

PUBLIC WORKS COMMITTEE REPORT

August 4, 2010, 1:05 PM

City Council Chambers

Members Present: Jason Wiener (chair), Ed Childers, Lyn Hellegaard, Roy Houseman, Bob Jaffe, Marilyn Marler, Renee Mitchell, Pam Walzer, Jon Wilkins

Members Absent: Dick Haines, Dave Strohmaier

Others Present: Steve King, Brentt Ramharter, Jack Stucky, Scott Paasch, John Hendrickson, John Wolverton, Gary Bakke, Rita Jankowski-Bradley, Zack Porter

I. ADMINISTRATIVE BUSINESS

A. Approval of the minutes of July 14, 2010– Approved as submitted.

B. Announcements – Steve King, Public Works Director, stated that they had been working on an energy savings project behind the scenes. Traffic signals will be changed over to Light Emitting Diode (LED) beginning this fall. The project is \$540,000 to upgrade hardware on traffic signals, which is coming from the Montana Department of Transportation and the Metropolitan Planning Organization. There will be LED lights and countdown pedestrian timers on almost all of the community's signalized intersections. It is a money saving project due to lower energy consumption. They are expecting a relatively quick payback on the project that may be as little as three years. Payback estimates will be completed when the project is implemented.

C. Public Comment on Non-Agenda items – None.

II. CONSENT AGENDA ITEMS

1. Amendment to Missoula Municipal Code 15.44, Oversize Loads and House Moving and 5.70 House Moving License – Generally. (memo)—Regular Agenda (Steve King) (Referred to committee: 08/02/10) **HELD IN COMMITTEE**

Motion: The committee recommends the City Council set a public hearing for August 23, 2010 for an ordinance and an emergency ordinance amending Missoula Municipal Code 15.44, House Moving, and 5.70.020 House Moving License – Generally.

Mr. King stated that the large oil company project moving several hundred oversize loads through the city prompted them to realize the need for fee changes and updates in the ordinance. They have been working to update the ordinance but are not proposing a complete rewrite. They plan to do a more comprehensive rewrite at some point in the future. They propose updating the permit fee so that it is proportionate to the staff time and cost to the City. The fee has not been updated for many years. This applies only to work within City Limits. They recommend an ordinance name change to Oversize Loads and House Moving. The recommendation is to increase performance bonding by house moving companies to \$20,000, within business licenses in Title 5. They have two size categories. The existing fee is \$10 per move or \$75 annually for smaller oversize loads, and they recommend increasing that to \$40 per move or \$150 annually. The fee for large oversize loads is currently \$100 per load, which they recommend increasing to \$200 to cover direct costs. They will add the standard severability clause to the attached ordinance. They also recommend the penalty clause be removed because it is located elsewhere. There will be additional edits forthcoming from the Finance Department. The updated draft will be in the packet for Monday's meeting.

Mr. Childers stated that they should use consistency in the ordinance instead of referring to house moving in some places and oversize loads in others. Mr. King stated that they could make that change if it was the consensus of the committee.

Ms. Hellegaard stated she would like the ordinance changed so that permit fees deposited in the general fund would be specifically for use in Public Works to cover staff time. She asked whether they were allowed to charge for movement on State roads. Mr. King stated the City could charge for permits moving on state routes if there was City staff time associated with the project. Permits may involve staff time from several departments, not just Public Works.

Mr. Wilkins asked when oversized loads were not charged fees and whether they could charge more for bigger loads that require more staff time. Mr. King stated that oversize loads not causing detour routing, affecting trees, or making changes in traffic signals are not charged in the existing or the proposed ordinance. There are already two class sizes for oversize loads in the ordinance. The average direct cost in staff time for larger loads is approximately \$200. It is not practical to do an hourly billing and a higher fee would be difficult to rationalize. There may be staff time involved in planning for modifying traffic signals, as well as communications with emergency services and snowplowing, for example. For the anticipated Kearn Module Transportation Project, the total potential revenue for the city is approximately \$40,000. The proposed ordinance would go into effect 30 days after adoption by Council, and the modules could be transported beginning this fall.

Ms. Marler made the motion to set the public hearing.

Mr. Jaffe stated he would like to have an emergency ordinance as well. Mr. King stated the majority of the loads would be under the new ordinance and that applicants must pay the fees in effect at the time of the move, not at the time of the application. He will check with the City Attorney to make sure that is enforceable. Staff did not think they could rationalize an emergency ordinance.

Ms. Marler accepted the motion for an emergency ordinance as a friendly amendment from Mr. Jaffe.

Mr. Jaffe asked how the moving companies would be held responsible when there are damages. Mr. King stated that they are recommending the moving company bond amount be increased to \$20,000 to cover performance. There are explicit sections of the ordinance that require performance.

Ms. Walzer asked why only the Police Department would be notified for those not requiring a permit, instead of all emergency services. Mr. King stated the police desk will notify the 911 center if it was relevant. He would have a conversation with Chief Muir to make sure he was aware of that provision.

Mr. Wiener asked how much it cost to put up a new traffic light pole and if the bond was sufficient for actual damages. Mr. King did not have the specific number, but is in excess of \$10,000. Mr. Wiener wondered whether the bond should be higher.

Mr. Wiener asked about section 050d and reimbursement. It refers to inspectors, and he asked if they should reword it to include City employees whose services are required by the Building Official or the City Engineer.

Mr. Childers asked about the one-time fee for certain loads and Mr. King replied that was only for the smaller oversize loads.

The motion passed unanimously.

2. Approve and authorize the Mayor to sign a contract with Johnson Controls Inc. to complete the energy conservation performance contract. (memo) (City Energy Budget)—Regular Agenda (Jack Stucky) (Referred to committee: 08/02/10) **REMOVE FROM AGENDA**

Motion: The committee recommends the City Council approve the list of energy items and authorize the Mayor and the administration to proceed with drafting a contract with Johnson Controls Inc.

Jack Stucky, Vehicle Maintenance Superintendent, stated that the energy performance contract with Johnson Controls was signed in April 2009. Of the possible projects identified, they selected 16 based on energy savings and cost payback analysis.

Ms. Mitchell asked whether Splash was an enterprise and if the money for the improvements to it was coming from that fund. Brentt Ramharter, Finance Director, stated that the whole project would be neutral to the budget, and they may do it all in the general fund and adjust subsidies or put it in the aquatic fund and adjust it. There will be expenditure reductions in energy spending, and the financing costs overall will be less than the energy money taken out. Parking and the Cemetery are enterprise funds as well.

Ms. Hellegaard asked if Johnson Controls would pay the difference if the city does not have enough energy savings to offset the financing, and Mr. Stucky stated they would make up the difference on any given item.

Mr. Jaffe stated that the \$95,000 per year financing cost, with energy savings ranging from \$100,000 to \$225,000 per year perpetually was a good deal.

Mr. Wiener asked if they could break out smaller projects and not finance those, to save financing costs. Mr. Ramharter stated they are paying up front wherever they can and are applying grant money where they can. There were other projects identified as well, but this is an easy first phase to go forward with.

Mr. Jaffe asked if the financing was part of the package whole deal. Mr. Ramharter stated that Johnson Controls brought a proposed financing solution, and that the City reviewed it with bond counsel and will bring forward the cheapest financing option once the contract is in place. The project list needs to be approved before they discuss the details of financing.

Ms. Mitchell asked for a list of the projects that were not selected and Mr. Stucky said he would send it out.

Mr. Wiener stated the motion needed was to approve the list of projects and authorize the mayor and administration to proceed with drafting a contract based on the approved scope. Mr. Stucky stated this step was a formality requested by the council. Ms. Walzer made the motion.

Mr. Jaffe stated the proposed savings was \$250,000 per year and asked what the City's total annual energy costs were. Mr. Ramharter stated it was in the millions and he would forward them the actual number.

Ms. Mitchell stated there could be other projects not selected that were important. Mr. Stucky stated they chose projects with a good payback period and there may be a second phase in the future.

Mr. Wiener requested the full list of projects and boiler plate language on financing by the end of Friday.

Mr. Jaffe asked if they would still be obligated to use Johnson Controls if they chose to do other projects in the future. Mr. Stucky stated that projects on the list were Johnson Controls projects, but in the future they could bid for a different performance contract company for different projects if they chose.

The motion passed unanimously.

III. HELD AND ONGOING AGENDA ITEMS

1. Discussion on the sizes of grease interceptors for the restaurant industry ([Grease Interceptor PowerPoint](#)) ([memo](#)).—Regular Agenda (Stacy Rye and Bob Jaffe) (Referred to committee: 04/21/08)
2. Consider restructuring the city's Sewer Loan Program along the lines of the recently approved change to the Sidewalk & Curb Loan Fund.—Regular Agenda ([Chapter 3.16 – Sidewalk & Curb Loan](#)) ([Chapter 3.18 Sewer Loan](#)) ([Ordinance 3344](#)) (Ed Childers) (Referred to committee: 06/26/06)
3. Review infrastructure conditions at the locations of serious and fatal traffic accidents: 2007-2009 ([memo](#)).—Regular Agenda (Jason Wiener) (Referred to committee: 01/25/10)
4. Resolution to restore vacated Inez Street at South 2nd Street to the public trust and public use, and vacate a public access easement that was a condition of the vacation ([memo](#)).—Regular Agenda (Carla Krause) (Referred to committee: 04/26/2010)

IV. ADJOURNMENT

Respectfully Submitted,

Jessica S. Miller
Office Manager
City Public Works Department