



**Work Session Meeting Agenda
2 Park Drive South, Great Falls, MT
Gibson Room, Civic Center
January 21, 2020
5:30 PM**

CALL TO ORDER

PUBLIC COMMENT

(Public comment on agenda items and on any other matter that is within the jurisdiction of the City Commission. Please speak into the microphone, state your name and address for the record, and keep your remarks to a maximum of five (5) minutes.)

WORK SESSION ITEMS

1. Malmstrom Air Force Base Update - Colonel Jennifer Reeves.
2. Montana Air National Guard Update - Colonel Buel Dickson.
3. Sanitation Rate Review - Jim Rearden.

DISCUSSION POTENTIAL UPCOMING WORK SESSION TOPICS

ADJOURNMENT

City Commission Work Sessions are televised on cable channel 190 and streamed live at <https://greatfallsmt.net>. Work Session meetings are re-aired on cable channel 190 the following Thursday morning at 10 a.m. and the following Tuesday evening at 5:30 p.m.

Wi-Fi is available during the meetings for viewing of the online meeting documents.

UPCOMING MEETING SCHEDULE

Commission Retreat - Monday January 27, 2020 1:00 p.m.

Work Session - Tuesday February 4, 2020 5:30 p.m.

Commission Meeting - Tuesday February 4, 2020 7:00 p.m.

City of Great Falls Sanitation Division

2020 RATE ANALYSIS

January 21, 2020

City Commission Work Session

SANITATION RATE SETTING TIMETABLE

- ▶ January 21, 2020
 - Commission Work Session Presentation

- ▶ January 21, 2020
 - Set Public Hearing for February 18, 2020

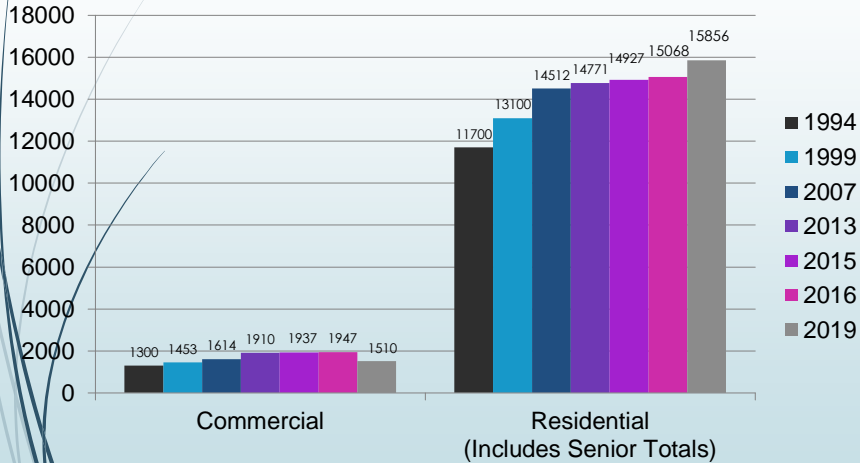
- ▶ February 18, 2020
 - Public Hearing on Resolution 10324

- ▶ March 1, 2020
 - Rates proposed to go into effect

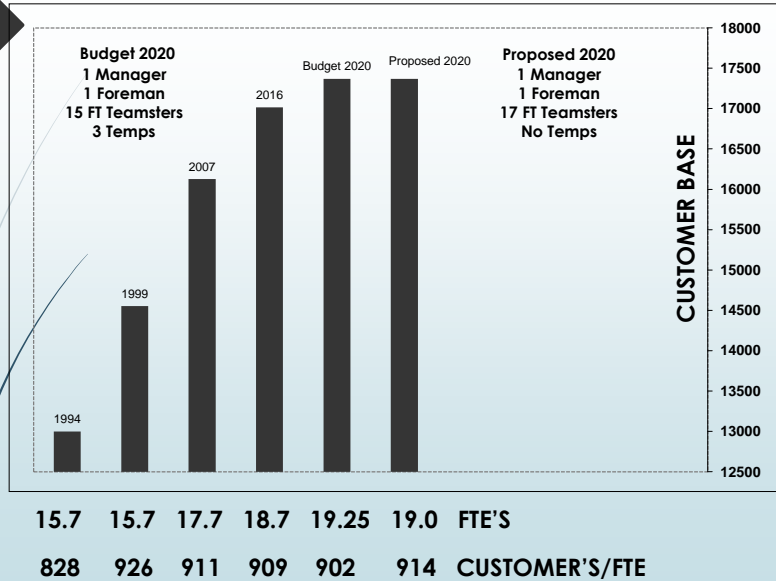
City Sanitation Customer Base

City Utility Customer Base FY 2019	21,977	100%
City SN Residential Customers	15,856	
City SN Commercial Customers	1,510	
Total City	17,366	79%
Republic		
Total Residential & Commercial	4,611	
Total Republic	4,611	21%

City Sanitation Customer Base



Current Collection Systems Staffing



MAJOR RATE DRIVERS

- **Landfill Costs** - 22% of Budget (Approx. \$930,000 per year)

 - 2.3% CPI increase 2020

- **Personnel Costs** - 36.9% of Budget

 - 3.0% annual increase last 4 years
 - 3 PT to 2 FT insurance coverage requirement additional \$48,562

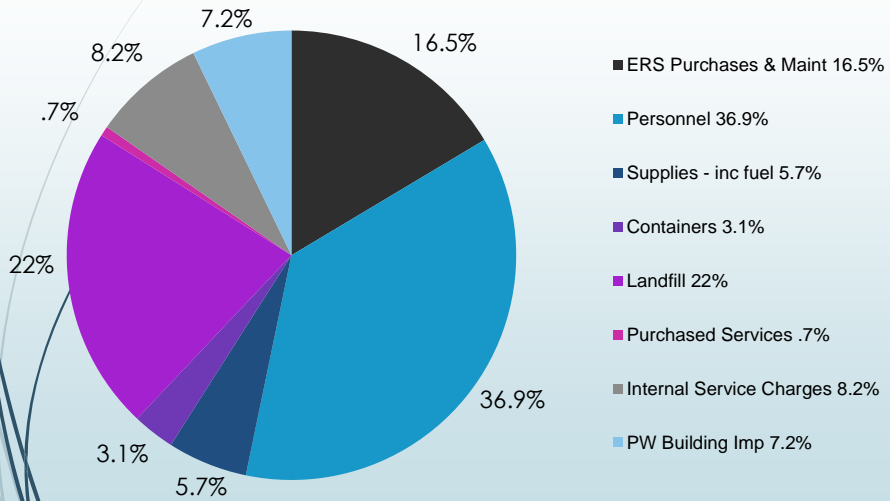
- **Vehicle Replacement** - Intercap Loan

 - 6.6% of Budget (Updating Fleet)
 - Approx. \$268,000 per year

- **Vehicle Maintenance** - 9.9% of Budget

 - Approx. \$407,000 per year

Sanitation Operating Costs Adopted FY 2019-2020



Sanitation Fleet Residential

YEAR	MANUFACTURER	MODEL
2007	American LaFrance	Condor
2012	Mack	LEU 613
2016	Peterbilt	PB 320
2016	Peterbilt	320
2017	Auto Car	Expiditor
2017	Auto Car	ACX 64
2018	Auto Car	Expiditor
2018	Auto Car	Expiditor
2019	Peterbilt	520

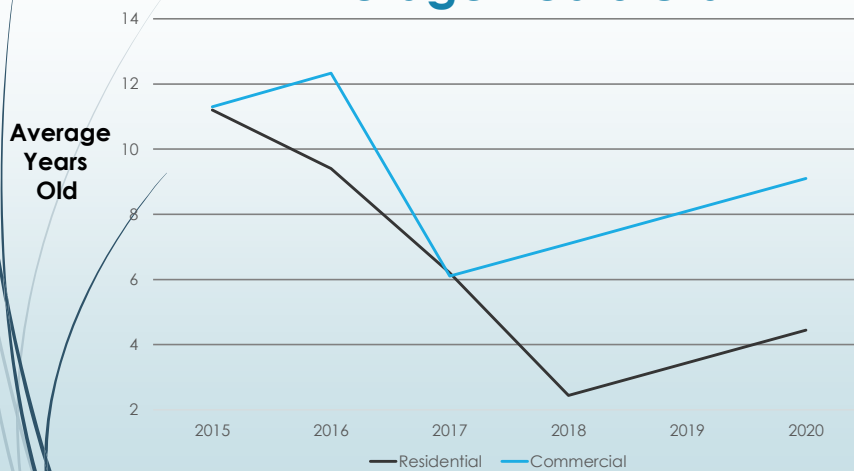
Average Residential Fleet Age 4.44 years

Sanitation Fleet Commercial

YEAR	MANUFACTURER	MODEL
2003	Volvo (Cardboard Collection)	WX64
2003	Sterling (Backup Roll-Off)	LT9500
2007	Sterling (Backup Commercial/Brush)	LT9500
2007	American LaFrance	Condor
2010	Kenworth	T800
2013	Peterbilt	320
2016	Kenworth	T440
2016	Kenworth	T800
2017	Kenworth	T440
2017	Kenworth	T440

Average Commercial Fleet Age 9.1 Years

Sanitation Fleet Average Years Old



Targeted Life Span: Residential 6-8 years Commercial 10 years

Internal Maintenance Charges With Both Plans

FY Year	Actual/Projected	Plan with no changes 7% increase per year	Plan with Intercap Loan 6 new trucks 2016 6 new trucks 2023
2016	Actual	\$ 432,530.00	\$ 432,530.00
2017	Actual	\$ 462,807.10	\$ 459,543.00
2018	Actual	\$ 495,203.60	\$ 487,217.00 *
2019	Actual	\$ 529,867.85	\$ 431,411.00 *
2020	Actual	\$ 566,958.60	\$ 406,661.00 *
2021	Projected	\$ 606,645.70	\$ 433,557.00 *
2022	Projected	\$ 649,110.90	\$ 419,728.14
2023	Projected	\$ 694,548.66	\$ 428,122.70
2024	Projected	\$ 743,167.07	\$ 436,685.15
2025	Projected	\$ 795,188.76	\$ 445,418.85
Total Cost		\$5,976,028.24	\$4,380,873.84

Expected Savings With New Units \$1,595,154.40

*With Building Improvements Added \$22,500

Average Fleet Age In 2015: **C:** 11.33 years **R:** 11.20 years
In 2020: **C:** 9.10 years **R:** 4.44 years

Total Sanitation Fund Cash Flow with Capital Outlay/ Debt Service without Depreciation

	Actuals FY 2019	Projected FY 2020 7.5% Revenue Increase (4 months)	Projected FY 2021 7.5% Revenue Increase	Projected FY 2022 5% Revenue Increase	Projected FY 2023 0% Revenue Increase	Projected FY 2024 0% Revenue Increase	Projected FY 2025 0% Revenue Increase
Beginning Unrestricted Cash Balance	\$392,295	\$318,290	\$167,198	\$167,251	\$517,642	\$760,360	\$847,664
Revenues							
Miscellaneous	\$7,000	\$7,000	\$7,350	\$7,350	\$7,350	\$7,350	\$7,350
Commercial utility	\$1,379,299	\$1,517,383	\$1,631,187	\$1,712,746	\$1,712,746	\$1,712,746	\$1,712,746
Utility Equipment Rentals	\$2,235	\$0	\$0	\$0	\$0	\$0	\$0
Cardboard	\$946	\$2,000	\$2,100	\$2,100	\$2,100	\$2,100	\$2,100
Interest	\$10,165	\$0	\$0	\$0	\$0	\$0	\$0
Residential	\$2,453,899	\$2,491,204	\$2,678,044	\$2,811,947	\$2,811,947	\$2,811,947	\$2,811,947
Sale of Scrap & Surplus	\$1,919	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$3,855,463	\$4,017,587	\$4,318,681	\$4,534,143	\$4,534,143	\$4,534,143	\$4,534,144
Expenses*							
Personal Services	\$1,422,668	\$1,561,934	\$1,640,031	\$1,722,032	\$1,808,134	\$1,898,541	\$1,993,468
Supplies & Material	\$336,784	\$360,542	\$378,569	\$397,498	\$417,372	\$438,241	\$460,153
Other Purchased Services	\$26,427	\$26,020	\$27,321	\$28,687	\$30,121	\$31,627	\$33,209
Landfill Costs	\$1,001,077	\$914,200	\$943,175	\$957,323	\$971,682	\$986,258	\$1,001,052
Travel	\$1,208	\$2,400	\$2,520	\$2,646	\$2,778	\$2,917	\$3,063
Internal Serv Chrgs - Vehicle & Equip Maintenance	\$431,411	\$406,661	\$433,557	\$419,728	\$428,123	\$436,685	\$445,419
Internal Serv Chrgs - Other	\$309,178	\$334,420	\$351,141	\$368,698	\$387,133	\$406,490	\$426,814
Debt Service	\$273,700	\$267,470	\$242,314	\$242,314	\$0	\$0	\$0
Capital Outlay	\$206,157	\$295,032	\$300,000	\$246,080	\$246,080	\$246,080	\$246,080
Total Expenses	\$4,008,610	\$4,168,679	\$4,318,628	\$4,385,006	\$4,291,424	\$4,446,839	\$4,609,257
Revenues Over (Under) Expenses	(\$153,147)	(\$151,092)	\$53	\$149,137	\$242,719	\$87,304	(\$75,113)
Adjustment to receivables / payables/ restricted cash	\$79,142	\$0	\$0	\$201,254 +	\$0	\$0	\$0
Ending Unrestricted Cash Balance	\$318,290	\$167,198	\$167,251	\$517,642	\$760,360	\$847,664	\$772,550
Current Debt Service	\$134,673	\$134,673	\$134,673				
Maximum Principal & Interest	\$73,438	\$73,438	\$73,438				
Total Unrestricted and Restricted Cash	\$526,401	\$375,309	\$375,362				

*Projected Expense increased 5% except Internal Service Chrgs - Vehicle & Equip Maintenance and Landfill Costs.

**Last debt service payment is 2/15/2022.

+Release of the cash reserves for debt service.

COMMERCIAL RATES

MONTHLY

	<u>CURRENT</u>	<u>PROPOSED</u>	<u>DIFFERENCE</u>
96 Gallon	\$ 21.25	\$ 22.80	\$ 1.55
300 Gallon	\$ 25.40	\$ 27.30	\$ 1.90
1.5 yard	\$ 35.90	\$ 38.60	\$ 2.70
2 yard	\$ 42.90	\$ 46.10	\$ 3.20
3 yard	\$ 61.60	\$ 66.20	\$ 4.60
4 yard	\$ 82.00	\$ 88.20	\$ 6.20
6 yard	\$122.00	\$131.20	\$ 9.20
8 yard	\$162.00	\$174.20	\$ 12.20
Cardboard Recycling	\$ 15.00	\$ 20.00	\$ 5.00
Vacant Business—Once a month pick up	\$ 5.00	\$ 5.00	No Change

DROP BOX (PER PICK-UP)

3 yard construction dumpster	\$ 50.00	\$ 52.00	\$ 2.00
20 yard construction dumpster	\$285.00	\$299.00	\$ 14.00
30 yard construction dumpster	\$321.00	\$337.00	\$ 16.00
40 yard construction dumpster	\$352.00	\$370.00	\$ 18.00
30 yard compacted (plus disposal charge)	\$203.00	\$213.00	\$ 10.00
40 yard compacted (plus disposal charge)	\$203.00	\$213.00	\$ 10.00
Flat Rate Surcharge (overweight containers)	\$105.00	\$105.00	No Change
Dry Run Fee	\$ 50.00	\$ 50.00	No Change
Per Day Rental Fees	\$ 2.00	\$ 2.00	No Change

RESIDENTIAL RATES

MONTHLY

<u>RESIDENTIAL</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>DIFFERENCE</u>
Regular 96 Gallon	\$ 12.70	\$ 13.65	\$.95
Duplex (\$13.65 per unit)	\$ 25.40	\$ 27.30	\$ 1.90
Triplex (\$13.65 per unit)	\$ 38.10	\$ 40.95	\$ 2.85
Additional 96 Gallon	\$ 7.20	\$ 7.70	\$.50
Senior Citizen	\$ 8.90	\$ 9.57	\$.67
Extra PU 96 Gallon	\$ 10.00	\$ 11.00	\$ 1.00
Extra PU 300 Gallon	\$ 15.00	\$ 17.00	\$ 2.00
Large Appliances	\$ 15.00	\$ 16.00	\$ 1.00
Large Appliances with Freon	\$ 50.00	\$ 54.00	\$ 4.00

Previous Residential 96 Gallon Rate Increases

Year	Residential Rate	Residential Increase
2011	\$ 9.96/mo.	\$0
2012	\$ 9.96/mo.	\$0
2013	\$ 9.96/mo.	\$0
2014	\$10.96/mo.	\$1.00/mo.
2015	\$11.51/mo.	\$0.55/mo.
2016	\$11.51/mo.	\$0
2017	\$12.09/mo.	\$0.58/mo.
2018	\$12.09/mo.	\$0
2019	\$12.70/mo.	\$0.61/mo.
2020 proposed	\$13.65/mo.	\$0.95/mo.

10 year average annual increase: 3.69%

Current Statewide Rates

PUBLIC	MONTHLY RESIDENTIAL RATE	COMPETITION	LANDFILL FEE PER TON	OWN LANDFILL
Bozeman	\$24.45	YES	\$27.00 Regular \$48.00 Construction Material	NO
Havre	\$16.33	NO	\$22.00 Landfill City SN \$0 Assessment	NO
Kalispell	\$15.97	YES	\$31.05	NO
Helena	\$14.68	NO	\$58.75 Transfer Stn \$26.00 Landfill City Only	NO
Great Falls	\$13.65 proposed	YES	\$27.98	NO
Billings	\$11.25	NO	\$19.85 Other Towns/County \$26.11	YES
PRIVATE	MONTHLY RESIDENTIAL RATE	COMPETITION	LANDFILL FEE PER TON	OWN LANDFILL
Republic Services Missoula (2020)	\$30.00	NO	\$62.96	YES
Republic Services Bozeman (2019)	\$25.68	YES	\$27.00	NO
Evergreen Kalispell (2019)	\$15.95	YES	\$31.05	NO
Republic Services Outside Great Falls	\$13.33 Black Eagle \$26.33 Outside Belt \$14.53 Inside Belt	NO	\$32.00	YES
Republic Services Great Falls	\$12.33	YES	\$32.00	YES