY 2018 4% Revenue Increase	Projected FY 2019 4% Revenue Increase	Projected FY 2020 5% Revenue Increase	Projected FY 2021 5% Revenue Increase	Projected FY 2021 5% Revenue Increase
Beginning Cash Balance	\$315,605	\$552,346	\$715,356	\$813,955	\$843,275	\$103,378	\$267,657	
Revenues								
Concessions Ctr Fr	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Miscellaneous	\$8,826	\$8,825	\$8,825	\$8,825	\$8,825	\$8,825	\$8,825	
Commercial utility	\$1,038,132	\$1,521,407	\$1,559,442	\$1,618,465	\$1,678,465	\$1,740,388	\$1,805,398	
Utility Equipment Rentals	\$201,332	\$0	\$0	\$0	\$0	\$0	\$0	
City Sanitation Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cardboard	\$5,647	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	
Sanitation Liens	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Interest	\$4,232	\$0	\$0	\$0	\$0	\$0	\$0	
Residential	\$2,218,450	\$2,023,560	\$2,064,031	\$2,146,592	\$2,232,456	\$2,344,079	\$2,461,293	
Sr Citizens Serv	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sale of Scrap & Surplus	\$1,912	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,155	
InterCap Loan								
Sale of Machinery, Equipment & Land								
Total Revenue	\$3,478,529	\$4,959,592	\$5,836,481	\$7,175,126	\$8,925,146	\$11,223,325	\$14,328,682	
Expenses*								
Personal Services	\$1,247,915	\$1,292,949	\$1,357,596	\$1,425,476	\$1,496,750	\$1,571,588	\$1,650,167	
Supplies & Material	\$111,998	\$361,135	\$379,192	\$398,151	\$418,059	\$438,962	\$460,910	
Other Purchased Services	\$20,186	\$22,875	\$24,019	\$25,220	\$26,481	\$27,805	\$29,195	
Landfill Costs	\$833,152	\$833,152	\$858,147	\$883,891	\$910,408	\$937,720	\$965,852	
Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Internal Serv Chrgs	\$653,630	\$644,157	\$676,365	\$710,183	\$745,692	\$782,977	\$808,807	
Debt Service								
Total Expenses	\$3,575,181	\$4,986,582	\$5,738,882	\$7,055,805	\$8,975,444	\$11,240,275	\$14,289,324	
Revenues Over (Under) Expenses	(\$96,653)	\$163,010	(\$101,401)	(\$180,679)	(\$547,898)	(\$117,320)	\$139,358	
Adjustment to receivables / payables	\$333,393	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Cash Balance	\$552,346	\$715,356	\$813,955	\$843,275	\$103,378	\$267,657	\$301,815	
*Expenses increased 5% starting in FY 2016.								
* Land Fill costs increased 3% annually								

Previous Residential Rate Increases

Year	Residential Rate	Residential Increase
2004	\$8.46/mo.	\$0.25/mo.
2005	\$8.71/mo.	0%
2006	\$8.71/mo.	\$0.26/mo.
2007	\$8.97/mo.	\$0.27/mo.
2008	\$9.24/mo.	\$0.42/mo.
2009	\$9.66/mo.	0%
2010	\$9.66/mo.	\$0.30/mo.
2011	\$9.96/mo.	0%
2012	\$9.96/mo.	0%
2013	\$10.96/mo.	\$1.00/mo.
2014	\$10.96/mo.	0%

ANNUAL AVERAGE - \$0.25/mo. or 2.95% annually

PROPOSED MONTHLY RATE CHANGES				Current Statewide Residential Rates				
RESIDENTIAL				PUBLIC	RESIDENTIAL RATE	COMPETITION	LANDFILL FEE	OWN LANDFILL
	CURRENT	PROPOSED	DIFF	Billings	\$8.98	NO	\$16.19	YES
Regular 65 Gallon	\$ 9.17	\$ 9.63	\$ 0.46	Great Falls (proposed)	\$11.51	YES	\$24.78	NO
Regular 96 Gallon	\$10.96	\$11.51	\$ 0.55	Helena	\$15.75	NO	\$31.25	NO
Senior Citizen	\$ 7.63	\$ 8.01	\$ 0.38	Havre	\$15.38	NO	\$10.00 cu yd	NO
COMMERCIAL				Kalispell	\$15.73	YES	\$31.05	NO
96 Gallon	\$ 20.24	\$ 21.25	\$ 1.01	Bozeman	\$23.51	YES	\$27.00 to \$58.00	NO
300 Gallon (shared)	\$ 27.78	\$ 28.64	\$ 1.36	PRIVATE	RESIDENTIAL RATE	COMPETITION	LANDFILL FEE	OWN LANDFILL
300 Gallon/1.5 yard	\$ 32.56	\$ 34.19	\$ 1.63	MWS GF	\$10.26	YES	\$28.75	YES
2 yard	\$ 38.94	\$ 40.89	\$ 1.95	MWS County	\$17.63	NO	\$28.75	YES
3 yard	\$ 55.88	\$ 58.42	\$ 2.54	Evergreen Kalispell	\$15.95	YES	\$31.05	NO
4 yard	\$ 74.36	\$ 78.08	\$ 3.72	Allied/Republic Bozeman - No Response 2011	\$16.98	YES	\$29.70	NO
				Allied/Republic Missoula - No Response 2011	\$23.55	NO	\$17.00 cu yd	NO

3. DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon discussed upcoming work session topics to include a golf course rate review and investment reporting on October 20, and a 911 Center update on November 3, 2015.

Commissioner Kelly requested that, when staff has assembled the information, a thorough review of the Co-Gen facility be added to the list of upcoming work session topics.

ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of October 6, 2015, at 6:06 pm.