

**MONDAY, MAY 6, 2019**

**PSU SIDEWALK PRESENTATION, 6:00 P.M.**

Public Works Director Dave Sukau and City Engineer Chris Negelspach

Mayor Burge opened the Work Session at 6:00 p.m.

**Present:** Mayor Scott Burge, Council President Patrick Kessi, Councilor Megan Greisen (arrived at 6:11pm), Councilor Natalie Sanders, Councilor Josh Poling, Councilor Joel Haugen, Councilor Branden Lesowske, City Manager Michael Sykes, Legal Counsel Peter Watts, City Recorder Susan Reeves, Assistant to City Manager Alexandra Rains, Public Works Director Dave Sukau, City Engineer Chris Negelspach, Treatment Plant Supervisor Kevin Turner and PSU Students ~ Shahd Merza and Kristian Reyes.

Public Works Director Dave Sukau explained this is year two of the City working with Portland State University (PSU) on these projects. He explained last year he kind of spearheaded it, but this year Alex and Chris did, so he is going to let Chris speak regarding this project.

City Engineer Chris Negelspach stated, thank you for letting us present to you, Mayor and Council. He gave a little background on the PSU engineering student capstone projects. He stated it has been a great experience and he looks forward to doing this many more years.

Shahd Merza and Kristian Reyes went over the PowerPoint.

## Sidewalk Improvement Plan

City of Scappoose



## City's sidewalk system is failing.

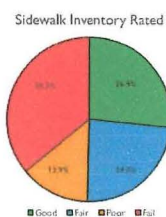


## Agenda

- What?
- Why?
- Who?
- Solution
  - Implementation
  - Effect on property owner
  - City Involvement

## Background

- Nearly half of the sidewalk infrastructure received poor or failing ratings
- City Council has made the improvement of the City's sidewalk system a priority
- Sidewalk maintenance is the responsibility of the abutting property owner
- Enforcement of the code creates hardships for local residents, so sidewalk repair work has not been getting done



## City Municipality Code 12.04.010 – 12.04.020

- 12.04.010 Sidewalk Maintenance – Owner responsibility
  - It is declared to be the duty of all owners of all land adjoining any street in the city to maintain in good repair the sidewalks or steps in front of said land at the cost and expense of such owners.
- 12.04.020 Owners failure to maintain – Notice – Lien
  - Whenever the owner of said land fails and refuses to maintain said sidewalks in good repair, the city shall have the right and privilege to make such repairs and bill the landowner. If the landowner refuses to pay the bill and does not appeal within thirty days, the amount of the cost shall become a lien upon said property.

## Project Objective

Develop a sidewalk improvement program that would provide some level of financial assistance to homeowners and businesses so that they comply with the repair of existing sidewalks.



## Approach

- Researched over 15 cities who have successfully implemented a sidewalk improvement program
- Broke into 3 categories based on funding source (Annual/ Monthly Fee, Loan, Grant)
  - All alternatives in each category were evaluated and rated in a Pugh Matrix using criteria based on city's and property owner's needs and constraints
  - 2 additional alternatives were added: Enforcement of the Code and a Hybrid Approach
- Top rated alternatives will be presented to City Council to get their recommendation



## Selection Criteria

Ability to keep program affordable

Ability to keep usage of the city's budget at a minimum

Ability to keep the process simple

Ability of the program to be implemented for many consecutive years

Ability to replace failing sidewalk as soon as possible

Ability to address factors contributing to the deterioration of sidewalk such as street trees

Assumptions: Each property abuts 30 LF of sidewalk, which costs \$8,000 to repair

Criteria	Good = 3	Fair = 2	Poor = 1
Cost to Property Owner (\$ / 30 LF )	0	1-5,000	> 5,000
Cost to City (Not Including Administrative Costs) (\$ / 30 LF)	0	1-5,000	> 5,000
Administrative Costs The baseline requirements include 2 inspections and review of 1 ROW permit application.	0-1 additional requirement	2-3 additional requirements	> 3 additional requirements
Longevity of Program (years)	> 10	6-10	0-5
Construction Schedule (LF/ year) <sup>3</sup>	> 5,000	2,501-5,000	0-2,500
Resistance to Failure – Allows budget to be used for non-structural elements contributing to sidewalk failure?	Yes	Partial	No

<b>Annual/ Monthly Fees ONLY - Cost to Property Owner (\$ / 30 LF / year)</b>	0-50	51-100	> 100
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## Selection Criteria Weight

The criteria weight determination shows how each criterion (row) prioritizes against the other criteria (column). A score of 0 indicates that the row criterion (left) is not a priority vs. the column criterion (top). A score of 0.1 indicates that the row criterion (left) is a priority vs. the column criterion (top). The weight is calculated by dividing the row total by the sum of the "Row Total" column.

The weight was multiplied by 100/3 to get a total score out of 100.

	Cost to Property Owner	Cost to City	Administrative Costs	Longevity of Program	Construction Schedule	Resistance to Failure	Row Total	Weight
Cost to Property Owner	1	0.1	0.1	0.1	0.1	0	1.5	6.33
Cost to City	0	1	0	0.1	0	0	1.1	4.67
Administrative Costs	0	0.1	1	0.1	0	0	1.2	5.33
Longevity of Program	0	0	0	1	0	0	1	4.33
Construction Schedule	0	0.1	0.1	0.1	1	0	1.3	5.67
Resistance to Failure	0.1	0.1	0.1	0.1	0.1	1	1.6	7.00

## Alternative Analysis

	Annual Fee	Enforcing the Code	Grant Program	Loan	Hybrid Approach
Cost to Property Owner	12.7	6.3	6.3	12.7	12.7
Cost to City	14.0	14.0	4.7	9.3	9.3
Administrative Costs	16.0	5.3	16.0	5.3	10.7
Longevity	13.0	13.0	4.3	13.0	13.0
Schedule	5.7	17.0	17.0	5.7	11.3
Resistance to Failure	21.0	7.0	14.0	21.0	14.0
<b>Total Score</b>	<b>82.4</b>	<b>62.6</b>	<b>62.3</b>	<b>67.0</b>	<b>71.0</b>

## Alternatives

- Annual Fee
- Enforcing the Code
- Grant per Sq. Ft.
- \$3,000 Loan
- Hybrid: 50/50 Program and Loan Combination

## Annual Sidewalk Assessment Fee

City of Ithaca, NY

- Board of PW proposes budget/ schedule (must be approved by public and City Council) each fiscal year. Once approved, fee becomes a lien on the property.
- Each property owner is responsible for paying an annual sidewalk assessment fee
  - \$70 for one- and two-family homes
  - \$140 (+ frontage/ sq.ft. fee) for small businesses and commercial lots
- Property owner can receive a credit if they repaired their sidewalk in the past 20 years (For 20 years after the date of construction or repair, 1/20th of the cost of the past work may be discounted each year).
- Fees are assessed through property taxes

Public Works Director Dave Sukau explained these are actually findings for another city and our rates may be different.

Mayor Burge stated the fee is charged to every home owner, not just the ones without sidewalks.

Kristian Reyes replied yes.

Legal Counsel Peter Watts asked when they replaced the sidewalk can they replace it as is or do they need to make it ADA compliant?

Kristian Reyes replied these are all to be ADA compliant.

## Enforcing the Code

- This alternative places the entire financial responsibility of the sidewalk repair solely on the property owner
- A city inspector will identify sidewalks that need to be repaired and submit a report of the deficiencies to the property owner
- The property owner can repair the sidewalk using a licensed contractor or have the city hire a contractor then pay the invoice
- If no payment has been made by the property owner, a lien will be place on the property

City of Fairview, OR

## Grant per Square Foot

- The city sets aside a certain amount of money for a Sidewalk Fund
- Property owners can apply for a grant from the Fund
  - Grant award is limited to \$6 per square foot on local streets and \$12 per square foot on County streets.
  - A separate grant can also be applied for tree root barrier treatment up to \$100
- To be eligible for the grant, the sidewalk must be identified as a trip hazard or safety issue by the city.

## Loans

- The city sets aside a certain amount of money for a Sidewalk Fund
- Property owners can apply for a loan from the Fund
  - Maximum loan amount: \$3000 for sidewalk repair
  - Maximum additional amount: \$500 for tree removal
  - If the costs or repair exceeds the maximum loan amount, the property owner is responsible for paying the difference
- Minimum monthly payback is \$100 with an interest charge of 4%
- Property owners are only eligible for the program if their utilities and taxes are current

## 50/50 Split and Loan

- The sidewalk repair cost would be split between the city and property owner
- The property owner would need to get a cost estimate of the sidewalk repair prior to applying for a loan from the city
- Property owners are only eligible for the loan program if their utilities and taxes are current
- The city would determine how much interest would be applied to the loan and how long the property owner has to pay it off

## Construction Costs & Schedule

	Annual Fee	Grant	Loans	Enforcement	Hybrid
Revenue from property owners each year (\$)	182,000	177,500	83,300	7,893,300	75,000
Revenue from the city each year (\$)	0	25,000	25,000	0	25,000
Number of years to replace all broken sidewalks (years)	40	41	87	1	73
Amount of sidewalk that can be replaced each year (LF)	677	660	310	26,900	372

Calculations are based on ideal situations, where the city's budget is exhausted and all (up to the limit) property owners participate in the program.

## Questions?

Mayor Burge asked on corner lots is there a recommendation on a higher amount of loan or maximum because they have double the sidewalk. He feels if it is a corner lot the loan amount should be higher.

Kristian Reyes replied that would be up to the City.

Councilor Lesowske asked if the City would have a preferred contractor, or, as they go out for RFP that the City would say that if someone participates in these programs, then you could select from these contractors for consistency of work.

Kristian Reyes replied in their gathering of information, they found there were a couple of cities that would give a list of recommended contractors to the property owner. He explained there were other cities that would hire the contractor.

Councilor Poling asked, of the cities that they saw who do the sidewalk assessment fees, did they have any information on if they started the process after so long, after built up money, or did they start the process right away?

Kristian Reyes replied from what he remembers the city did it while they were collecting fees.

Mayor Burge stated as people repair their sidewalks, they fall under the 20 year, 1/20<sup>th</sup> fee, when calculating the revenue, are those considered?

Kristian Reyes replied no it is not. He explained the 1/20<sup>th</sup> fee is only if the sidewalk has been repaired within the last 20 years, not if they are building a new sidewalk.

Public Works Director Dave Sukau explained the intent behind this is to give you some food for thought. What we hope to get from this is for Council to kind of send staff in the direction of what approaches are preferred and then staff will take this to the next level.

Councilor Poling explained his biggest issue is, if everyone is paying the fee, how do you prioritize who gets their sidewalk fixed.

Kristian Reyes explained with the annual fee the City is divided into districts and each year a different district would be focused on.

City Manager Sykes explained staff is leaning towards the hybrid plan. He explained what staff would do is identify the worst sidewalks that are hazards and contact those folks and let them know it is the homeowners responsibly to fix them and ask if they need help and create a dialogue. He explained if they have some hardships, maybe give them a loan/grant to upgrade the sidewalk.

Mayor Burge explained he is hoping that we would have the engineer's specs and make it easy for the property owner to do it without having to go out and have their own engineer and get quotes.

City Manager Sykes replied we have allocated money and we are proposing to fund this program this year in the budget.

The consensus of the Council is to look at the hybrid plan.

Council thanked Shahd and Kristian.

Mayor Burge adjourned this work session at 6:38 p.m.



**WORK SESSION ~ WASTEWATER RATE DISCUSSION, 6:30 P.M.**  
Public Works Director Dave Sukau and Treatment Plant Supervisor Kevin Turner

Mayor Burge opened the Work Session at 6:39 p.m.

**Present:** Mayor Scott Burge, Council President Patrick Kessi, Councilor Megan Greisen, Councilor Natalie Sanders, Councilor Josh Poling, Councilor Joel Haugen, Councilor Branden Lesowske, City Manager Michael Sykes, Legal Counsel Peter Watts, City Recorder Susan Reeves, Assistant to City Manager Alexandra Rains, Public Works Director Dave Sukau, City Engineer Chris Negelspach and Treatment Plant Supervisor Kevin Turner.

Public Works Director Dave Sukau explained we are following up from the last Council meeting where they did an update on the waste water status. Consultant Steve Donovan sent a memo ~

*Work Session  
Wastewater Rate  
Discussion*

**Memorandum**

**To:** Alexandra Rains  
**From:** Steve Donovan  
**Cc:**  
**Date:** April 16, 2019  
**Re:** April 15, 2019 Sewer Master Plan Funding Strategy City Council Presentation Follow-Up Analysis



At last night's City Council meeting, we updated the Council on the status of the funding plan for the wastewater treatment system master plan. In our presentation, a central tenant of the strategy was the issuance of twenty (20) year loans to fund the project costs incorporated in the master plan.

At the conclusion of the presentation, Councilor Kessi asked us to provide the Council with alternative analyses that assumed the City decreased the term of future debt issuances to 10 or 15 year lives. His point being if the City decreased the term of future debt issuances, the City would incur significantly less interest expense over the lives of the loans. He also recognized that such a move would have adverse impacts on projected monthly sewer rate increases.

We did perform that analysis last year, and presented the results to the Council at their January 18, 2018 work session on this matter. The purpose of the memo is to share those results and bring the Council up to speed on the tradeoff between future interest expense savings vs. higher sewer rate increases.

*Projected Total Interest Expense Over the Life of Future Loans*

The master plan funding strategy envisions the issuance of over \$20 million in debt over the next fifteen years. Shown below is the projected total future interest expense on all loans issued over the life of the loans for the base case 20-year loan option, and for alternative loan lives of 10, 15, and 30 years.

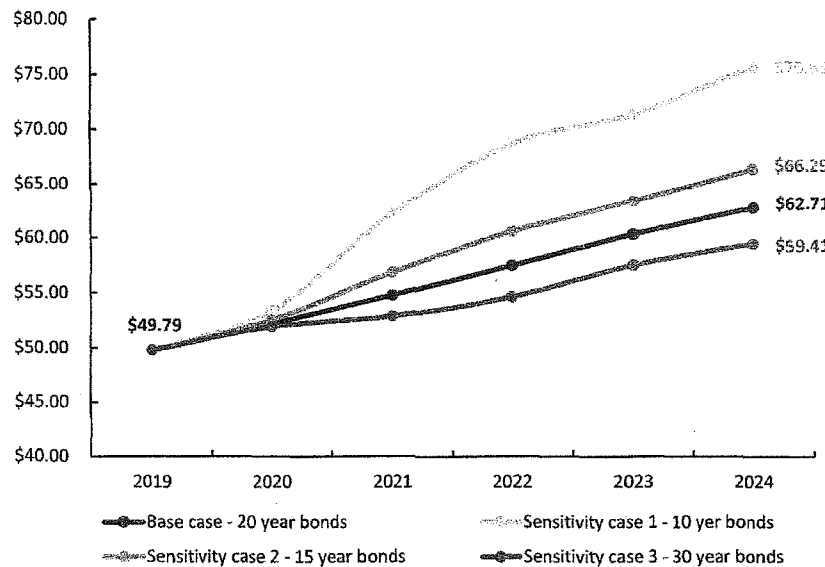
	Life of the Bonds/Loans in Years			
	10	15	20	30
Total interest expense	\$ 3,031,352	\$ 4,330,707	\$ 6,946,804	\$ 12,558,926
Change from 20 year base case	\$ (3,915,451)	\$ (2,616,097)	\$ -	\$ 5,612,122

As the data shows, the City could save significant future interest expense if we issue 10- or 15-year loans (\$3.9 million for 10-year, and \$2.6 million for 15-year loans). Conversely,

the City would incur \$5.6 million more in cumulative interest expense if we issued 30-year loans.

### *Projected Monthly Sewer Rates under Alternative Loan Lives*

The obvious down side of shorter loan lives is higher monthly sewer rates. The following chart shows the projected monthly sewer rate under alternative loan lives.



In our base case, the monthly sewer rate raises to \$62.71 per month in fiscal 2023-24 for an average single-family residential customer (from the current fiscal 2018-19 rate of \$49.79 per month).

- For the 10-year loan life case the rate jumps to \$75.63 per month in fiscal 2023-24; an increase from the base case of \$12.92 per month.
- For the 15-year loan life case, the rate jumps to \$66.29 per month in fiscal 2023-24; an increase from the base case of \$3.58 per month.
- Finally, for the 30-year loan life case, the rate decreases to \$59.41 per month in fiscal 2023-24; a drop from the base case of \$3.30 per month.

### *Staff Conclusions and Recommendations*

Staff appreciates the magnitude of the tradeoffs facing the Council concerning this matter. In a perfect world, we would jump at the chance to issue 10-year loans for the master plan projects and save \$3.9 million in interest expense versus the base case assumption of 20-year loans. But we do not live in a perfect world, and we cannot focus solely on the impact these loan life assumptions have on sewer rates. Over the next ten years, the Council will be grappling with water rate increases that may eclipse the projected increases anticipated for sewer customers. We suggest the Council look at the entire municipal utilities bill when it crafts its final decision on the sewer master plan funding strategy.

Staff recommends the Council continue to assume the sewer master plan will be funded from the proceeds of 20-year loans.

End of memo.

Council President Kessi thanked staff for bringing this back to Council. He explained as we look at the different programs that is what he was getting at during the last meeting. He asked if there is a way a senior can apply for a grant/subsidy to pay for increases?

City Manager Sykes replied we don't have a grant program.

Councilor Lesowske would like to follow up and see if there are potentials for assistance with utility bills. He explained we did have a concerned citizen come before Council regarding her mother's utility bill. He would like to follow up and see if there are potential opportunities.

Public Works Director Dave Sukau stated the only other food for thought is that there will be other rate increases, and they will all start to add up, so that is where we are factoring in 20-years, thinking that is a good balance, because the storm water could see an increase. He explained there are variables that we are working through in the master plans that are showing needs. He stated we want to leave a little room on the table for the future.

Councilor Haugen explained he would go with a 15 or a 20-year plan.

Councilor Poling explained he likes the 15-year plan. He would like to see some way to help those on a fixed income.

Council President Kessi explained he likes the 15-year plan. He also would like to see some way to help those on a fixed income.

Councilor Greisen explained she likes the 15-year plan.

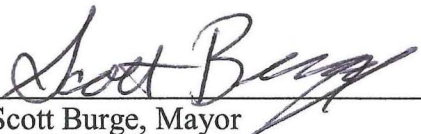
Councilor Sanders explained she likes the 20-year plan.

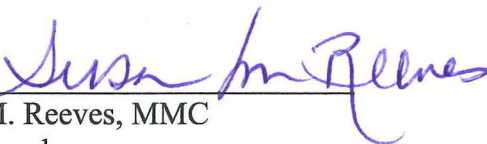
Councilor Lesowske stated the 15-year plan seems to be more valuable.

Mayor Burge likes the 15-year plan. He talked about doing like the Columbia River PUD glow program where people round up their payment which in turns helps with others bills.

City Manager Sykes will talk to Jill and Kathleen regarding a program for utilities.

Mayor Burge adjourned the work session at 6:56 p.m.

  
Scott Burge, Mayor

Attest:   
Susan M. Reeves, MMC  
City Recorder