

MINUTES
March 16, 2005
Public Utilities and City Services Committees
City of Batavia

Public Utilities Committee Chairman Frydendall called the meeting to order at 7:30 p.m.

1. ROLL CALL

Members present: Aldermen Frydendall (PU/CS), Volk (PU/CS), Wollnik (PU/left after Item 5), Wolff (PU), Barnard (PU/CS), Clark (PU), Brown (PU), Beckman (CS), McCarter (CS), Frank (CS/arrived at 8:10 p.m.),

Also Present: Alderman Schmitz; Gary Larsen, Public Works Director; Hank Vejvoda, Electric Superintendent; Noel Basquin, City Engineer; Kathy Montanari, Recording Secretary

Members absent: Alderman Vance

2. APPROVAL OF MINUTES

MOTION: To approve the following Public Utilities Committee minutes:

- January 24, 2005
- February 14, 2005
- February 28, 2005

MAKER: Volk

SECOND: Wolff

VOICE VOTE: 9 Ayes, 0 Nays, Motion Carried

3. NEW COPY MACHINE FOR WATER AND STREET DEPARTMENTS

Dillon reviewed his March 8, 2005. The Water and Street Departments are requesting permission to waive bids to replace an obsolete and inoperable copy machine. Secretarial staff evaluated several models and recommends purchase of a Ricoh copier. The machine has a scanning feature and can be connected to the City's computer network. The lowest quote of \$13,896.00 was received from Chicago Office Technology and includes a \$500 trade-in credit. This company has provided good service to the City in the past.

Barnard asked if staff explored a leasing option. Dillon said this was considered and the lease price was approximately \$2,000 higher, based on a five-year life expectancy. Chicago Office Technology offers the first two years of service at no extra charge.

MOTION: To recommend to City Council waiving formal bidding for the purchase of a new copy machine for Public Works

MAKER: Brown

SECOND: Volk

VOICE VOTE: 9 Ayes, 0 Nays, Motion Carried

MOTION: To recommend to City Council purchase of a Ricoh 2060SP copier from Chicago Technology Group for \$13,896.00

MAKER: Wolff

SECOND: Wollnik

ROLL CALL:

Ayes: Frydendall, Volk, Wollnik, Wolff, Barnard, Clark, Brown, Beckman, and McCarter

Nays: None

9 Ayes, 0 Nays, Motion Carried

4. ELECTRIC SYSTEM PHYSICAL INVENTORY PROJECT: FINAL REPORT

Vejvoda reviewed his March 11, 2005 memo. The physical inventory project was initiated 18 months ago and has been completed. Vejvoda introduced Ron Gay of Strategic Management, Inc.

Gay presented highlights of the Final Report: Electric System Physical Inventory Project for the City of Batavia Electric Department, dated March 2005. He explained that the goal of the project was to bring financial records of the Electric Utility into conformance with the Uniform System of Accounts for Electric Utilities (USAEU) and Governmental Accounting Standards Board (GASB). Specifically, overhead costs must be included when an item is capitalized. In addition, when items are removed from the system it must be reflected in financial records. Value, including depreciation, was determined for approximately 53,000 items.

Gay explained that every dollar spent for the Electric Utility must be reflected on the income statement or balance sheet. Income Statement items are returned through current rates. Investments shown on the balance sheet are returned over time through depreciation.

A new Windows-based software was included as part of the project. Financial records are output in an electronic format to manage the inventory. These records can be accessed through Dbase or Excel2003.

Gay recommended that the results be incorporated into the financial records of the City as of the end of fiscal year 2004.

Vejvoda noted that Gay worked with Finance Director Peggy Colby during the study to identify proper overhead costs.

Frydendall asked if depreciated values considered the estimated age of the item and established the new value in 2004 dollars. Gay explained the ratio formula that was used to calculate current depreciated value. The City may find that the useful life of certain items needs to be adjusted. Frydendall questioned whether the City's utility seemed to be in line with comparable utilities in terms of depreciation. Gay responded that Batavia's Electric Utility was compared with four others of a similar size and growth pattern, and it was very close to the average.

Clark asked if staff had been trained to use the new software. Gay explained that the department had already been using a DOS-based version of the software; he will be present for the first close out next week. Vejvoda then reviewed the current procedure for daily record processing. Crews enter all items being installed or removed (including time spent) on a daily tracking sheet, and this is charged to the work order by the office staff. It may be possible in the future for crew leaders to do this in the field using wireless devices. Larsen told Clark that several employees were trained in various aspects of the software.

Barnard asked when records could be entered at the job site, and Larsen said it was easiest to have an office employee handle the data entry. This procedure takes about 30 minutes a day.

Volk asked if the database could be used to predict equipment replacement and aid staff in making better budget projections. Gay said the software could be used to identify items nearing the age of their useful life. Volk was pleased that a comparison had been done and indicated that Batavia is in line with other utilities.

MOTION: To accept the final Electric System Physical Inventory Project Report, as presented

MAKER: Volk

SECOND: Wolff

VOICE VOTE: 9 Ayes, 0 Nays, Motion Carried

5. 2005 STREET PROGRAM

Basquin reviewed his March 9, 2005 memo. Staff has finalized the list of streets to be included in the 2005 Street Program. The utilities will pay 50% of the improvements for all streets affected by installation of the cross-town water main, and the remainder will be paid from the General Fund. It is also recommended that Motor Fuel Tax Reserve Funds be used to fund a portion of the program. An alternate bid will be sought for streets that may be added to the program if prices are lower than expected.

Clark asked for clarification on the use of the MFT funds. Basquin explained that MFT funds are in a General Fund account, but the budget must be amended to use MFT reserves for the program. MFT funds not expended for a particular year are held in reserve.

Wollnik asked if the road improvements would meet the new pavement section requirements, and Basquin said yes. She then asked if the damaged curbs were originally intended to be replaced, and Basquin said it was decided that it would make most sense to replace damaged curbs when the streets are replaced. Larsen said the damage was not a result of sloppy contractor work.

MOTION: To recommend to City Council approval of the 2005 Street Program
MAKER: Volk
SECOND: Wollnik
VOICE VOTE:
Ayes: Frydendall, Volk, Wollnik, Wolff, Barnard, Clark, Brown, Beckman,
and McCarter
Nays: None
9 Ayes, 0 Nays, Motion Carried

Dillon explained that when bids are received, he will be presenting a Budget Amendment for the exact amount to the Public Utilities Committee.

Brown asked how soon the bids would be let, and Basquin said this would be done at the end of April.

Frydendall asked for clarification of the work to be done on River and State Streets. Basquin said River Street would be resurfaced, and staff would be evaluating bump outs at the State Street intersection. Frydendall mentioned that there had been a discussion at one time about adding a street level sidewalk adjacent to the stairway by El Taco Grande. Basquin said this would be reviewed as part of the Wilson Street corridor intersection improvements. Brown did not want to tear up the area again in a few years. Basquin explained the street was not in good condition and a timetable for intersection improvements hadn't been decided. Frydendall pointed out that the area is not handicapped accessible. It was decided that this issue should be researched in greater detail before a decision is made. Basquin indicated that the street could be transferred to the alternate bid list. McCarter said if a consensus could not be reached on the sidewalk issue, she would prefer not to leave the River Street in its current condition.

Volk said it was not necessary to have a motion regarding use of the MFT funds. He suggested that Basquin obtain bids and bring them back to the committee for approval along with the budget amendment.

Brown noted the City was unhappy with the work done by last year's contractor. Basquin said if that particular concrete subcontractor was listed in a bid, the firm would not be used.

Wollnik asked if the City had a policy on mountable curbs, since they create standing water that deteriorates the curb. Larsen said there is no policy at this time but it may be needed in the future.

Alderman Wollnik left the meeting at this time.

6. PINE STREET (LAPP) CONSTRUCTION ENGINEERING SERVICES

Basquin reviewed his March 11, 2005 memo. He explained that Local Agency Pavement Preservation (LAPP) funding was received for Pine Street between Raddant

Road and Kirk Road. Under the program, (they??) pay for construction engineering and construction. Staff solicited qualifications from four firms and received three responses, as required by the program. After reviewing the qualifications, staff negotiated a contract with R. H. Anderson and Associates for \$22,720.55. If approved, the agreement is submitted for a review of hours by IDOT. Following that, the contract will be reviewed by the City Services Committee and forwarded with a recommendation to the City Council.

Clark asked why Pine Street fell into this category. Basquin explained that Pine Street from Hart Road to Kirk Road is a (FAU) Federal Aided Urban road and qualifies for LAPP funding. This program was also used to fund Wilson Street improvements. However, it precludes the use of federal funds for seven years on that road.

MOTION: To recommend to City Council preliminary approval of the contract with R. H. Anderson and Associates in a not-to-exceed amount of \$22,720.55

MAKER: Volk

SECOND: Wolff

VOICE VOTE:

Ayes: Frydendall, Volk, Wolff, Barnard, Clark, Brown, Beckman, and McCarter

Nays: None

8 Ayes, 0 Nays, Motion Carried

Beckman stated for the record that Alderman Wollnik had excused herself and was not present during discussion of this item.

Wolff asked if the City had ever used R. H. Anderson and Associates for past projects, and Basquin said they worked on several major projects.

7. OTHER

None.

8. ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 8:25 p.m.

Minutes approved by
Kathy Montanari