



CITY COUNCIL MINUTES

Study Session
Monday – July 14, 2014
7:00 p.m.

CALL TO ORDER

Mayor Perry called the special meeting to order at 7:05 p.m. and led the flag salute.

ROLL CALL

Present: Mayor Perry, Mayor Pro Tem Taylor, Councilmembers Jones, Ott, Morton, Manley, and Zaroudny

Absent: Councilmember Whalen – **MOTION** to excuse (Jones/Ott) – **Passed 6/0.**

STAFF PRESENT

City Administrator Langford, City Attorney Park, Public Works Director Neal, Finance Director Tylor, City Clerk Bolam

INTRODUCTION OF NEW EMPLOYEE

Director Tylor introduced Finance Tech 1 Christiane Mercer, who will take on the Utility Billing with the retirement of Judy Veitenheimer. Ms. Mercer gave a brief history of her background.

ACTION ITEMS

A. Overlay Project – Approval

Director Neal introduced this item, reporting that today's bid opening resulted in an apparent low bid of over \$1million, which is substantially higher than the grant funds awarded for the project.

She outlined four options:

1. Accept the bid as is and move forward.
2. TIB allows 15% increase in grant funding – this would take 1-2 weeks and would not be enough.
3. Request additional funding above the 15% from TIB – the next meeting is in the fall, so the project would go on hold and possibly result in a loss of grant funding.
4. Decrease the scope of the project – make painful cuts but accomplish the project. Then go to TIB and request additional funds. (staff's recommendation)

Discussion included:

- Project can be re-bid if desired, but is not necessary; not likely to get different or more bidders.
- Possible reasons the bids came in higher than estimated.
- Reasons for the long delay between grant acceptance of Taylor and final project merging.
- Timing for finalizing the work.

Council consensus given in support of Option 4.

B. Interurban Trail Landslide Emergency Work – Project Acceptance

Director Neal passed out a new front page to highlight the city attorney's recommended motion language.

COUNCILMEMBER OTT MOVED, seconded by Mayor Pro Tem Taylor, to accept the Interurban Trail Landslide project and to authorize closing of the project, including release of retainage pursuant to state law. **Passed 6/0.**

STUDY ITEMS

A. Water Rates – Discussion

Directors Neal and Tylor provided background information, projected expenditures and revenues, and the relationship to the six-year water capital improvement plan.

Discussion included:

- Favor for building a healthy reserve for capital projects, emergencies, etc.
- Whether or not a water rate study is necessary.
- The wisdom of keeping up with inflation with small cost increases over time.
- Whether there was a past decision for 15% of revenue to be designated to capital projects.
- 2009 rate study recommendation was 79% increase over 7 years; only increased 35% since then – due to revenue bonds in excess of \$2 million.
- Timing of rate increases so electric and water do not coincide.
- Keep any increase amounts minimal and maintain control.
- Work toward putting an appropriate amount of revenues aside.
- Tier system calculations, fair vs. reasonable.

Council consensus to not conduct a rate study.

Council request for a current comparison to other company's rates.

ADJOURNMENT

Adjourned at 8:35 p.m.



Debra Perry, Mayor

ATTEST:

Katie Bolam, City Clerk