

Drainage and Sewer Control Committee
Financing Work Session, 1/16/2008, 7:00PM
Macedonia City Center

This work session was called to order at 7:05PM.

Attendees are as follows:

Members: Julia Henderson, Cathy Loya, Rosemary Filisky, Dennis Mulac, Jean Gagne, Amanda Coon

City Representatives: Steve Brunot (Finance Director), Fred Tufts (City Engineer)

Others in Attendance: Bob Hollis (DOES), Dave Koontz (CTI)

Indian Creek Modeling: Per Steve B., the \$35 for modeling has been appropriated, but council still must award the contract. Steve believes it will pass. Dave K. clarifies that the \$35 will buy the report of modeling results – this will have general detention areas and amounts. When doing actual designs down the line, the remodeling could be included in the design/engineering costs. Modeling will identify critical areas along the creek (such as culverts), but it is not a final design. Future changes can be made to the model; it would be a much smaller fee to make the changes. We will want to run the model again as changes occur as well. The end product is flexible and can be manipulated.

Steve has several options available to the committee for funding the storm water improvements. It was agreed that the committee would investigate each option fully to determine the best fit for the city and the residents. The 2008 budget shows \$245,120 to spend from the general fund, however, most of this will go toward quality issues, such as street sweeping and cleaning inlets. There is also \$150,000 in the capital fund for catch basin cleaning and repairs. The current 5-year plan for the city only addresses maintenance.

To fund \$2.5M in improvements, we will fund with 20-year debt. 5-year plan for improvements would most likely be issuing 1-year notes, then paying for those with new notes until projects are complete. At the end of construction, the city could go out for 20 or 25-year bonds. Amount required is \$500,000 to \$550,000 per year.

Option 1: Pull funding from Capital and General Operating Fund: This is not a viable ongoing option. Pressure to reinstate the garbage collection (city paid) would take \$500,000 per year, effectively eliminating storm water funds. This would also require substantial cuts from other areas, which would be detrimental to the residents as well.

Option 2: Implement Property Tax or Special Assessment: A 1.2mil increase would fund \$500K per year. The tax would have to be voted on by council, although it is still unclear if a special assessment requires a vote by the people.

Option 3: Storm Water Utility: \$10.61 per home per quarter would fund approximately \$400,000 per year. \$5.30 per home per quarter would fund approximately \$200,000 per year.

Option 4: A combination of any of the above.

Option 5: Income Tax Levy: This was first thought of at this meeting. It was discussed that we could reduce the credit from 100% to 75%.

Minutes taken 1/16/2008 by Amanda Coon

Minutes distributed via email 2/5/2008 by Amanda Coon