

Citizens Streets Advisory Commission

March 17, 2009

1:00 p.m. to 3:00 p.m.

Street Department Conference Room, 901 North Nelson Street

Commission Members present:

Dallas Hawkins
Kathy Miotke
Hal Ellis
Gary Proctor
Donna Jilbert
Stan Stirling
Phil Barto

Staff present:

Mark Serbousek, Street Department Director
Eldon Brown, Design
Gary Nelson, Design
Ann Deasy, Public Information Coordinator
Matt Doval, Accountant

Commission Members not present:

Max Kuney

Staff not present:

Mike Taylor, Director of Engineering Services
Dave Mandyke, Director of Public Works
Gerry Gemmill, Deputy Director of Public Works

I. Introductions

Dallas Hawkins called the meeting to order at 1:03 p.m.

II. Review & Approval of February Minutes

Mr. Hawkins asked for a motion to approve the minutes. Hal Ellis made the motion to approve the February Minutes, Stan Stirling seconded, and all agreed.

III. Budget Review

Matt Doval showed the current Bond budget. Gary Proctor asked what line 13, Contributions, included. Mr. Doval said that funding came from STA or federal sources, not the Bond, LID or Utility Match. The current budget uses an inflation rate of 3.5 percent. Results from last year and inflates growth rate. April 2008 did not have a lot of upward pressure from last year's inflation; we are seeing spikes this year. If we continue to see spikes of 4 percent it will wipe out the \$1million reserve that is currently showing in the program balance. And if the budget was adjusted to 5 percent, then the program balance would be negative \$2+ million dollars, The discussion on inflation today and in the future increasing as much as five and six percent in 2012. Mr. Hawkins suggested that we should project conservatively at this time and estimate inflation too, bringing up the presentation Max Kuney gave last year that had inflation closer to 6 percent.

We would be able to shift the LID and Utility Match budgets to Arterial and Residential to complete the streets slotted for rehabilitation in the program. The commission agreed that they should consider moving funds from the LID and Utility Match budgets into the Arterial and Residential budgets if inflation continues to rise, but it is a little early to project that far at this time because we don't know if this is trend. Mr. Ellis suggested that we may want to consider mentioning this to Council when we give our Bond report to them next month. Mr. Stirling didn't agree and felt it was too soon to tell how much the program would be affected, if at all. Phil Barto felt that it might have the potential to rise, it is not a crisis yet, but it bears watching. Mr. Hawkins said that he wanted the commission to think conservatively and keep an eye on inflation and bringing it to Council worded sensitively. Eldon Brown said

that the Public Works Committee has been made aware of our concerns about inflation already and three City Council members sit on the Committee.

What will the projects bid out at? Mr. Serbousek said that our current suppliers are uncomfortable giving us quotes at this time because the oil supplier is filing bankruptcy. Mr. Ellis asked if there were potential sources of revenue that we haven't considered. Mr. Proctor also added that the stimulus projects may also cause more competition and potential rises in costs are there are more street paving projects being done. Mr. Ellis asked if some of the projects might qualify for stimulus funding. The group believed that at this time the answer is no because it is a funded program. Possibly, if we ran out of money at the end of the program and there is additional stimulus money made available in the future.

IV. Alberta/Cochran Bid Results

Gary Nelson gave an update on bid results. He used Alberta/Cochran St. as an example and Maple/Ash St. as the benchmark. The project bid results came back the day before and bid prices from last year are up. Last year's prices were \$3.17 per square yard for asphalt; \$22 for crushed surface base course; \$4.22 for roadway excavation (this was extremely low). This year's prices are \$4.17 per square yard for asphalt; \$23.80 for crushed surface excavation; and \$9.66 for roadway excavation.

V. Policy Changes

Mr. Hawkins discussed the changes he proposed to the Conduit bullet of the Design Direction section of the CSAC policy.

The old policy stated:

- When conduit is in good condition it will be retained if possible.

The suggested change was:

- PVC conduit shall be installed as part of Bond projects on a case-by-case basis when Engineering Services staff determines that it is advisable and reasonable to do so and in the best interest of the City of Spokane.

Mr. Stirling made a motion to approve the change, Gary Proctor seconded, and all agreed.

VI. CSAC Report

Ann Deasy Handed out draft copies of the CSAC report. Mr. Hawkins asked the commission to send their edits and comments to her by Wednesday, March 25. The report will go to Public Works Committee on Monday, April 13, and then City Council on Monday, April 27. Ms. Deasy and Mr. Hawkins will work on the presentation the week of April 6 to 10.

VII. Other Business

Mr. Hawkins let the commission know that legal had reviewed and approved the change to the bylaws adding that when members are unable to attend meetings in person, they may be counted as present if participating telephonically.

VIII. Adjournment

The meeting concluded at 2:32 p.m.

Bond Fund Status

3/17/09 14:40

Bond Proceeds & Revenues

Inflation Sensitivity

	Arterial	Residential
Base Year	2008	2008
Base Cost/SY	\$ 70.00	\$ 32.00
Inflation Growth Rate	5.00%	

Bond Proceeds	2004-2007	2007-2010	2011-2015	Total	Original Bond Limit
Arterial Projects					65,000,000
Residential Projects					35,000,000
LID's					10,000,000
Utility Matches					7,000,000
General Expenses					351,000
Bond Issue	25,332,140	47,056,093	47,318,566	119,706,799	117,351,000
				Bond Program Balance	(2,355,799)
Contributions	988,400	1,297,500			
Interest Income	2,027,513	2,232,716			
Projected Interest		767,284	3,000,000		
Targeted Funds:					
Bond Issue + Interest	28,348,053	51,353,593	50,318,566	130,020,212	
Cummulative Funding		79,701,646	130,020,212		
Cummulative Costs	-	75,688,117	130,020,212		

Inflation Growth Rate	3.50%
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Bond Proceeds	2004-2007	2007-2010	2011-2015	Total	Original Bond Limit
Arterial Projects					65,000,000
Residential Projects					35,000,000
LID's					10,000,000
Utility Matches					7,000,000
General Expenses					351,000
Bond Issue	25,332,140	47,056,093	43,942,637	116,330,869	117,351,000
				Bond Program Balance	1,020,131
Contributions	988,400	1,297,500			
Interest Income	2,027,513	2,232,716			
Projected Interest		767,284	3,000,000		
Targeted Funds:					
Bond Issue + Interest	28,348,053	51,353,593	46,942,637	126,644,282	
Cummulative Funding		79,701,646	126,644,282		
Cummulative Costs	-	75,090,722	126,644,282		

Inflation Growth Rate	2.50%
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Bond Proceeds	2004-2007	2007-2010	2011-2015	Total	Original Bond Limit
Arterial Projects					65,000,000
Residential Projects					35,000,000
LID's					10,000,000
Utility Matches					7,000,000
General Expenses					351,000
Bond Issue	25,332,140	47,056,093	41,777,875	114,166,108	117,351,000
				Bond Program Balance	3,184,892
Contributions	988,400	1,297,500			
Interest Income	2,027,513	2,232,716			
Projected Interest		767,284	3,000,000		
Targeted Funds:					
Bond Issue + Interest	28,348,053	51,353,593	44,777,875	124,479,521	
Cummulative Funding		79,701,646	124,479,521		
Cummulative Costs	-	74,695,511	124,479,521		