

SMITHVILLE BOARD OF ALDERMAN

WORK SESSION

June 21, 2022, 5:00 p.m.

City Hall Council Chambers and Via Videoconference

1. Call to Order

Mayor Boley, present, called the meeting to order at 4:59 p.m. A quorum of the Board was present: Kelly Kobylski, John Chevalier, Ronald Russell and Marv Atkins and Dan Ulledahl. Dan Hartman joined the meeting at 5:30 p.m.

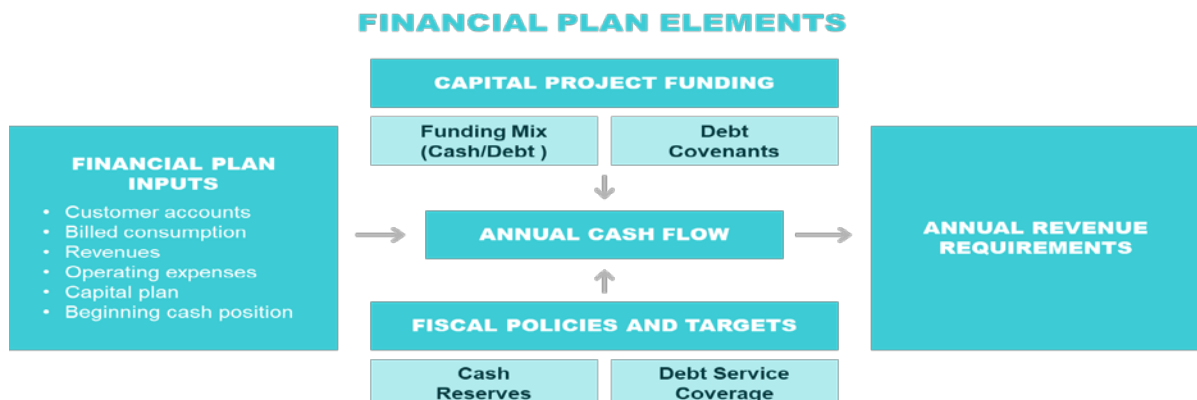
Staff present: Cynthia Wagner, Anna Mitchell, Chief Jason Lockridge, Stephan Larson, Chuck Soules, Gina Pate, Matt Denton, Jack Hendrix and Linda Drummond.

Cynthia noted that this is continuation of review of items that will be presented as part of the budget process. The information presented tonight will go into the recommended budget presented to the Board in August. Cynthia explained that over the course of the next several work sessions staff will be presenting information result of work at the governing body retreat last month, including the sidewalk program discussion that will be presented this evening. Over the next few weeks, we will also be discussing employee compensation and benefits, staffing and the street overlay program. All of these items were identified as priorities by the Board at the retreat. She noted that staff will be providing information as part of this process and will be looking for direction as what to include in the budget that will be presented on August 16.

2. Utility Rate Study – Presentation by Raftelis

Stephen Larson, Finance Director, introduced Tom Beckley, consultant from Raftelis and thanked them for the work they did. Stephen noted that the board approved a Resolution a few months ago that engaged Raftelis to do a utility rate study. The information they are presenting will have recommendations for next year's budget for the water and sewer rates along with a long-range plan.

Tom Beckley noted this utility rate study was very similar to the study they did for the City about 5 years ago and the recommendations of the original study were implemented. He explained that this time around there so much more significant investments that need to be made in both the water and sewer system to accommodate growth within the city. The impact that need will be noted in utility rates.



- Our approach involves collaboration with the Agency so that the forecast is as accurate and reality-based as possible.
- We are comfortable working with diverse stakeholders from senior management, engineering, and finance staff to ensure we get it right.
- If you look at our backgrounds, as I am sure you have you can see that John is an engineer and has his CFA, others have backgrounds in environmental economics, hard science, and public financial management.
- We are passionate about this work and comfortable with the nuance required.
- Ultimately we demonstrate our value and succeed when we can be your technical experts but also help to communicate decision-making and results using concise, clear, and simple language to communicate in the regulatory and political realm as well.

Current Rates

- Fixed monthly charge based on meter size.
- Volume charge per 1,000 gallons of water used

Current Rates	Water	Sewer
Service Charge		
1" or Smaller	\$ 11.77	\$ 16.02
2"	55.62	77.46
3"	109.15	164.52
4"	170.29	238.13
6"	339.92	474.42
Volume Rate (1,000 Gal.)		
Retail	8.33	6.68
Wholesale	4.98	

Financial Plan Assumptions

- Demand
 - 350 total new accounts from 2023 to 2025, then 25 per year
 - -1.5% water use per retail account each year
 - Demand elasticity of .25 – for every 10% rate increase, customers will reduce their water use by 2.5%
- Inflation
 - 5% in 2024 and 2025, then 3% annual increases for salaries and general expenses
 - 8% benefits each year
- Reserve target of 25% of O&M and debt service

Capital Improvement Plan

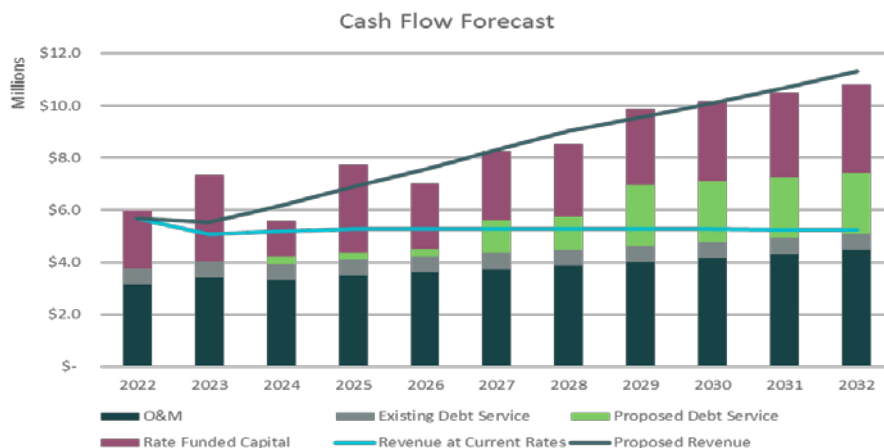
- Water Treatment Plant
 - \$1 million improvement project in 2023
 - \$16 million expansion in 2028
- Distribution System
 - Miscellaneous projects identified through 2024
 - Forecasted \$1.5 million per year from 2025 – 2032 for additional projects

- Wastewater Treatment Plant
 - \$6.9 million expansion in 2026
- Collection System
 - \$4.2 million for 144th Street and West Bypass Lift Stations
 - \$5.3 million Owens Branch Gravity Lines
 - \$500 thousand per year ongoing for future projects

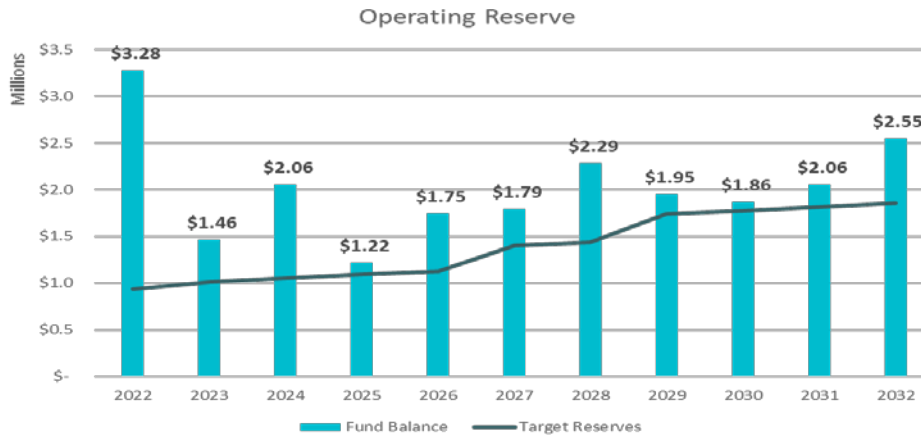
Rate and Financing Recommendations

- Increase water rates by 8.5% each year from 2023 to 2032
- Increase sewer rates by 15% each year from 2023 to 2028, then 5%
 - › Combined water and sewer bill increase of about 12% per year
- Issue bonds for:
 - › 144th Street and West Bypass Lift Stations in 2023
 - › Wastewater Treatment Plant engineering and construction in 2024
 - › Owens Branch Gravity Line 1 in 2024
 - › Owens Branch Gravity Line 2 in 2025
 - › Water Treatment Plant Expansion engineering and construction in 2026
- Total bond issues of \$34 million
- Total annual debt service of \$2.7 million in 2029

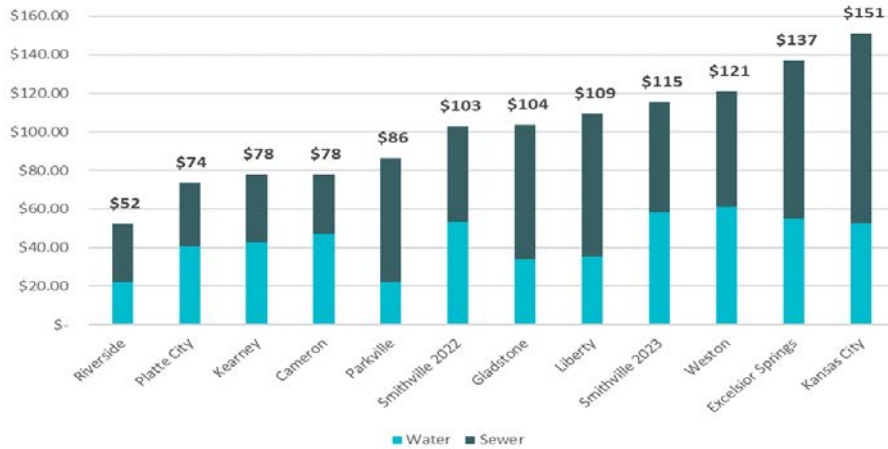
Cash Flow Forecast



Operating Reserve



Water and Sewer Bill Comparison – 5,000 Gallons



Customer Impacts

Combined Bills		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
		Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Meter Size	Volume						
1" or Smaller	3	\$ 72.82	\$ 81.40	\$ 91.05	\$ 101.92	\$ 114.18	\$ 128.03
1" or Smaller	5	102.84	114.86	128.37	143.58	160.72	180.07
1" or Smaller	10	177.89	198.51	221.67	247.73	277.07	310.17
2"	20	433.28	484.03	541.13	605.47	677.99	759.88
2"	50	883.58	985.93	1,100.93	1,230.37	1,376.09	1,540.48
4"	100	1,909.42	2,131.62	2,381.41	2,662.70	2,979.53	3,337.08
4"	1,000	15,418.42	17,188.62	19,175.41	21,409.70	23,922.53	26,755.08
6"	10,000	150,914.34	168,214.41	187,627.60	209,455.74	234,000.89	261,665.41
Combined Annual Increase			11.69%	11.76%	11.85%	11.94%	12.04%
Cumulative Combined Increase			11.69%	24.82%	39.61%	56.28%	75.10%

Proposed Rates

Water Rates	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast

Service Charge

1" or Smaller	\$ 11.77	\$ 12.78	\$ 13.87	\$ 15.05	\$ 16.33	\$ 17.72
2"	55.62	60.35	65.48	71.05	77.09	83.65
3"	109.15	118.43	128.50	139.43	151.29	164.15
4"	170.29	184.77	200.48	217.53	236.03	256.10
6"	339.92	368.82	400.17	434.19	471.10	511.15

Volume Rate (1,000 Gal.)

Retail	\$ 8.33	\$ 9.04	\$ 9.81	\$ 10.65	\$ 11.56	\$ 12.55
Wholesale	4.98	5.41	5.87	6.37	6.92	7.51

Sewer Rates	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast

Service Charge

1" or Smaller	\$ 16.02	\$ 18.43	\$ 21.20	\$ 24.38	\$ 28.04	\$ 32.25
2"	77.46	89.08	102.45	117.82	135.50	155.83
3"	164.52	189.20	217.58	250.22	287.76	330.93
4"	238.13	273.85	314.93	362.17	416.50	478.98
6"	474.42	545.59	627.43	721.55	829.79	954.26

Volume Rate (1,000 Gal.)	\$ 6.68	\$ 7.69	\$ 8.85	\$ 10.18	\$ 11.71	\$ 13.47
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Impact Fees

Impact Fee Overview

- Estimate of the cost of providing a unit of capacity
- Fees based on meter size, since potential capacity is proportional to the flow through each meter
- Ensure that new customers are on equal equity footing with existing customers

Impact Fee Schedule	Current			Proposed		
	Water	Sewer	Total	Water	Sewer	Total

Meter Size

1"	\$ 2,400	\$ 2,800	\$ 5,200	\$ 3,100	\$ 2,800	\$ 5,900
2"	4,800	5,600	10,400	9,900	8,960	18,860
3"	7,200	8,400	15,600	21,660	19,600	41,260
4"	9,600	11,200	20,800	38,980	35,280	74,260
6"	14,400	16,800	31,200	86,610	78,400	165,010

Impact Fee Comparison – Single



Family

Residential

Alderman Ulledahl asked how Smithville compares to other communities with the six-inch meter size with going from \$14,000 to the proposed \$165,010 for impact fees?

Tom explained that they all have similar structures for the larger meters.

Alderman Ulledahl asked how long we have been that far behind the curve in charging that low of a fee?

Tom said that he could only speculate that the meter size cost was set up based on a two-inch should be two times the cost, a four-inch four times, a six-inch six times the cost. He noted that is not the way it should be, and the proposed fees are not out of line with other communities.

Tom asked how many six-inch meters the City had?

Cynthia said that so much of the City's past growth has been residential and we have not had the larger meters. The larger meters are used for the school district and the hospital.

Mayor Boley explained that even Price Chopper only has a two-inch meter. Tom noted that anyone needing a six-inch meter would be large commercial multi-million project.

Alderman Russell asked Tom how charging the new residential customers the proposed \$3,100 for one-inch meters will put them on equal footing with the existing customers who paid \$2,400 for the one-inch meter? He also asked where the \$3,100 amount came from, is there a formula Raftelis used?

Tom explained what he meant by equal footing was the existing treatment plant, distribution system and collection system there is capacity to service new houses and businesses. He said that there is equity in that system just like you have equity in your home. All the equity has been paid for by the existing customers and when someone builds a home and is now on our system, they are getting the benefits of that equity. Tom explained that the impact fees represent what that equity is worth. The impact

fee equals the value to serve a single-family house based on the assumptions Raftelis used to connect to the system. It is the value of the utilities a customer is receiving and by paying this upfront payment it puts the new customers on equal equity footing and moving forward the new resident will be paying the exact same rate as the existing customers.

Tom explained that there are two ways to calculate this fee. There is the system buy-in methodology and the marginal incremental methodology. The system buy in is based on all the existing assets and what they actually cost and the marginal incremental is based on what it is going to cost to replace the new capacity. Tom explained that it was not calculated in the past for expansion but now they have a good idea for pricing for what a new water and sewer treatment plants cost would be. He noted that like with anything, water and sewer treatment has gotten more expensive.

Alderman Russell asked how some communities are able to charge \$0 for impact fees?

Tom explained that their existing customers will bear the cost of expansion. He noted that water and sewer treatment plants have to be built for much larger capacity, so they are ready for new customers.

Alderman Atkins asked in past experiences with other communities had Raftelis suggested a yearly 12% increase?

Tom explained they have suggested even larger increases.

Mayor Boley said he thought when Kearney put theirs in place in the last year or so they had a 20% increase.

Alderman Russell noted that there would probably be push back in the community on the 12% increase.

Tom noted that if the growth occurs then there will be the need for the new treatment plant expansion and will need them both at the same time which is challenging.

Cynthia noted that this morning we had an example of an aging infrastructure with a larger water main break, so not only do we need to build the new, we have to maintain our existing infrastructure, which comes at a cost.

Cynthia explained that based on discussion at the Board retreat and in working with Raftelis, the proposed rate study also includes a discount for seniors that mirrors what was done for trash.

Alderman Atkins said that there will need to be a lot of communication to the residents for this.

Cynthia said these rates will not go into effect until the Board would approve them and we are required to hold a public hearing for wastewater rates. These will not occur until after the budget discussion process.

Tom noted that customers usage is declining one and a half percent a year. The City faces the same inflationary pressures as everyone, which in good times is around three percent a year. He explained that if you look at one and a half percent decrease in usage and three percent inflation a year, we would have to raise rates four and a half percent just to break even without making these significant capital investments.

3. Discussion of Schedule of Fees

Stephen Larson, Finance Director, noted staff prepared a presentation for Board discussion and feedback on the proposed changes for the fiscal year 2023 schedule of fees. These fees will be brought forward for Board approval in October and implementation would be November 1, 2022. Stephen gave special thanks to Gina Pate, Management Analyst for Public Works and Myra Ore, Finance Analyst for the Finance Department for their involvement and their research and recommendations.

Residential Plan Review Fees New Structures & Additions

New Structures & Additions	FY22 (Current)	FY23 (Proposed Cost and Time to Review)
0 – 2,000 Sq. Feet (NEW)	No Fee	\$100.00 (2 Hours)
2,001 to 4,000 Sq. Feet (NEW)	No Fee	\$125.00 (2.5 Hours)
4,001+ Square Feet (NEW)	No Fee	\$150.00 (3 Hours)

\$50.00 Hourly Rate – Building Inspector

Residential Plan Review Fees Alterations /Basement Finish

Alterations/Basement Finish	FY22 (Current)	FY23 (Proposed Cost and Time to Review)
Non-Structural (NEW)	No Fee	\$50.00 (1 Hour)
Structural Changes & Egress Changes (NEW)	No Fee	\$65.00 (1 Hour, 20 Min)
Structural/Decks (NEW)	No Fee	\$25.00 (30 Min)

\$50.00 Hourly Rate – Building Inspector

Commercial Plan Review Fees New Construction, Alterations, Additions

New Construction, Alterations, Additions	FY22 (Current)	FY23 (Proposed Cost and Time to Review)
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0 – 2,500 Sq. Feet (NEW)	No Fee	\$385.00 (7.75 Hours)
2,501 – 4,500 Sq. Feet (NEW)	No Fee	\$650.00 (13 Hours)
4,501 – 10,000 Sq. Feet (NEW)	No Fee	\$1,300.00 (26 Hours)
10,001 – 50,000 Sq. Feet (NEW)	No Fee	\$1,850.00 (37 Hours)

New Construction, Alterations, Additions	FY22 (Current)	FY23 (Proposed Cost and Time to Review)
50,001 – 100,000 Sq. Feet (NEW)	No Fee	\$3,250.00 (65 Hours)
100,001+ Sq. Feet (NEW)	No Fee	Actual Hours Worked

All commercial categories except industrial/storage

Commercial (Industrial) Plan Review Fees New Construction, Alterations, Addition

New Construction, Alterations, Additions	FY22 (Current)	FY23 (Proposed Cost and Time to Review)
0 – 100,000 Sq. Feet (NEW)	No Fee	\$600.00 (12 Hours)
100,001+ Sq. Feet (NEW)	No Fee	Actual Hours Worked

Commercial Plan Review Fees Commercial Tenant Finish

Commercial Tenant Finish	FY22 (Current)	FY23 (Proposed Cost and Time to Review)
Non-Structural Finish (NEW)	No Fee	\$150.00 (3 Hours)

Structural Finish (NEW)	No Fee	\$200.00 (4 Hours)
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Alderman Chevalier asked if it would be better to just use actual hours worked versus estimated hours fees especially if the review was done in a shorter period of time.

Jack Hendrix explained that builders prefer to know, especially for the residential side. He said that staff has years of reviewing the plans, so they know how much time it takes and it is really close to the proposed hours. He noted that it would cost staff more time to have to calculate it and bill it every time. He explained on the bigger projects they are figured on the actual hours worked because the commercial plan could be 90 plus pages with all the details and takes a lot more time to review. Staff figured the cost based on what we have been paying IBTS for those services.

Alderman Russell noted that it might be better to remove the hours and only have the fee.

Jack explained that it would be in the final, this is just for Board review and discussion.

Alderman Ulledahl asked how these fees compare to other communities?

Jack explained that we are close to the middle. He noted that if a plan is used more than once by a builder the review fee is only charged one time.

Alderman Hartman noted that he understands the need to collect the fees for staff time. He said that the builder will inevitably pass the fee on to the consumer.

Jack explained that the last time staff brought this to the Board was in 2011 and there was no interest due to the economy.

Parks and Recreation City Wide Event Fees

Events Fees	FY22 (Current)	FY23 (Proposed)
Parade Fee (Paid By Organizer) (NEW)	No Fee	\$100.00 + \$200.00 Deposit

Street Closures Fees – For Events

Street Closure Fees	FY22 (Current)	FY23 (Proposed)
Street Closure (Public) (Adjacent Streets - Courtyard Park) (NEW)	No Fee	\$125.00 + \$200.00 Deposit

Street Closure (Private) (Adjacent Streets - Courtyard Park) (NEW)	No Fee	\$275.00 + \$200.00 Deposit
Street Closure (Public) (Entire Downtown) (NEW)	No Fee	\$150.00 + \$200.00 Deposit
Street Closure (Private) (Entire Downtown) (NEW)	No Fee	\$300.00 + \$200.00 Deposit

Campground – Items for Purchase

Items for Purchase	FY22 (Current)	FY23 (Proposed)
Bag of Ice	\$2.00 / Bag	\$4.00 / Bag
Bundle of Firewood	\$5.00 / Bundle	\$8.00 / Bundle

Youth Recreation Fees

Items for Purchase	FY22 (Current)	FY23 (Proposed)
Basketball League	\$65.00 / Child	\$75.00 / Child
Baseball League	\$55.00 / Child	\$75.00 / Child
Softball League	\$55.00 / Child	\$75.00 / Child
T-Ball League	\$35.00 / Child	\$55.00 / Child

Items for Purchase	FY22 (Current)	FY23 (Proposed)
Soccer League	\$55.00 / Child	\$75.00 / Child
Soccer Clinic	\$35.00 / Child	\$55.00 / Child
Volleyball League	\$55.00 / Child	\$75.00 / Child

City Facility Rental Discounts

Facility Rental Discounts	FY22 (Current)	FY23 (Proposed)
City Employee Rental (Senior Center, Shelters, Green Spaces)	No Discount	50% Discount + Deposit

Non-Peak Rental Times

Alderman Chevalier asked to consider waiving the parade fee for the school district events.

Matt Denton, Parks Director noted that we could handle the school district events with the same process as when the City sponsors special events.

Mayor Boley suggested that the Homecoming Parade or any school parade or event held at the Courtyard be in the policy as City sponsored annual event that can be approved by the Mayor or City Administrator.

Cynthia said that it could be added to the schedule of fees.

Stephen noted that he would add the school district's fees will be waived to the draft schedule of fees that will be brought forward during the budget discussion.

Alderman Russell asked why the fee for the basketball league only had a \$10 increase when the others had a \$20 increase?

Matt explained that when staff took over the basketball league in 2019 from the club that was running the program, they were charging \$65. This is just making the fees the same across the board.

Hourly Rates – Outside Employment

Outside Employment By Police Officers	FY22 (Current)	FY23 (Proposed)
Hourly Services (Excluding School District)	Fee Cost Recovers Hourly Rate With Benefits (\$45.00)	Fee Cost to Recover Time and a Half With Benefits (\$60.00)

Police Reports and Videos

Police Reports & Videos	FY22 (Current)	FY23 (Proposed)
Police Reports	No Fee Charged (\$0.00)	\$5.00 / Report *
Police Videos	No Fee Charged (\$0.00)	\$5.00 / Video *

**Exception to \$5.00 Charge: If the charge carries the possibility of fifteen (15) days or more in jail/confinement, the defendant shall not be charged any fee for obtaining a police report or any video relevant to the traffic stop or arrest. In addition, the \$5.00 fee would be waived for victims listed in any report.*

Alderman Ulledahl asked if the \$5 fee was enough to cover staff time? He asked what the approximate time was to pull the reports and videos?

Chief Lockridge noted that we are probably undercutting the price for the video. He explained that the average video will take about 15-30 minutes depending on the request. He said that a simple traffic stop will take a lot less time than a DWI.

Alderman Ulledahl noted that it would take more time for the police reports if information had to be redacted.

Chief Lockridge agreed that the redaction piece does take time.

Alderman Ulledahl said he believed that both fees needed to be higher, the police report should be at least doubled, and the video should be even more than that.

Chief Lockridge noted that staff will pose the raising of the fees to the City attorney. He also explained that there is a state statute that says there are certain situations where fees cannot be charged.

Alderman Russell asked if there were exceptions as to what can be released and made public?

Chief Lockridge explained that once a report is released, we have no control over it. He noted that there are some reports and videos that cannot be released that all center around expectations of privacy, such as: a video inside a home, a video in a medical facility, something that is not in view of the general public cannot be released unless it is to someone that is involved, their legal counsel or their estate if they are deceased.

Alderman Chevalier asked if multiple officers and multiple videos were used for one situation would the fee be per video?

Chief Lockridge explained that we were just trying to have a flat fee across the board.

Alderman Chevalier said that he agreed the fee should be higher.

Sanitation Fees

Monthly Trash Charge	FY22 (Current)	FY23 (Proposed)
Monthly Trash Charge	\$18.37 / Month	\$19.29 / Month
Senior Discount (15% Off Regular Price)	\$15.62 / Month	\$16.40 / Month

5.00% Proposed Increase on the Monthly Trash Charge and Senior Discount Rate

Stephen noted that GFL requested a 10% increase, but staff negotiated the 5% increase. HE explained that GFL also has incurred inflation costs with their fuel and

labor. They use a consumer price index (CPI) calculator to figure their inflation cost that is specific to the sanitation market.

Alderman Russell asked if there would be a possibility to lock in a rate of 5% for a longer period than a year maybe for three years to save money in the future?

Cynthia explained that the City has a 3-year contract with GFL that includes an escalation and review on an annual basis.

Chuck Soules, Public Works Director said he did not think GFL would even look at locking in a rate for three years.

Cynthia explained that we are in the second year of the current contract with GFL.

Excavation Fees

Excavation Fee	FY22 (Current)	FY23 (Proposed)
One Time (Non-Franchise) ROW Excavation Permit (NEW)	No Fee	Permit Fee of \$20.00 + Calculated Cost Based Upon Street Cut, Curb Cut, and Sidewalk Cut
Annual Excavation Permit (Franchises of Facilities Within ROW) (NEW)	No Fee	Permit Fee of \$250.00 + Calculated Cost Based Upon Street Cut, Curb Cut, and Sidewalk Cut

*Minimum charge of 1 sq foot for street cuts (\$20.00)

Stephen explained that this additional revenue would help offset expenses on street and sidewalk maintenance and that savings would allow for expansion of out mill and overlay program, pothole repair and crack sealing and sidewalk improvements.

Annual Excavation Fee Permit Typical Franchisee Excavation – Cost Example

Fee and Itemized Breakdown	Cost Per Sq Ft.	Example Cost
Annual Permit Fee	\$250.00 / Permit Annually	\$250.00
Street Cut	\$20.00 / Square Ft**	45 Square Ft = \$900.00
Curb Cut	\$15.00 / Linear Ft	5 Linear Ft = \$75.00
Sidewalk Cut	\$10.00 / Square Ft	0 Square Ft = \$0.00
Grand Total Permit Fee*		\$250 (Permit) + \$975 (Fee) = \$1,225 (Total)

*Costing example is for 1st cut and subsequent cuts would not include the permit fee

**Minimum charge of 1 sq foot for street cuts (\$20.00)

Alderman Russell asked if the annual permit fee is good from the date of purchase or if it follows the City's fiscal year?

Stephen explained that it will be the date they purchased the permit, they would need to pay for any cuts to the street, sidewalk and/or curb as they do the work.

Stephen noted that the fees are similar to Platte City's excavation fees.

Snowbird Utility Charges

Snowbird Charges	FY22 (Current)	FY23 (Proposed)
"Snowbird" Utility Reconnection Charge (NEW)	No Fee	\$50.00

All Reconnection fees are charged at a rate of \$50.00 in the Schedule of Fees

Proposed Changes – Water Rates

Water Rates	FY22 (Current)	FY23 (Proposed)
Monthly Water Fixed Charge (3/4" Residential Meter)	\$11.77 / Month	\$12.78 / Month
Monthly Water Volume Charge	\$8.33 Per 1,000 Gallons Used	\$9.04 Per 1,000 Gallons Used
Wholesale Water Rate	\$4.98 / 1,000 Gallons Used	\$5.41 / 1,000 Gallons Used

8.50% Proposed Increase on the Monthly Water Fixed Charge

8.50% Proposed Increase on the Monthly Water Volume Charge (Including Wholesale)

Proposed Changes – Wastewater Fees

Wastewater Rate	FY22 (Current)	FY23 (Proposed)
Monthly Wastewater Fixed Charge (3/4" Residential Meter)	\$16.02 / Month	\$18.43 / Month
Monthly Wastewater Volume Charge	\$6.68 Per 1,000 Gallons Used	\$7.69 Per 1,000 Gallons Used

15.00% Proposed Increase on the Monthly Wastewater Fixed Charge

15.00% Proposed Increase on the Monthly Wastewater Volume Charge

Proposed Changes – Senior Fixed Charge

Senior Fixed Rate	FY22 (Current)	FY23 (Proposed)
Monthly Water Fixed Charge (3/4" Residential Meter)	No Senior Rate	\$11.77 / Month*
Monthly Wastewater Fixed Charge (3/4" Residential Meter)	No Senior Rate	\$16.02 / Month*

*No proposed increase in the monthly water and wastewater fixed rate for seniors (Ages 65 and Older) from the current fixed charge fees

Alderman Ulledahl asked if the wording would be with the rate increase seniors will be receiving a 15% discount?

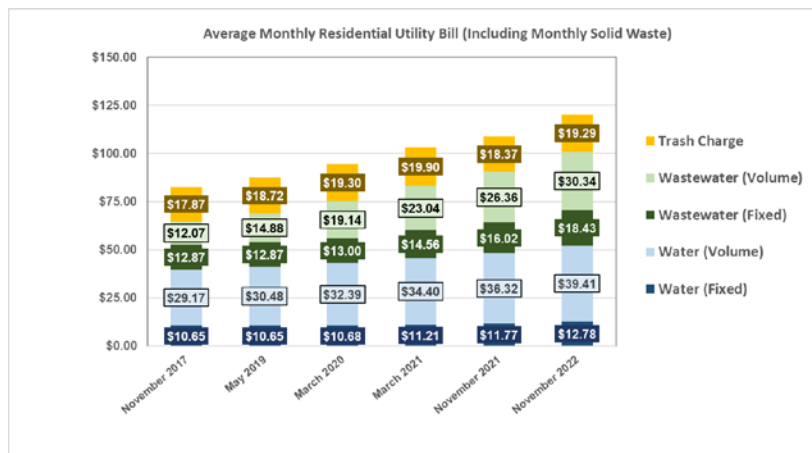
Stephen explained that staff had not worded it as a 15% discount, but the fixed rate charge would remain the same.

Alderman Ulledahl asked what would happen next year?

Cynthia explained that it will have to be reviewed annually. She noted that just having the fixed rate charge amount stay the same. If we used the 15% discount for seniors that discount would fluctuate depending on their use. She said it could be marketed as no increase to the base rate.

Stephen noted that we have approximately 400 customers utilizing the senior discount for trash services.

Average Monthly Utility Bill



Water Usage Assumption: 4,360 Gallons. Wastewater Usage Assumption: 3,946 Gallons

November 2017
\$82.63

May 2019
\$87.59

March 2020
\$94.51

March 2021
\$103.12

November 2021
\$108.84

November 2022
\$120.26

Water Impact Fees

Meter Size	FY22 (Current)	FY23 (Proposed)
3/4", or 1" Meter (Example: Single Family Home)	\$2,400	\$3,100
2" Meter (Example: Commercial Facility)	\$4,800	\$9,900
3" Meter (Example: Commercial Facility)	\$7,200	\$21,660
4" Meter (Example: Apartment Complex)	\$9,600	\$38,980
6" Meter (Example: Industrial)	\$14,400	\$86,610

2" Meter Commercial Facility Examples: Restaurant, Laundromat

3" Meter Commercial Facility Example: Nursing Home, Senior Living

Wastewater Impact Fees

Meter Size	FY22 (Current)	FY23 (Proposed)
3/4", or 1" Meter (Example: Single Family Home)	\$2,800	No Change
2" Meter (Example: Commercial Facility)	\$5,600	\$8,960
3" Meter (Example: Commercial Facility)	\$8,400	\$19,600
4" Meter (Example: Apartment Complex)	\$11,200	\$35,280
6" Meter (Example: Industrial)	\$16,800	\$78,400

2" Meter Commercial Facility Examples: Restaurant, Laundromat

3" Meter Commercial Facility Example: Nursing Home, Senior Living

North Force Main Impact Fees

Impact Fee	FY22 (Current)	FY23 (Proposed)
Connection/Impact Fee into the North Force Main	\$279 (Developer Agreement Only)*	\$279 for All Lots Connecting to the North Force Main

**The Greyhawk subdivision is the only remaining subdivision (part of Developer Agreement) with available lots which would pay the \$279 fee to connect to the North Force Main.*

Alderman Hartman asked if the City had agriculture meters or provide them?

Chuck said we do not.

Alderman Russell asked if there is a disconnection and reconnection fee for the snowbirds?

Stephen said the way it would be worded in the schedule of fees is \$50 upon reconnection.

Alderman Russell asked if a snowbird requests a disconnection does it stop trash service also?

Stephen said that trash service would not be provided during that time.

Alderman Russell asked why the dates on the months on the average utility bill were different, why were they not all November?

November 2017 \$82.63, May 2019 \$87.59, March 2020 \$94.51, March 2021 \$103.12, November 2021 \$108.84, November 2022 \$120.26

Stephen the month listed are the months when a rate increase took effect.

Alderman Russell asked staff for an estimated total dollar figure for what the proposed fees would bring in.

Cynthia explained that dollar figure would only be a guess at this point.

4. Discussion of Proposed Sidewalk Improvement Plan

Gina Pate, Management Analyst for Public Works noted that this discussion is follow up from the Board retreat.

Current Program

- Managed by the Development Department and Public Works Streets Division
- Program Overview:
 - Budget of \$25,000
 - Property owners can have their sidewalk inspected to determine the need of replacement
 - Property owners pays for the materials and supplies
 - City provides the labor
- Since 2014, 72 property owners enrolled in the program (submitted payment)
 - In 2021, the City received 5 payments (these have not been completed yet)
 - In 2022, the City has not received any program enrollments

Evaluation of Current Program

- Why are there outstanding applications?
 - Staff capacity
 - Sidewalk repair needs not being in the same area
 - Only one sidewalk repair in a specific area
- So how can the City improve this program?

- Use a contractor to perform labor and provide materials
- Continue the cost share with property owners
- Inspect areas throughout the City to determine the areas with the most hazardous conditions, or greatest need of sidewalk improvements
- Connect small gaps in sidewalks

Planned Sidewalk Projects

- Staff has also planned sidewalk projects outside of the scope of this program to help improve connectivity and gaps throughout the City.
- Grant Applications identified in the Capital Improvement Plan:
 - Second Creek Bridge to Hwy 169 Sidewalks (Applied for MARC Grant)
 - Diamond Crest Multi-Use Trail (Applied for DNR Grant)
- Planned Projects in the Capital Improvement Plan:
 - Streetscape Phase III (*Currently in Engineering Phase, Construction in 2023*)
 - Quincy Blvd (*Construction in 2023*)
 - Commercial Street Sidewalks (*Engineering in 2023, Construction in 2024*)
- Staff is looking for feedback in the following areas:
 - Priority areas for the program
 - Public destinations/ services
 - Safe Routes to School
 - City amenities
 - Budget
 - Changes in program

Gina noted that we currently only have \$25,000 budget for sidewalk improvements and that will only allow a limited amount of improvements with today cost. She asked if the Board would want to add additional money to the fund balance expanding the sidewalk program.

Gina explained that this would change the program, currently our code enforcement officer goes out and sees a broken sidewalk that person can be recommended for this program. This change would be staff having a master list of all of the hazards in the city and focusing on the areas that need the most improvement. She noted that list brought to the Board each year for feedback and approval.

Alderman Chevalier said that he liked the idea of using the PCI for sidewalks. He noted that we definitely need to look at the funding to make sure to get those critical locations done quickly. He added that this helps the homeowners out with a portion of the cost of replacing the sidewalk.

Alderman Ulledahl said he would like to see more advertising of the program. Try to get more residents involved so we can get projects closer to each other so we can complete the projects quicker. He noted that most residents do not know that this program exists.

Gina said we could put it in the newsletters.

Alderman Ulledahl added "Did You Know."

Cynthia noted that once priority areas are identified, staff would then be more proactive in reaching out to those residents through Nextdoor in a targeted neighborhood.

Alderman Atkins said he believed there are a lot of residents that do not know this program exists.

Alderman Kobylski asked if a homeowner, once they have received notice are they given a timeframe they have to agree to as to when they have to have the sidewalk repaired.

Gina explained that the process now is our code enforcement would issue them a ticket if they had a hazardous sidewalk and they have X amount of time to get it resolved or we would count it as them enrolling in the program.

Alderman Russell asked if they are giving the option when they are issued a citation?

Gina explained that code enforcement does offer the program to them. She said that most of the recipients we have now are recommended from our code enforcement officer.

Alderman Chevalier asked if we change to using the PCI for sidewalks and we go around and identify these neighborhoods and notify the homeowners and offer this program, if they do not comply then would there be consequences.

Alderman Ulledahl said he did not want homeowner to feel that the City is out head hunting.

Cynthia noted that it is a safety issue.

Mayor Boley noted that most of the sidewalk tickets are complaint driven.

Cynthia noted for a quick follow-up, as we progress through the budget process the sidewalk program will be one of the items staff will be discussing with the Board about where the Board wants to look at identifying the additional funding.

5. Discussion of Employee Handbook

Cynthia noted that Employee Handbook had not been updated for a while, it is usually updated in conjunction with budget development. Last year we did not make many changes in anticipation of the Compensation and Classification study. The Compensation and Classification study had some pretty significant recommendations. Those recommendations and general cleanup of the handbook are included in this presentation.

Anna Mitchell, Assistant City Administrator, noted that last year the Board approved a contract with McGrath Consulting for a Classification and Compensation study. We now have received that executive report. The first portion of that the Board has already

executed with the job pay ranges that were changed and then the associated pay increases that were given to employees earlier this year.

This is the second portion of the findings which expands the benefits package provided to our employees.

The third portion is an update on job descriptions for current employees.

Anna noted that on January 4 at a work session, McGrath Consulting presented their findings, and we discussed several benefit changes that staff has added to our current employee handbook. Staff has also done some clean up to some of the language within the employee handbook.

Recommendations from McGrath include the Following:

1. It was recommended that a specific time be set for the annual review of the pay ranges to occur. Staff has proposed that the review coincide with the budget process and approval timeline. (Section 6-3)
2. The addition of two floating holidays. These holidays can be used at any time throughout the year but will not roll over to the next year. (Article 9) There are some holidays which are not observed by the City but may be very important to an employee. Providing floating holidays will allow employees to request paid time when their religious holiday or traditional practices do not match those of the City.

Anna noted that the two floating holidays are on a use them or lose them basis, they cannot be carried over.

3. Increase of vacation accrual rates: (Section 10-1). Based on reporting municipalities, the City's vacation is very competitive at time of hire. Comparable organizations reported entrance accruals between 40-104 hours as compared to the City's 104 hours. However, the City's vacation schedule appears to fall behind the comparable organizations as years of service progresses. Of the vacation schedules provided, all organizations provide for a maximum annual vacation accrual of 160-200 hours, which was reported to occur between years 11 and 25 of service. Although the City maximizes their vacation accrual at year 11, it does not allow as much for long term accrual. The solution to long term accrual is to create a fourth level of accrual for those in employment for 16 or more years.

- a. 0-5 years: remains 104 hours accrued annually
- b. 5-10 years: increase from 130 to 136 hours accrued annually
- c. 10-15 years: from 156 to 168 hours accrued annually
- d. Creation of 16+ years: 200 hours accrued annually

4. The addition of mandatory vacation. All employees who are employed a minimum of two years will need to take a mandatory vacation of five consecutive days to ensure work integrity and personal well-being (Section 10-9). For any position, there is importance to time away from work. Some of these reasons are improved productivity, better balance between work and personal life, improved focus, better

relationships, and better health. When one adds the factors that some City positions put their lives in jeopardy and respond to and work with stressors most citizens don't experience, ensuring they have support and time away from work is even more critical. Given the high level of expectations in this organization, allowing and encouraging a time-off benefit that has been earned is even more important.

5. The addition of vacation buyback. Employees can voluntarily participate in the buyback of up to 40 hours vacation time per year at the end of the calendar year. If buyback is granted, eligibility to receive donated sick time from the Shared Leave Pool is forfeited for the following calendar year. (Section 10-10) This will allow the employees to receive the financial benefits if they are unable to use their vacation time.

Alderman Russell asked what is the percentage of employees that are at the maximum vacation and how will that impact the work force?

Cynthia explained that adding the vacation buy back and including the mandatory five days of leave will help in that accrual. She noted that staff has found that employees that reach that maximum tend to take random days, so it kind of balances itself.

Anna explained that as far as staffing for coverage, it will be no different than how it is handled now. When someone requests vacation we plan ahead and make sure we have coverage before the request is granted.

Alderman Chevalier said he had concerns about the vacation buy back "If buyback is granted, eligibility to receive donated sick time from the Shared Leave Pool is forfeited for the following calendar year." He said he would want to make sure that employees are covered if they need time off.

Anna explained that at first, they worded it as not eligible for shared leave policy but after discussion with the department directors changed it to the recommendation of the one-year timeframe. She noted that staff could continue to discuss changing if the Board requested it.

Alderman Chevalier said that would be his recommendation to continue to review and change it or take it out altogether.

Alderman Hartman asked what was the percentage of employees that have been with the City for 16 plus years?

Anna said that she did not know.

Cynthia noted that in the Public Works department it was about 50%, and if not the 16 years it was definitely more than ten to fifteen years.

Alderman Russell asked if vacation days were negotiable?

Anna explained that for regular employees they are not, but it can be negotiated for contract employees.

Cynthia noted that is outlined in the employee handbook it is the same across the board for all employees, with the exception as Anna noted, of contract employees.

Anna went over the additional changes that include the following:

1. Added language to allow for the negotiation of starting pay rates. (Section 6-8)
2. Clarified language pertaining to temporary assignments. (Section 6-11)
3. Removing language associated with comp hours taken prior to January 1, 1996, and removal of language associated with comp time taken by the school resource officer during the summer months. (Section 6-12)
4. Removal of language revising the amount of sick leave that is allowed to be taken for illness of immediate family members. (Section 11-2)

Anna noted that these changes will be brought forward for Board approval at the July 19 meeting. She also noted that in the final piece of the McGrath Consulting study is the updated job descriptions. Currently, we have the draft of those descriptions and staff is midway through going through them with department directors and making comments and changes. She noted that staff will get the changes to McGrath by the end of week. Once McGrath has made the changes, they will return them, and staff will bring them forward to the Board for approval in conjunction with the compensation plan.

6. Adjourn

Alderman Ulledahl moved to adjourn. Alderman Russell seconded the motion.

Ayes – 6, Noes – 0, motion carries. Mayor Boley declared the Work Session adjourned at 6:58 p.m.

Linda Drummond, City Clerk

Damien Boley, Mayor