

CITY OF POCA TELLO, IDAHO
CITY COUNCIL MEETING -
BUDGET DEVELOPMENT
MAY 31, 2018

1. ROLL CALL Mayor Brian Blad called the City Council meeting for Budget Development/Service Level Reports to order at 9:00 a.m. Council members present were Heidi Adamson, Rick Cheatum, Jim Johnston, Linda Leeuwrik and Beena Mannan. Council member Roger Bray was excused.
2. FISCAL YEAR 2019 BUDGET DEVELOPMENT OVERVIEW Ashley Linton-Welsh, Senior Accountant, stated that information regarding budgets for City departments would be presented. She gave an overview of the material that would be discussed to determine the Fiscal Year 2019 budget and announced that department briefings would be held at this time.

Ms. Welsh mentioned anticipated revenues for the City will be reviewed next week and she should have more up to date information for Council to consider.

3. SANITATION DEPARTMENT Tom Kirkman, Deputy Public Work Director, Brian Wellard, Sanitation Operations Manager, and Ashley Linton-Welsh, Senior Accountant, gave a presentation of the Sanitation Department Service Level Report.

Mr. Kirkman reviewed the Sanitation Department's mission statement. To improve the quality of life for the citizens of Pocatello providing efficient and cost effective refuse removal and recycling services.

Mr. Wellard gave an overview of the department's measures of effectiveness and key accomplishments for Fiscal Year 2017. a) Yard Waste program has been expanded to over 1075 residents with no increase in department personnel; b) Request for service completed within 24 hours or sooner. Removal of improperly disposed items such as: tires, paint and appliances. Additional services provided at "no charge" include: a) Fall leaf collection; b) Assistance to elderly/disabled customers; c) Christmas tree disposal; and d) Annual one time use of 3-yard or 17-yard containers for 48 hours (expanded in 2017). Partners in Pride Program - 1260 pickups of 3-yard containers (not accounted for in output summary) and 312 pickups of 17-yard roll-offs (not accounted for in output summary).

Issues and Concerns – Keeping adequate manpower due to increased demand for services; maintaining competitive rate structure; current recycling markets are depressed and processing costs are increasing. The current contract with Western Recycling expires December 31, 2018; Customer cooperation (keeping recycling and yard waste programs clean of impurities).

It was noted that Rick Gillihan representing Western Recycling will give an update to the Council on the recycle demand and changes at a future meeting. The department is requesting an increase of \$200,000.00 because of the increase in costs to sort recyclable materials. It was mentioned that China is no longer taking certain items which is driving the cost to recycle higher.

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Ms. Welsh gave an overview of the Sanitation Department budget for Fiscal Year 2018 and Fiscal Year 2019.

In response to questions from Council, the life expectancy of Sanitation trucks were reviewed. Continued maintenance is completed by city mechanics. Staff will continue to use the rate study and replace vehicles when needed to avoid costly repairs.

Budget Authority Increase requests were summarized. Major expenses are: Utility Services – landfill charges/yard waste \$128,830.00; Capital vehicles – additional retriever truck (special order) \$190,700.00; Wash Bay at new facility \$295,000.00; and Recycling charges \$200,000.00.

Proposed Fee Increases –

Minimum monthly charge – Small fee increases for: 64 gallon cart service; 95 gallon cart services; 3-yard containers and roll-off box services are being proposed.

In response to questions from Council, Mr. Wellard explained the smaller size cart (64 gallon) is easier for senior citizens to handle and they prefer the smaller cart. The cart size does not make any difference in the costs to provide the service.

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| 4. | WATER
POLLUTION
CONTROL
DEPARTMENT | Jeff Mansfield, Public Works Director; Levi Adams, Interim Water Pollution Control (WPC) Superintendent; and Ashley Linton-Welsh, Senior Accountant, gave a presentation of the WPC Service Level Report. |
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Mr. Adams reviewed WPC's mission statement. To collect and treat wastewater at the lowest practical costs while meeting regulations and providing excellent customer service.

Mr. Adams shared there are vacant positions in the department that have been difficult to fill. He feels there are not quality candidates available to fill the positions. Mr. Adams is searching for Idaho State University students to fill part-time labor positions for the summer months.

Measure of Effectiveness, Key Accomplishments – a) treated an average of 6.04 MGD and reclaimed 2.20 Billion gallons of water to the Portneuf River; b) Waste Water Treatment Plant (WWTP) removed approximately 97% of the phosphorus entering the plant and averaged 15 pounds per day of phosphorus discharged, down from 48 pounds per day in 2017; c) new NPDES Permit limit became effective on December 31, 2017 at 25.1 pounds per day; d) WPC rehabilitated over 10,065 feet of sewer pipe with “Cure in Place Pipe” (CIPP); e) Pretreatment Program staff monitored and sampled 7 permitted significant dischargers, performed 600 inspections on minor dischargers, and implemented new EPA regulations for dental amalgam waste; f) collection staff cleaned over 236 miles of sewer lines and performed closed circuit television inspection on over

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6,450 feet of pipes ranging in size from 6 inches to 42 inches. Phase one Phosphorus Project was reviewed. This was a Key Accomplishment for the department in 2017.

Issues and Concerns – Replacing Superintendent and mechanic/welder positions. (Succession Planning); b) aging staff – three upcoming retirements in the next 5 years. (Finding qualified replacements); c) aging infrastructure both at WWTP and collections system. (Lift Stations and Sewer Pipe); d) NPDES Permit expired in September 2017 – re-applied March 2017, Update expected July 1, 2018 by Idaho Department of Environment Quality (IDEQ); e) Future permit requirements and limits set by IDEQ; f) Development causing capacity issue or jurisdictional issues (aquifer nitrates); g) Johnny Creek, Mink Creek, and Kraft Road Un-sewered areas; and h) Financial plan needs updated.

Ms. Welsh reviewed the WPC budget for Fiscal Year 2018 and Fiscal Year 2019.

Budget Authority increase summary – Increased chemicals \$50,000.00, increased vehicles \$370,000.00, increased Capital for \$1,300,000.00 - a new dredge is needed. Current dredge is 30+ years old, and prepare to replace administration building \$2 million, increased Professional Services \$50,000.00.

Proposed Fee Increases – Residential, Single Family; Industrial facilities a) volume charge, per 1000 gallons; b) Great Western volume \$1.86; c) Total phosphorus, per pound \$10.07; d) System capacity Fees (Treatment and Collection).

Future Needs – Composting – unrealistic due to cost unless use becomes an issue – product use/demand for goods. Effluent reuse – opportunities are being explored – depending on new IDEQ NPDES permit; Infrastructure continues to be a need – repair/replace/reline sewer mainlines; and Rehab and update aging lift stations.

Discussion regarding the discharge of biosolids for the City followed. It was noted that discharge is being done very cost effectively when compared to other cities. The amount of discharge pending growth and other circumstances was clarified. Replacement of the administration building was built into the rate study. Staff decided to delay the administration building project until after the phosphorous upgrade was completed.

Ms. Welsh noted that the administration building project has been built into the department's capital fund and WPC is building reserves according to the rate study.

Jeff Mansfield, Public Works Director, invited Council to attend an open house and walk through the administration building to see the need for a new structure.

It was noted that a new rate study will cost approximately \$150,000.00 which will be shared appropriately between the City's 3 utility departments.

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5. WATER DEPARTMENT Justin Armstrong, Water Superintendent; Jeff Mansfield, Public Works Director; and Ashley Linton-Welsh, Senior Accountant, gave a presentation of the Water Department Service Level Report.

Mr. Armstrong reviewed the Water Department mission statement. Provide a safe, reliable, and adequate supply of drinking water for our customers at the lowest practical cost.

Measures of Effectiveness, Key Accomplishments – a) Consumer Confidence Report – No violations of drinking water quality standards (Benchmark = 100% Compliance); b) 2017 Drinking Water Taste Test Award “Best of Show” – AWWA Intermountain Section (Utah and Central/East Idaho); c) Minimal interruptions in water service; d) Integrity of the water system near median percentile; e) Reasonable water rates when compared locally; f) Johnny Creek Booster and Johnny Creek Pressure Zone Improvements; and g) Water Main Replacement Projects included Park Lane, Myrtle and Balsam Street, East Cedar Street – Pole Line to Moreland, Zener Street – Hawthorne to Hilliard, Cypress, Dogwood and Ebony; and h) Meter replacement/upgrade program (upgraded 2,005 meters to remote read technology).

General discussion regarding the lower water pressure in the Johnny Creek area followed. The lower pressure is different from what the residents have been accustomed to and they have shared concerns. However, the lower pressure will protect their pipes and is safer for residential use. Too high of pressure can be a hazard. The new pressure meets the code at 40 – 100 psi.

Issues and Concerns – Aging infrastructure: Increase the rate of replacement to achieve 100+/- year cycle; Highland Bench – Supply Redundancy: Provide additional supply and system redundancy to the Highland Bench, Allow for additional growth and supports future development, Siting north well to provide adequate quantity and quality.

Ms. Welsh reviewed the Water Department Budget for Fiscal Year 2018 and Fiscal Year 2019.

Budget Authority increase summary per Rate Study – (Revenues were less than predicted because of more precipitation and less water use) Other Professional Services \$40,900.00, Equipment \$8,100.00, Light Vehicles \$49,800.00, Distribution System \$31,000.00, Vehicles, Machinery and Heavy Equipment \$54,000.00, Pump, Purification and Storage items: Hardware/Software \$15,000.00, Pumps and Storage \$786,000.00, and vehicles \$46,000.00.

Proposed fee increases for water use were reviewed. Increase in Base Service Charge Fees and Volume charges by Customer Class were prosed. A typical single family monthly water bill was reviewed. An increase in System Capacity Fees was also reviewed.

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General discussion regarding non-metered areas within other cities followed. It was noted that Water Department staff work diligently to ensure safe drinking water for citizens and to keep water rates within limits.

In closing, Ms. Welsh gave an overview of the June 7, 2018 Budget Development meeting to be held at 10:00 a.m.

6. There being no further business, Mayor Blad adjourned the meeting at 10:28 a.m.

APPROVED:

BRIAN C. BLAD, MAYOR

PREPARED BY AND ATTEST:

RUTH E. WHITWORTH, CMC, CITY CLERK