

CITY OF POCA TELLO CITY COUNCIL WORK SESSION

July 11, 2019 · 9:00 AM
Council Chambers | 911 North 7th Avenue

City Hall is accessible to persons with disabilities. Program access accommodations may be provided with three (3) days' advance notice by contacting Skyler Beebe at sbeebe@pocatello.us; 208.234.6248 or 5815 South 5th Avenue, Pocatello, ID. **POSSIBLE COUNCIL WORKING LUNCH:** Members of the Council may choose to participate in a working lunch to discuss Work Session topics during the Work Session in the Paradise Conference Room. No formal action will be voted on.

1. ROLL CALL

2. LIBRARY BOARD UPDATE

Representatives from the Library Board will discuss the Board's goals and projects, as well as Council's policies and expectations. **(ACTION ITEM)**

3. BANNOCK DEVELOPMENT CORPORATION UPDATE

John Regetz, Bannock Development Corporation (BDC) Executive Director, will be present to give Council an update of BDC's activities and achievements. **(ACTION ITEM)**

4. UTILITY RATE STUDY UPDATE

Raftelis and City Staff presented a Draft Utility Study to Council on May 9, 2019. Since that time, the revenue and expenditure calculations have been refined. City staff wishes to present the Final Utility Study for Council's consideration for use in budgeting purposes for the next five (5) years. **(ACTION ITEM)**

Documents:

[AGENDA-ITEM-4.PDF](#)

5. FIRE DEPARTMENT FACILITY REPAIRS UPDATE

Fire staff will be available to give Council an update on facility repair costs as discussed at the May 16, 2019 Budget Development meeting. **(ACTION ITEM)**

FIRE STATION NO. 2 DRIVEWAY REPAIR – Bid in the amount of \$15,900.00 to replace deteriorating apparatus driveway of Fire Station No. 2 (1539 North Hayes) has been received.

Fire staff is seeking Council guidance regarding budgeting of the costs.

6. FIRE DEPARTMENT—INSPECTION OF MOBILE FOOD VENDORS AND PROPOSED FEE FOR INSPECTIONS

Fire Department staff will be present to discuss potentially unsafe situations regarding mobile food vendors. There are no regulation guidelines for mobile food vendors in the City's Code at this time. Staff is seeking direction from the Council regarding possible solutions and creation of a permit inspection fee. **(ACTION ITEM)**

7. ADJOURN



City of Pocatello Utility Rate Study

FY2020-2024

EXECUTIVE SUMMARY

Presented by: Jeff Mansfield
Public Works Director and City Engineer

TO: Mayor and Council

FROM: Jeff Mansfield, PE, CFM, Public Works Director/City Engineer

RE: **Raftelis Utility Rate Study (2020-2024)**

DATE: July 2, 2019

Raftelis and City staff presented the Draft Utility Rate Study to Council on May 9, 2019. Since that time, the revenue and expenditure calculations have been refined. City staff wishes to present the Final Utility Rate Study to Council for use in budgeting purposes for the next five years.

The major objectives of the study include development of the following:

1. Financial plans for the Enterprise Funds for the 5-year study period (FY2020-24) for Water, WPC and Sanitation.
2. Cost of Service analysis to ensure equitable recovery of costs from customer classes.
3. Develop Cost of service Water, WPC, and Sanitation Rates along with rate alternatives.

A summary of the Enterprise Utility Rate increases is provided below:

WATER

Item	FY20	FY21	FY22	FY23	FY24
Rate Revenue Increase	4.0%	4.0%	4.0%	3.0%	3.0%
Cumulative Rate Increase	4.0%	8.2%	12.5%	15.9%	19.3%
Ending Balance, \$ millions	\$5.1	\$3.4	\$2.8	\$3.7	\$3.7
Target Reserves, \$ millions	\$2.2	\$2.4	\$2.5	\$2.6	\$2.7
Undesignated, \$ millions	\$2.9	\$1.0	\$0.4	\$1.1	\$1.0
Debt Service Coverage	799%	800%	834%	847%	855%

WPC

Item	FY20	FY21	FY22	FY23	FY24
Rate Revenue Increase	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative Rate Increase	3.0%	6.1%	9.3%	12.6%	15.9%
Ending Balance, \$ millions	\$4.9	\$4.0	\$3.2	\$2.6	\$2.6
Target Reserves, \$ millions	\$1.7	\$1.8	\$1.9	\$1.9	\$2.0
Undesignated, \$ millions	\$3.3	\$2.3	\$1.3	\$0.6	\$0.6
Debt Service Coverage	205%	203%	204%	231%	249%

SANITATION

Item	FY20	FY21	FY22	FY23	FY24
Rate Revenue Increase	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative Rate Increase	3.0%	6.1%	9.3%	12.6%	15.9%
Ending Balance, \$ millions	\$5.5	\$5.6	\$5.6	\$5.1	\$4.6
Target Reserves, \$ millions	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4
Undesignated, \$ millions	\$3.5	\$3.5	\$3.4	\$2.8	\$2.2

Capacity Fee Summary

WATER

Proposed Water System Capacity Fees

Water Meter	Current Fee	Proposed Fees				
	2019	2020	2021	2022	2023	2024
Size	\$	\$	\$	\$	\$	\$
3/4"	3,450	3,550	3,930	4,240	4,430	4,670
1"	3,450	3,550	3,930	4,240	4,430	4,670
1 1/2"	6,900	7,100	7,860	8,480	8,860	9,340
2"	11,040	11,360	12,580	13,570	14,180	14,940
3"	24,150	24,850	27,510	29,680	31,010	32,690

WPC

Proposed WPC Treatment Plant System Capacity Fees

Water Meter	Current Fee	Proposed Fees				
		2020	2021	2022	2023	2024
Size	\$	\$	\$	\$	\$	\$
3/4"	1,940	2,000	2,130	2,250	2,370	2,550
1"	1,940	2,000	2,130	2,250	2,370	2,550
1 1/2"	3,880	4,000	4,260	4,500	4,740	5,100
2"	6,210	6,400	6,820	7,200	7,580	8,160
3"		14,000	14,910	15,750	16,590	17,850

(a) Water meter sizes greater than 3 inches assessed on an individual basis.