

**City of Rainier
Work Session Minutes
December 5, 2011
6:00 PM
Rainier City Hall
106 West "B" Street**

Meeting called to order by Mayor Cole at 6:00 PM.

Council Present: Mayor Jerry Cole, Sloan Nelson, Phil Butcher and Bill Vilardi. (Mike Avent arrived at 6:30 PM.)

Council Absent: Scott Cooper, Russ Moon and David Langford.

City Staff: Debbie Dudley, Darrel Lockard, Debbie Dudley and Bobby Jo Brusco-Harding.

"B" Street Scope of Work Discussion – Undergrounding Utilities:

Mayor Cole asked Lockard if there was anything to report and Lockard stated the other utilities other than power were not interested and not interested in giving quotes. Mayor Cole said he feels the way it has been proposed for paying for the undergrounding of the utilities would be a hidden tax. Nelson said he feels like it would be manipulating the system to make it work. Mayor Cole said by making everyone pay by extending the amount of time on the PUD acquisition doesn't feel right because the citizens don't get a say on it whether they wanted to pursue it or not. Nelson said that even if the PUD says they would be willing to do it he feels like it would be manipulating the system to make it work. Vilardi stated he was concerned about the cost. Nelson stated it would look nicer with the utilities undergrounded but we are at the end of the game. Mayor Cole said we don't have the money for it. Lockard asked how far out does the City want to push the other utilities for quotes and information and Nelson replied Council needed the information by today because Council needed to tell the Engineers their decision. Mayor Cole said that the "B" Street scope of work is on the agenda for the regular meeting and they can talk more about it then. Nelson said it with the sense of closure with the USG/Redco issues does the Council want to look at the City coffers and maybe come up with some more money for the "B" Street project and add things back to the project. Mayor Cole said that within the scope of work, what are some items to consider adding back into the project. Butcher asked if we were going to do that all along and Mayor Cole and Vilardi stated the City was going to do that all along but got side tracked with the undergrounding of the utilities. Vilardi stated that getting the illumination back into the project was the number one priority. Mayor Cole said that stamping would be nice to put back into the project. Nelson asked if the numbers were available to look at if the City wanted to authorize that and Dudley said the City did have those numbers. Dudley added that one of the things talked about is that typically the bids are coming in under the engineering projection so they wanted us to prioritize what the Council wanted back into the project. Dudley said the illumination was \$166,000.00 and that illumination was identified as the number one priority so in the event there are additional monies

illumination could be added back in. Nelson stated that not in the event but there is money available it would seem likely the City and Redco haven't come to complete terms on the cash but he would like the City to be able to add those back in period, not if there is money. Dudley stated one thing to keep in mind is we can say we want that back in but when you go out for bid through ODOT they allow a 10% over run, for example we have "X" amount of money and if the project comes in 10% over they will go ahead and award the project and we have to come up with the difference so the important thing is that however we phrase that or agree to that if the project comes in over budget the City is going to have to come up with the difference and then come up with the additional money for the illumination so we might want to make sure we have some flexibility on how we authorize it. Dudley said that adding option 1 the City could be responsible for an additional \$100,000.00. Butcher clarified that the project hadn't gone out to bid yet and Dudley and Nelson said that was correct. Butcher asked if some of the preliminaries and estimates had come in. Mayor Cole said that the street lights for example the project calls for the placement of the conduit where it is almost like we don't want it to be part of this project we just commit to do a street light project the day after they are done. Nelson said he sees that and the City can make that happen but he knows from being in construction if the lights are going in there is more care about the conduit and how things tie in and the transformers versus we are throwing them in and it is discovered the conduit doesn't exist between point A and point B and then the sidewalk would have to be torn up. Nelson stated that he isn't saying that would happen but it happens frequently. Dudley said the City wants to make sure every dollar available is captured and if there is some money left over we want to spend it. Nelson clarified that we don't have to decide that at this point and Dudley said that was correct and added the Council has to decide about the underground utilities because that will change the whole scope of work but what will happen they will come out with some proposals and then go out to bid and then we can say yeah to put it back in. Dudley stated that once we get the bid documents out and we get bidders the City will know more. Dudley said the bids coming in have been favorable according to WH Pacific and Tom Weatherford from ODOT. Lockard said they can always be cut and Vilaridi said they have already been cut. Dudley said the City can say those are the things we want back in the project if there is available money or once they do bid we can say go ahead and do it and the City will pay the difference. Nelson said that worst case scenario it is 10% over he would not want to see the City do it if they can't get the lights on and if it's under \$100,000.00 are they not going to put the lights up. Nelson said that Redco has some funds they can commit and the City has some funds they can commit he feels they should tell them to do it. Mayor Cole said he would like to take a close look at the stamping because that is what makes the project look nice. Dudley said when it is approved at the regular meeting that could include the lights. Mayor Cole said that in the scheme of things the amount of bang you get for the buck the stamping goes along way for the price. Nelson said that if in fact the project goes over \$100,000.00 and the lights are \$166,000.00 and the stamping is \$27,000.00 so there is \$300,000.00 if it was a 50/50 split between both agencies it would be something that could be done. Nelson said he would like to say let's just tell them we want them in, the lights and the stamping. Nelson said another option he talked to Tom Weatherford about was if we wanted to spend more money and get an extra block added to the project but he thinks that is off the table and cultural studies would have to be done.

Butcher said there is some stuff coming down the pipeline as far as storm waters, storm water systems and discharges and laws are going to go into effect but he doesn't know what. Butcher said the City might have to divert the storm water into the wastewater treatment plant and he just has heard rumors. Butcher said storm water utility ordinances need to be adopted. Nelson said he thought we were exempt because of Rainier's size. Lockard stated it is already in the big cities and it is just a matter of time before it works its way down. Nelson asked how much time we have before being on the radar for it and Lockard replied it was hard to tell, it could be five to ten years and that is why he mentioned it a year or two ago. Butcher commented on how was the City going to be able to take on more debt service in the future and Council needs to be prudent in the investments. Lockard said most cities are putting in two or three dollars a month on the water and sewer bills to start prepping for that. Nelson asked if all the City's storm water systems are isolated and are they piped straight to the river and Fox Creek. Lockard added Nice Creek. Nelson asked if every storm basin was going to have to have some sort of special collection and Lockard replied he did not know. Lockard repeated it was going to be a while for that to happen but things are headed that way. Butcher said it would be a major expenditure. Lockard said when the government starts mandating these requirements they are supposed to provide the funding but the requirement has been put on hold because the government does not have the funding but it will happen sooner or later. Butcher added that depending on the administration the rules might be rolled back.

Butcher stated that he agreed with Nelson and Vilardi that if the project came in at \$115,000.00 or \$116,000.00 something could be done. Nelson said that he would bring that up during the regular meeting. Butcher asked how the right of way acquisitions were coming along and Nelson added that was something ODOT was doing. Nelson asked Lockard if he had been in contact with ODOT and Lockard said he had. Nelson asked if Lockard would give the Council a progress report on where ODOT was at with the project even if he would be checking with ODOT every couple of weeks. Mayor Cole stated "B" Street would be kept on Old Business on the agenda until the project was done. Vilardi asked what was going to happen with the undergrounding utilities and Mayor Cole said it was up to Council and he thinks it would be a nice addition but he doesn't think the funds are available. Mayor Cole repeated he was not in favor at all of extending the acquisition because it would be a hidden tax in his opinion. Nelson said if Council votes on that tonight someone needs to notify PUD.

Avent joined the meeting at 6:30 PM and Mayor Cole explained the Council had been talking about the "B" Street project utility undergrounding and the general consensus was the City did not have the money to do the undergrounding. Mayor Cole explained during the work session there had been discussion regarding the acquisition charge and Mayor Cole said that in his opinion it was like a hidden tax so he is not in favor of extending the acquisition charge. Avent said he didn't know if we had time to implement that or not and Nelson added we promised the engineers we would have an answer by tonight's meeting whether or not the City was going to underground and that Lockard was trying to get information from the phone and cable companies and they stonewalled the idea of being involved. Mayor Cole said they said they would do it but the City would have to pay for every dime of it. Avent asked if we had any idea of the cost. Vilardi said it would

probably be one million. Lockard said the engineer he talked to didn't even want to give a quote, it would be expensive and the City would have to pay for it. Mayor Cole added that one of the things in the project if the City had to live with the power lines was to get them on one side of the street. Vilardi said Cary from the Clatskanie PUD talked about putting in new poles and lines and he (Vilardi) said that would be a huge difference. Vilardi said he would talk to Cary about that. Lockard asked if the power company was still talking about putting their utilities underground and Council told him they weren't. Avent said that was the topic of discussion and that PUD said they would pay a portion of it because they preferred to have the utilities underground and when it was voted on last time if he (Avent) remembers correctly it was about a 50/50 split and there was only about 20 or 30 people who did the pole. Vilardi said he thought they would be more prepared as far as the expense and planning. Avent said the bad thing is we don't really have any hard numbers. Nelson said PUD was telling it was going to be half to three quarters of a million and Avent replied they were going to pay for some of the undergrounding. Vilardi and Nelson said they thought for the City it would be around \$300,000.00 or \$400,000.00 easy. Vilardi said if they would at least put in new poles and clean up the lines that would help a lot. Avent asked why the City couldn't look at doing the poles on one side of the street and the Council doesn't have a clear picture of what the community would want, if they would or would not be willing to pay for it and keeping the rates going. Vilardi said it would not only keep the rates going but it would be an added expense for telecommunications. Avent said he doesn't know if there was any way to capture any of that with the franchising fees. Nelson said the franchisee fee is in direct correlation in what you are going to pay in franchisee fees on your bill.

Nelson informed Avent that another thing that had been discussed prior to him (Avent) arriving at the meeting was whether (a) they wanted to go undergrounding and to include the lighting because the illumination had been pulled out of the job and stamping across the intersections and the corners so the concern that Dudley brought up on the financial end is that currently if we do nothing right now and we tell them to do whatever they are going to do with the budget if they run the estimates of bids and the bids are 10% over what they told us it was going to be they will sign a documentation and we are liable for that 10% which is about \$120,000.00 the City could be potentially on the hook for and to add lighting and stamping the total potential money the City could potentially have to pay would be \$300,000.00 to add all that back and if the bids were over which they are saying are not supposed to be over. Mayor Cole said the best case scenario would be about \$200,000.00 for the lighting and the stamping. Nelson stated that in the regular meeting tonight he was going to propose telling them they wanted those items added to the project and if the project comes in under bid the City may not have to come up with anything and worst case scenario the City might have to come up with \$300,000.00 and Nelson's hope would be that would be split 50/50 between the City and Redco. Mayor Cole said half of that \$300,000.00 would be the just in case which you could potentially on the hook for \$80,000.00. Nelson said if we do nothing the City still has the potential to be on the hook for \$120,000.00 which is 10% of the project cost. Avent said that if we accept that we could be on the hook for \$300,000.00 which Nelson stated would be the absolute worst case scenario. Nelson said that he feels if both agencies could work together it could afford to make the project happen. Mayor Cole said the extras increase would come out

of \$20,000.00 not really \$100,000.00. Nelson asked Avent his thoughts and Avent said it makes sense to him and what he is leery about regarding this project is the same thing the City runs into with all their engineered projects and that is what is the bottom line and not having a clear picture. Avent said the Council has to make hard and fast decisions and how do you do that when everybody is throwing different numbers at different times and then you look at this project and then the engineers and ask if this will be the same as what happened with the sewer treatment plant where we think it is going to come in at one price and we are off 30% or 40%. Avent said it's nice they bring a lot of drawings in but they never really show you what it is going to look like through video or samples. Avent said he asked what scored brick looked like but he was never really shown that other than what is shown on the drawing, nothing hard and fast to look at. Mayor Cole said when the project first started there were actual samples. Lockard asked what it was going to cost to excavate the street for the stamping and Council said they are not going to do anything in the streets, but on the sidewalks. Nelson said that was not included in this project and Dudley said this was just sidewalks.

Dudley said that if this project comes in more than 10% it will come back to Council for additional decisions. Avent said the bad thing about that is once you are locked in, like the sewer treatment plant, what do you do and it would be nice to have some more options. Dudley said an option would be to reduce the project. Butcher said the option is either you are going to do it, not do it, and pay the money.

Butcher said he got an email regarding the bike path on "B" Street and did we ever find the agreement regarding the bike path. Dudley said she wasn't sure what email Butcher received but she got an email extending the date of the project, it doesn't relate to money.

The meeting adjourned at 6:45 PM.

Mayor Jerry Cole

Attested: _____
Debra Dudley, Recorder