



Gregg Mandsager
City Administrator
City Hall, 215 Sycamore St.
Muscatine, IA 52761-3840
(563) 264-1550 Voice/TT
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City Administrator Report to Mayor & City Council

September 7, 2012, Edition No. 61

REPORT:

1. **Goal Sessions:** City Staff will be meeting on September 10th to review the City's Vision/Mission/Goals/Core Values. The City Council work session will be held on Thursday, October 25th from 5:15 to 8:30 pm.
2. CSO: Please see the attached letter sent to EPA requesting a four year extension to our CSO consent decree.
3. Downtown: As noted earlier, attached is a copy of the flier that is to be sent out to the downtown area asking for their compliance with the law (nuisance, weeds, garbage, etc.). We will provide residents/businesses one month to comply with the notice prior to doing individual notices and fines.
4. ATE: Please see the attached excel spreadsheet regarding ATE fines. The City received a payment of \$44,170 from GATSO today. Net of their fee, the City revenue is \$29,077.
5. EMS: Our new 5th ambulance just shipped from Florida to Foster Coach in Illinois. Staff will travel to Sterling on Tuesday for the Pre -Inspection. The Plan would be to have the ambulance in Muscatine and operational in less than 2 weeks. Staff will let you know when it is placed in service.
6. Rollback: Per PFG (Financial Consultant) - Below are the 2012 Rollback estimates based off the reconciliation reports received from the Department of Revenue dated August 22. Please remember that these are estimates and will change once the final reconciliation report is available. Please use these for planning purposes only.

Ag- 59.9328%

Residential- 52.8176%

Commercial- 100%

Industrial- 100%

City of Muscatine
Automated Traffic Enforcement System
Summary of Tickets Forwarded to MCA Collection Service

Unpaid Amounts to MCA from GATSO					MCA Collections					MEMO Number Canceled	
Date to MCA	Number		Amount		Payment date from MCA	Number		Payments			
	Current	Cumulative	Current	Cumulative		Current inc. Partials	Cumulative	Current	Cumulative		
7/7/2011	144	144	\$ 15,990.00	\$ 15,990.00	8/12/2011						
8/1/2011	417	561	46,440	62,430.00	(July collections)	26	26	\$ 2,694.06	\$ 2,694.06	3	
9/6/2011	364	925	40,565	102,995.00	9/12/2011	(21 full or pd in full pmnts)					
10/4/2011	477	1,402	53,395	156,390.00	(Aug collections)	74	100	7,438.75	10,132.81	9	
10/31/2011	288	1,690	32,345	188,735.00	(Sept collections)	98	198	9,682.38	19,815.19	1	
11/23/2011	191	1,881	21,750	210,485.00	10/14/2011	(60 full or pd in full pmnts)					
12/30/2011	276	2,157	30,895	241,380.00	(Oct collections)	150	348	13,938.33	33,753.52	12	
1/26/2012	144	2,301	16,085	257,465.00	11/10/2011	(76 full or pd in full pmnts)					
2/27/2012	198	2,499	22,150	279,615.00	(Nov collections)	128	476	10,224.38	43,977.90	1	
3/30/2012	215	2,714	24,065	303,680.00	1/9/2012	(87 full or paid in full pmnts)					
4/26/2012	131	2,845	14,660	318,340.00	(Dec collections)	115	591	8,945.93	52,923.83	1	
5/31/2012	237	3,082	26,425	344,765.00	2/9/2012	(57 full or pd in full pmnts)					
6/28/2012	213	3,295	24,080	368,845.00	(Jan collections)	112	703	9,725.62	62,649.45	0	
7/30/2012	259	3,554	29,040	397,885.00	GATSO Portion of Collections July-Jan (477 tickets)		703	(12,879.00)	49,770.45		
8/30/2012	336	3,890	37,905	435,790.00	(Feb collections)	115	818	10,182.02	59,952.47	1	
					(Mar collections)	85	903	7,449.22	67,401.69	0	
					(Apr collections)	98	1,001	8,054.93	75,456.62	2	
					(May collections)	98	1,099	7,988.47	83,445.09	3	
					(Jun collections)	107	1,206	8,403.18	91,848.27	1	
					GATSO Portion of Collections Feb-June (361 tickets)		1,206	(9,747.00)	82,101.27		
					Fiscal Year net total						
					(July collections)	110	1,316	8,892.61	90,993.88		

(74 full or pd in full pmts)

City of Muscatine
Automated Traffic Enforcement System
Summary of Tickets Collected by GATSO

Date Range		Collections		GATSO Fee (\$27/pd ticket)		Net City Revenue	Fiscal Year	
From	To	Amount	Number				Cumulative Amount (City)	Cumulative Total (City)
<u>FY 2010/2011</u>								
4/26/2011	5/10/2011	\$ 16,400.00	218	\$ 5,886.00	\$ 10,514.00	\$ 10,514.00		
5/11/2011	5/26/2011	59,225.00	779	21,033.00	38,192.00	48,706.00		
5/27/2011	6/10/2011	77,080.00	1,011	27,297.00	49,783.00	98,489.00		
6/11/2011	6/25/2011	73,115.00	945	25,515.00	47,600.00	146,089.00		
6/26/2011	6/30/2011	26,570.00	338	9,126.00	17,444.00	163,533.00		
(Fiscal Yr-End Cutoff)								
Subtotal - FY 2010/2011		\$ 252,390.00	3,291	\$ 88,857.00	\$ 163,533.00			\$ 163,533.00
<u>FY 2011/2012</u>								
7/1/2011	7/10/2011	\$ 31,790.00	405	\$ 10,935.00	\$ 20,855.00	\$ 20,855.00		184,388.00
7/11/2011	7/26/2011	99,105.00	1,264	34,128.00	64,977.00	85,832.00		249,365.00
7/27/2011	8/10/2011	82,675.00	1,065	28,755.00	53,920.00	139,752.00		303,285.00
8/11/2011	8/26/2011	68,265.00	870	23,490.00	44,775.00	184,527.00		348,060.00
8/27/2011	9/10/2011	51,010.00	642	17,334.00	33,676.00	218,203.00		381,736.00
9/11/2011	9/26/2011	63,040.00	798	21,546.00	41,494.00	259,697.00		423,230.00
9/27/2011	10/10/2011	39,675.00	496	13,392.00	26,283.00	285,980.00		449,513.00
10/11/2011	10/27/2011	52,915.00	672	18,144.00	34,771.00	320,751.00		484,284.00
10/28/2011	11/10/2011	34,910.00	446	12,042.00	22,868.00	343,619.00		507,152.00
11/11/2011	11/25/2011	36,410.00	459	12,393.00	24,017.00	367,636.00		531,169.00
11/26/2011	12/10/2011	31,235.00	400	10,800.00	20,435.00	388,071.00		551,604.00
12/11/2011	12/27/2011	28,250.00	352	9,504.00	18,746.00	406,817.00		570,350.00
12/28/2011	1/10/2012	37,060.00	478	12,906.00	24,154.00	430,971.00		594,504.00
1/11/2012	1/26/2012	41,130.00	528	14,256.00	26,874.00	457,845.00		621,378.00
1/27/2012	2/10/2012	37,225.00	481	12,987.00	24,238.00	482,083.00		645,616.00
2/11/2012	2/24/2012	24,230.00	307	8,289.00	15,941.00	498,024.00		661,557.00
2/25/2012	3/10/2012	27,120.00	347	9,369.00	17,751.00	515,775.00		679,308.00
3/11/2012	3/26/2012	28,690.00	366	9,882.00	18,808.00	534,583.00		698,116.00
3/27/2012	4/10/2012	26,460.00	342	9,234.00	17,226.00	551,809.00		715,342.00
4/11/2012	4/25/2012	44,465.00	573	15,471.00	28,994.00	580,803.00		744,336.00
4/26/2012	5/10/2012	34,050.00	434	11,718.00	22,332.00	603,135.00		766,668.00
5/11/2012	5/26/2012	35,300.00	446	12,042.00	23,258.00	626,393.00		789,926.00
5/27/2012	6/10/2012	31,130.00	403	10,881.00	20,249.00	646,642.00		810,175.00
6/11/2012	6/25/2012	52,415.00	668	18,036.00	34,379.00	681,021.00		844,554.00
6/26/2012	6/30/2012	20,765.00	267	7,209.00	13,556.00	694,577.00		858,110.00
Total - FY 2011/2012		\$ 1,059,320.00	13,509	\$ 364,743.00	\$ 694,577.00	Fiscal Year total before MCA collections		

FY 2012/2013

7/1/2012	7/10/2012	\$ 40,360.00	517	\$ 13,959.00	\$ 26,401.00	\$ 26,401.00	1,048,044.00
7/11/2012	7/26/2012	56,520.00	723	19,521.00	36,999.00	63,400.00	1,085,043.00
7/27/2012	8/10/2012	52,805.00	668	18,036.00	34,769.00	98,169.00	1,119,812.00
8/11/2012	8/26/2012	44,170.00	559	15,093.00	29,077.00	127,246.00	1,148,889.00

Total - FY 2011/2012

\$ 193,855.00 2,467 \$ 66,609.00 \$ 127,246.00

Fiscal Year total before
MCA collections

Total to Date

\$ 1,311,710.00 16,800 \$ 453,600.00 \$ 858,110.00



Downtown GARBAGE & RECYCLING GUIDELINES WEED CONTROL REQUIREMENTS ROOF TOP USE

Garbage:

- Garbage shall be placed in container for collection. (9-3-4)
- Refuse containers shall be placed for City collection at or before 5:00 a.m. on collection days, but in no case, earlier than 4:00 p.m. the day before collection. (9-3-9(A))
- In the Downtown Central Commercial District, refuse containers shall be placed adjacent to and in back of the property abutting the alley. (9-3-9(B)). Containers are NOT to be placed in front of the buildings on the sidewalks.
- At NO time should there be any garbage stored on any roof top area; garbage is picked up every day of the week in the Downtown Central Commercial District.

Weeds:

- Even though lawns are limited in the downtown area, weeds still grow in the alley areas, adjacent to buildings and even some of the roof top areas, these weeds MUST also be removed. (9-2(A)).

Grills:

- Grills are PROHIBITED on any of the downtown roof tops. Prohibited uses include, but are not limited to, all grills - gas, charcoal, and electric; smokers of any type; and items with open flames such as candles, incense, mosquito rings, etc.

The Downtown buildings / rooftops (unless specifically designed for such use) are NOT designed for any use other than an emergency egress and should be limited as such.

If these guidelines are not followed, a citation SHALL be issued to the tenant, property owner, or both.

NOTE: These Code Requirements are ultimately the responsibility of the owner and as the owner; ALL steps should be taken to assist in compliance of these rules.

Recycling:

- All apartments in the downtown are invited to participate in the curbside recycling program. Each apartment is given an 18-gallon container to use.
- Recycling collected is to be placed in larger containers that are placed in the alley. ONLY RECYCLING is allowed in the marked containers. No GARBAGE.
- Recycling accepted includes: plastic food containers #1-7, newspaper, office paper, magazines, cardboard, tin and aluminum cans, and glass food jars. All items must be rinsed of food residue.

For more information on garbage and recycling services, nuisance abatement, or code compliance, contact the following:

Garbage and Recycling

Muscatine Recycling Center &
Transfer Station
Laura Liegois – Solid Waste
Manager
563-263-9689
lliegois@muscatineiowa.gov

Nuisance Abatement and Code

Enforcement
Community Development
Stephanie Oien – Office
Coordinator
563-262-4141
soien@muscatineiowa.gov

City Administrator

Muscatine City Hall
563-264-1550
gmandsager@muscatineiowa.gov

UPCOMING PROJECTS

LET'S KEEP MUSCATINE BEAUTIFUL!



- City crews will begin sidewalk repairs in the Downtown Central Commercial District along parking meters and areas of varying elevation with potential tripping hazards.



- The Parks and Recreation Department will begin replacing select trees and bushes this fall.

EXAMPLES OF WHAT NOT TO DO:





Gregg Mandsager
City Administrator
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Muscatine, IA 52761-3840
(563) 264-1550 Voice/TT
Fax (563) 264-0750

August 30, 2012

Ms. Karen Flournoy
U.S. Environmental Protection Agency - Region VII
901 North Fifth Street
Kansas City, KS 66101

Dear Ms. Flournoy:

Subject: Consent Order Extension Request
Combined Sewer Consent Order (Docket No. CWA-07-2007-0088)
West Hill Area Separation Plan
City of Muscatine, Iowa

Introduction

The purpose of this report is to request a time extension from the United States Environmental Protection Agency (EPA) to complete the separation of the combined sewers in the West Hill Area.

By EPA Order for Compliance on Consent, the City of Muscatine is required to complete all remaining projects to separate the City's combined sewer system including the West Hill Area by December 31, 2024.

Background

The City has an old combined sewer system (CSS) in the original portions of the community. The CSS conveys sanitary wastewater and stormwater to the wastewater treatment plant located at 1202 Musser Street.

In 2007, the City of Muscatine and the United States Environmental Protection Agency (EPA) signed a Consent Order (CWA-07-2007-0088) formalizing the City's commitment to separate its combined sewer system. The consent order details a schedule of submittals and completed construction projects that must be developed and submitted to the EPA and Iowa Department of Natural Resources (IDNR) demonstrating that the City is progressing with sewer separation.

Engineering reports from 1975 indicate the City of Muscatine had 20 overflows and bypasses in operation. According to the City's National Pollution Discharge Elimination System (NPDES) permit (7048001), in 2009 the City operated four combined sewer overflow outfalls that discharge into the Mississippi River or Mad Creek during large storm events. As evidenced by the reduction in the number

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

Ms. Karen Flournoy

August 30, 2012

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of reported overflows, the City has been working diligently for decades to separate their combined sewer system and eliminate combined sewer overflows (CSOs).

Three of the four remaining combined sewer overflow locations (Hershey Avenue Lift Station, Mississippi Drive and Spring Street, and Washington Street Bridge) have been eliminated in the last three (3) years. The only remaining overflow is located at the Papoose Creek Lift Station, which serves the West Hill Area.

The final "West Hill Area Sewer Separation Conceptual Design Report" was completed in October 2010 and submitted to the EPA and IDNR. The report provided a long-range plan for separation of all combined sewer systems west of and tributary to, Papoose Creek Sewer (PCS) and the Papoose Creek Lift Station and overflow. Figures 4-1 and 7-1 from the 2010 report (Attachments I and II) presented the four-phase sanitary and storm sewer improvement plans proposed at the time that report was prepared

Table 8-1 from the 2010 report presented a proposed implementation schedule to complete the West Hill Separation projects and eliminate the Papoose Creek Lift Station Overflow by the 2024 Consent Order deadline. The 2010 report estimated that the construction costs of the sanitary and storm sewer separation projects would be approximately \$40 million. Costs for this project are now expected to reach or exceed \$50 million. See original four-phase estimate (Attachment III).

Since 1994 the City has funded sewer separation work from a 1-cent local option sales tax dedicated to sewer projects. In August of 2008, voters in Muscatine approved a ten-year extension of the local option tax with up to 20 percent of the revenue available to be used for paving projects and the balance (a minimum of 80%) dedicated to sewer projects including those in the Consent Order. The current local option sales tax period expires in June of 2019. Currently the annual revenue from the local option sales tax is estimated at \$2.5 million and of this amount, a minimum of \$2.0 million (80%) will be dedicated to sewer projects each year

In the 10-year period between 2010 and 2019, an estimated \$20 million is expected to be generated from the sewer portion of the 1-cent local option tax. If the 1-cent local option sales tax program is extended to 2024, an estimated \$30 million may be generated in this 15 year time period. An additional \$8 million would be generated if the Consent Order deadline extension request to 2028 were approved. Based on construction costs estimates, funding in addition to the 1-cent local option sales tax will be needed for the West Hill sanitary and storm sewer separation improvements

Phase 1 Experience

In 2011 and early 2012 Phase 1 of the West Hill Sewer Separation project was designed. Phase 1 as designed and published included the majority of the green Phase 1 line work as shown on Figure 4-1 and 7-1, but did not include the storm and sanitary piping between Locust Street and 8th Street in the area that is commonly referred to as the "fill site" or ravine. A construction cost estimate was prepared for Phase 1. The estimate was approximately \$8.3 million.

Ms. Karen Flournoy

August 30, 2012

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The City did not have funding to pay for a single \$8.3 million project at that time. As a result, the Phase 1 project was divided into a base bid and alternate bid. The figure dated February 07, 2012 (Attachment IV) shows the division of the base bid and alternate bid Phase 1 sanitary improvements. Separately the base bid cost estimate was \$4.7 million and the alternate bid cost estimate was \$3.6 million. In early 2012, the phase 1 project was advertised for bids. After the project plans were on the street, local contractors began to voice their concern that they would have difficulty bonding for a project of this size. To maintain the City's relationship with local contractors, it was decided to issue an addendum and remove the alternate bid from the project.

The City received five bids from local bidders that were opened on April 13, 2012. The bids ranged from \$3.6 million to nearly \$5.0 million. The base bid work was awarded to Langman Construction Co. Rock Island, Illinois. The phase 1 project began construction in June 2012 and is now well underway.

As a result of the phase 1 bidding experience, the approach for future construction packages will be to limit the total dollar amount to around \$5 million. This will allow the City to better manage the funding of projects and give local contractors the opportunity to bid on the projects.

Financial Review

In 2011, the City hired a financial consultant, Public Financial Management Inc. (PFM), to review their debt capacity and plan to fund the West Hill sewer separation projects. As a result of the financial review, the City would like to pursue a consent order extension through 2028.

In 2011, the City asked Stanley Consultants to revise the proposed sewer separation schedule by creating schedule options in coordination with the City's (and PFM) financial review. The revised proposal included options with greater than four (4) construction projects (10 phases resulted), a scenario with a 3% escalation to better address actual costs at the time of construction, and to extend the required completion date to year 2028. See attached ten-phase cost estimate and drawings (Attachment V, pages 1-3).

In January of 2012, Public Financial Management Inc. completed their financial analysis and report and it was presented to and approved by the Muscatine City Council. See attached document from the PFM report (Attachment VI – 3 pages).

PFM made the following conclusions in their report which support extending the completion date of the West Hill Sewer Separation projects out to 2028:

- By the City's 2018/2019 fiscal year the one-cent local option sales tax will not be sufficient to finance the West Hill Projects as budgeted.
- Beginning in the 2011/2012 fiscal year a total of \$400,000 is planned to be set aside from sewer and collection and drainage fees annually in a special reserve. This funding will supplement local option tax funding for the separation projects.
- Based on the assumptions in the PFM financing model, this will postpone when the city will have to borrow funds for the separation projects.
- The City has increased sewer and collection and drainage rates by approximately 5% in each of the last six years as part of the financing for a major facilities upgrade project at the Water

Ms. Karen Flournoy

August 30, 2012

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Pollution Control Plant. These rate increases were needed to generate funding for the annual payments on the \$16.5 million State Revolving Fund Loan, which financed this project. The debt schedule for this loan is through 2031/2032.

- Postponing when the city will need to borrow funds for the West Hill Sewer project will assist the City in keeping future sewer and collection and drainage rate increases to more reasonable inflationary levels.
- The City plans to have PFM update their financial analysis, as costs are determined for each phase of this project.

As the City moves forward with construction related to this last CSO, there are several issues that we must keep in mind over the next 16 years.

In a competitive bidding environment, bid prices have come in lower than detailed construction cost estimates, but are still in excess of what the City can reasonably afford to accomplish by the current 2024 required completion date under the EPA Consent Order. This competitive bidding environment relates to our most recent bid award on 2012, but can easily fluctuate from year to year.

To date, project cost estimates have been based on conceptual study estimates made in 2010. Detailed construction cost estimates are performed when a project is designed in detail. To provide a better forecast of actual costs, Stanley Consultants has provided the City with a new model that includes an escalation rate of 3% per year. Previous cost schedules were based solely on estimated construction costs only. Engineering, administration, and escalation costs were not included initially, but are now accounted for in the PFM analysis as part of the allowed for contingency. As such, the City expects construction related to this last CSO to be closer to \$50 million.

Summary

The City of Muscatine is under an EPA consent order to separate their combined sewer system and eliminate combined sewer overflows. The City has been working diligently for several decades to separate their combined sewers. In 2010 a comprehensive plan to separate the West Hill Area was published. The City has begun following the plan outlined in the 2010 report. The City has decided that by establishing smaller separation projects in smaller dollar amounts, the projects can appeal to local contractors and give the City an opportunity to fund the first several years of the projects with their one-cent local option sales tax fund. The City has sought outside financial advice and has developed a plan to fund projects out to the year 2028. As a result of the financial plan, the City requests a consent order time extension to complete Article 1. e. of the consent order. The City requests that the requirement to construct and complete all of the West Hill area and remaining separation projects be modified from December 31, 2024 to December 31, 2028.

Ms. Karen Flournoy

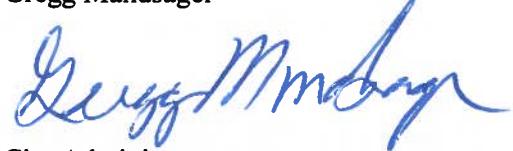
August 30, 2012

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If you have any questions, or require additional information, please contact Michael J. Knott, Project Manager, Stanley Consultants at 563/264-6293 or Gregg Mandsager, City Administrator.

Sincerely,

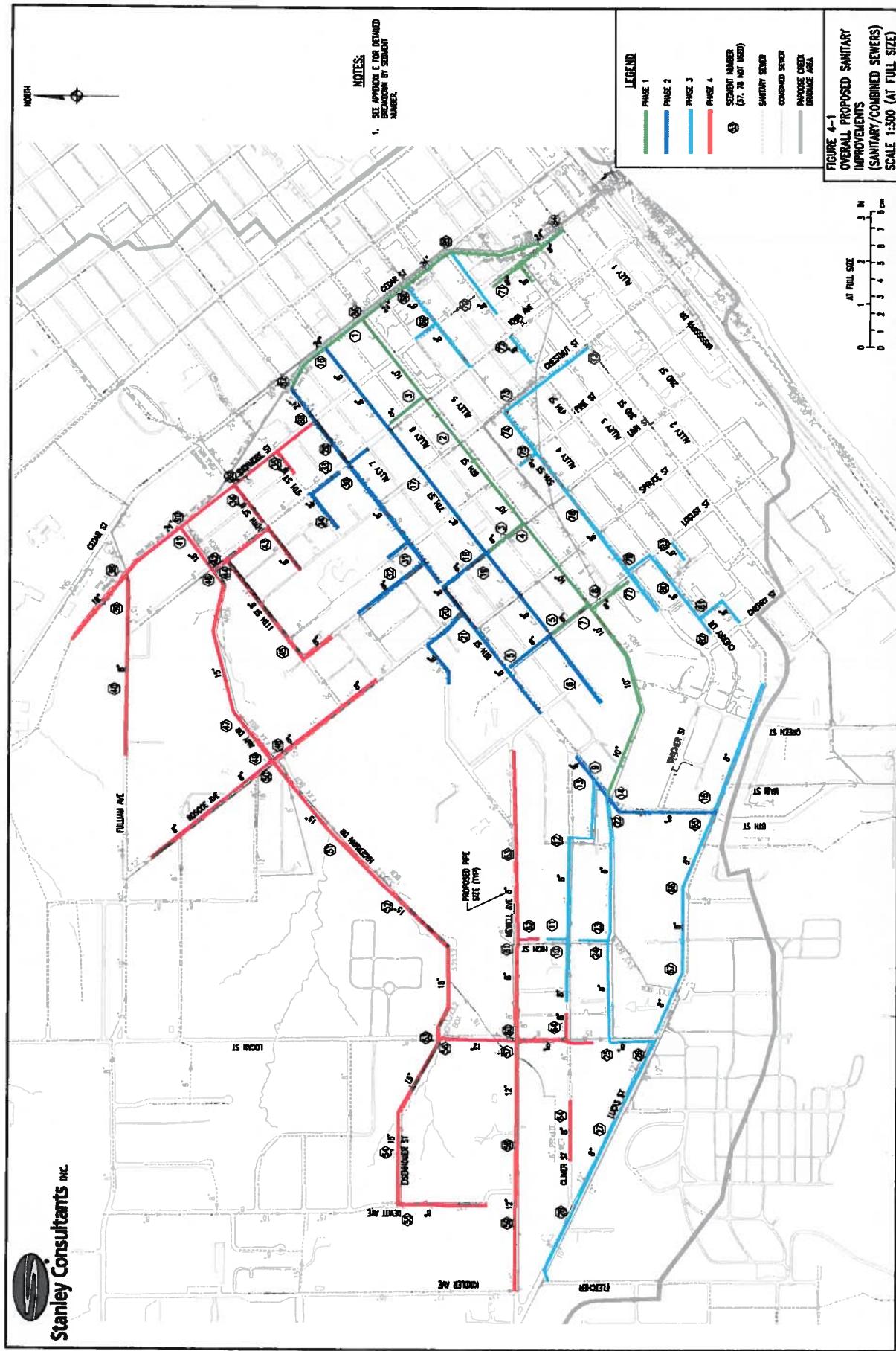
Gregg Mandsager

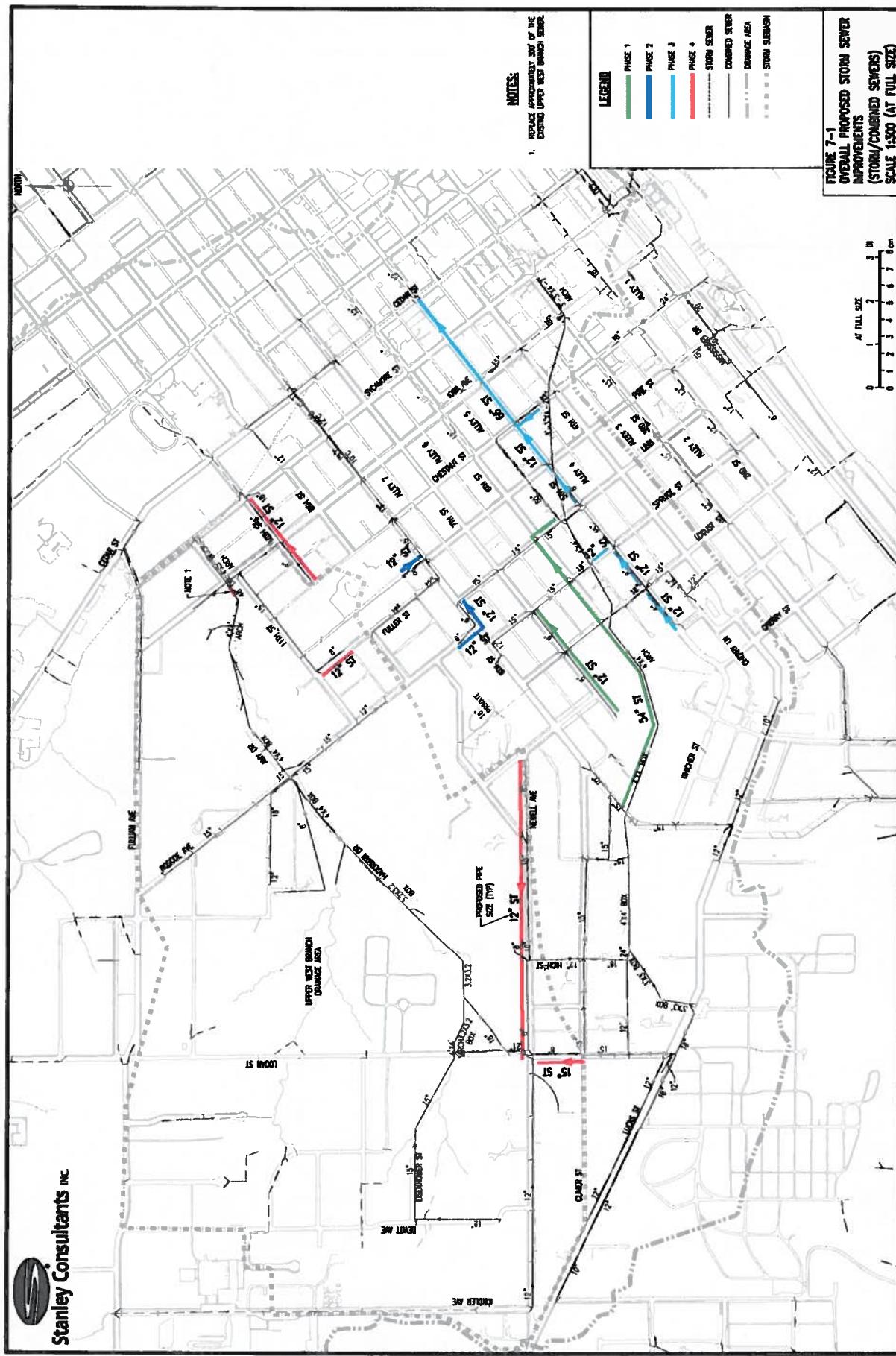
A handwritten signature in blue ink that reads "Gregg Mandsager".

City Administrator

City of Muscatine

cc: Anthony Petruska, EPA Region 7, Water Wetlands and Pesticides Division
Jodi Bruno, EPA Region 7, Technical Program Manager
Michael J. Knott, Project Manager, Stanley Consultants
Randy Hill, Muscatine Public Works Director
Nancy A. Lueck, Muscatine Finance Director
Dennis Ostwinkle, Iowa Department of Natural Resources
Karmen Heim, Stanley Consultants
Jared P. Hershberger, District Representative for Congressman Dave Loebsack (IA-02)



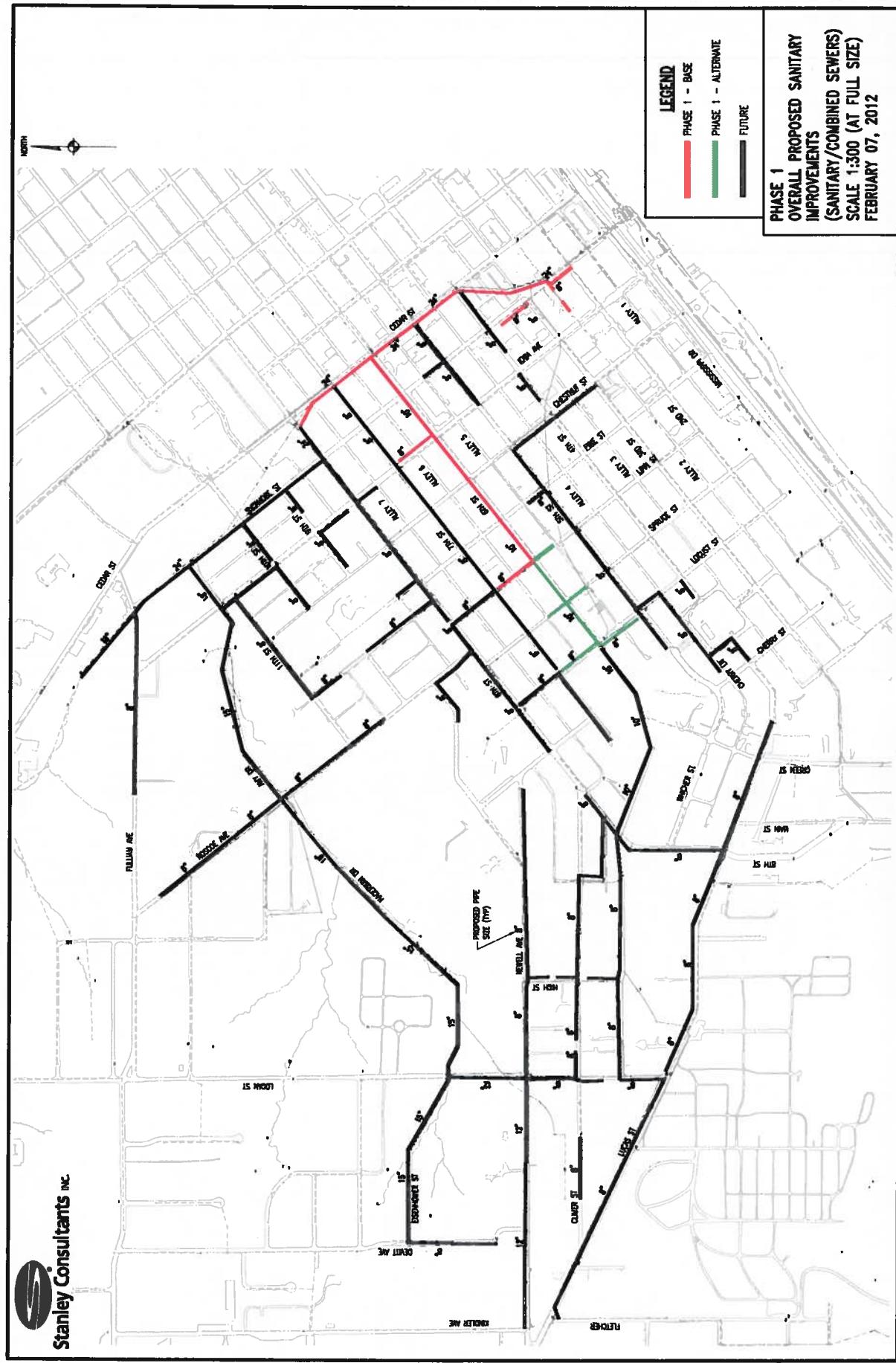


West Hill Area Sanitary and Storm Sewer Separation Projects - Schedule											
Scenario: 5 Phases Extend to Year 2024 - No Escalation											
Date: August 2011											
Phase											
No.	Project	Construction Costs									
1	West Side Interceptor & LWBS to 8th St	\$8,500,000		\$4,250,000	\$4,250,000		\$2,970,000	\$2,970,000			
2	7 th St & 8 th Street	\$5,940,000									
3	5 th St, Chestnut St, & Lucas St	\$9,000,000									
4	LWBS & West Side Interceptor above 8th St	\$12,700,000									
5	Eliminates Overflow at Lift Station	TBD									
Total		\$96,340,000		\$4,250,000	\$4,250,000	\$ -	\$2,970,000	\$2,970,000	\$ -	\$ -	

Notes: Costs are construction costs only
Costs do not include any allowances for Engineering fees, City Administration Costs, or Legal Costs.
Costs were calculated for the October 2010 report
Costs are in 2010 dollars and include no escalation

West Hill Area Sanitary and Storm Sewer Separation Projects - Schedule											
Scenario: 5 Phases Extend to Year 2024 - With Escalation											
Date: August 2011											
Phase											
No.	Project	Construction Costs									
1	West Side Interceptor & LWBS to 8th St	\$8,500,000		2	\$9,017,550	\$4,568,825	\$4,568,825				
2	7 th St & 8 th Street	\$5,940,000		5	\$6,885,088						
3	5 th St, Chestnut St, & Lucas St	\$9,000,000		8	\$11,400,931						
4	LWBS & West Side Interceptor above 8th St	\$12,700,000		10	\$17,057,738						
5	Eliminates Overflow at Lift Station	TBD									
Total		\$96,340,000		\$4,568,825	\$4,568,825	\$ -	\$3,443,044	\$3,443,044	\$ -	\$ -	

Notes: Costs are construction costs only
Costs do not include any allowances for Engineering fees, City Administration Costs, or Legal Costs.
Costs were calculated for the October 2010 report and escalated to the year the project would be bid

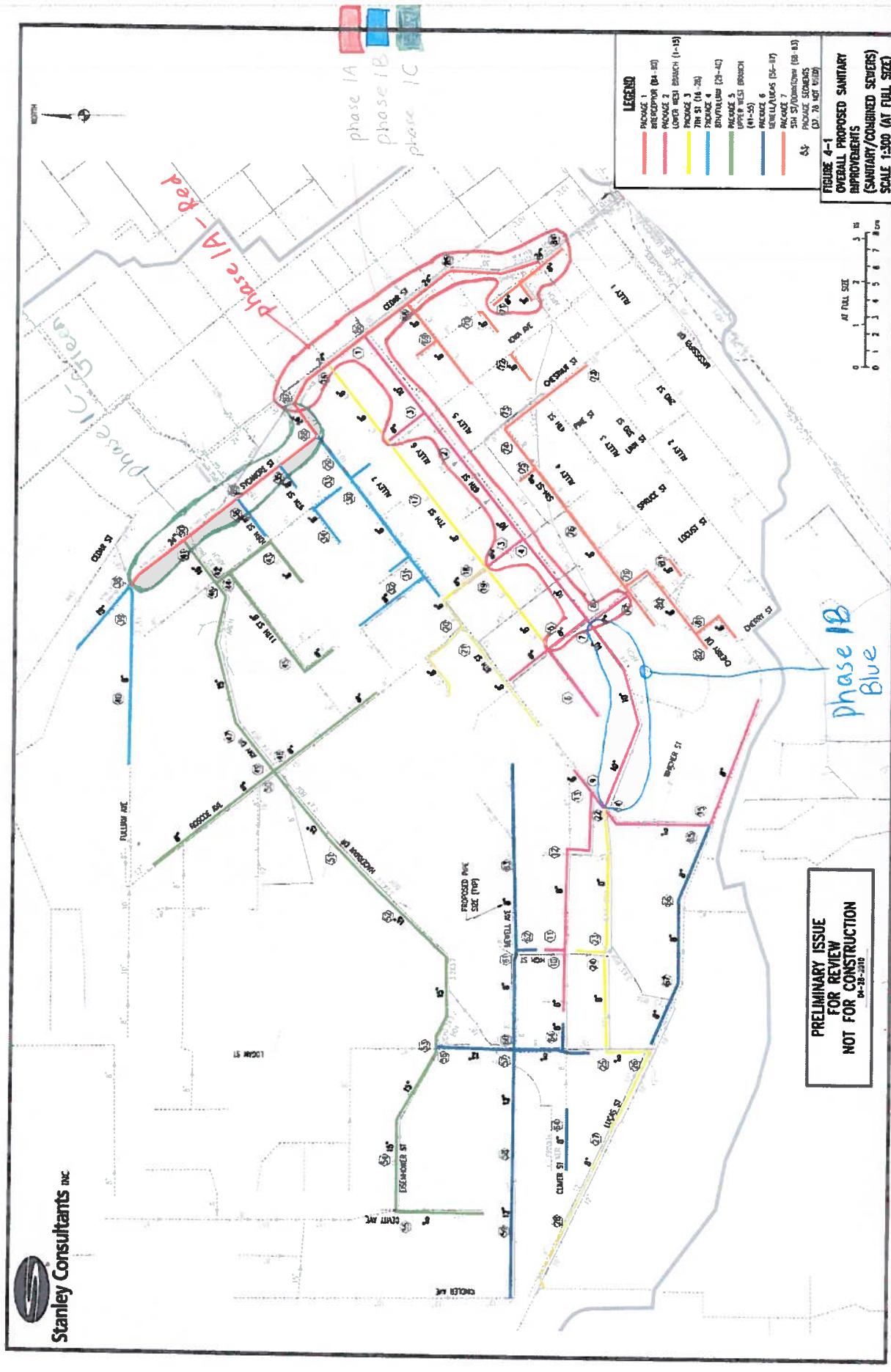


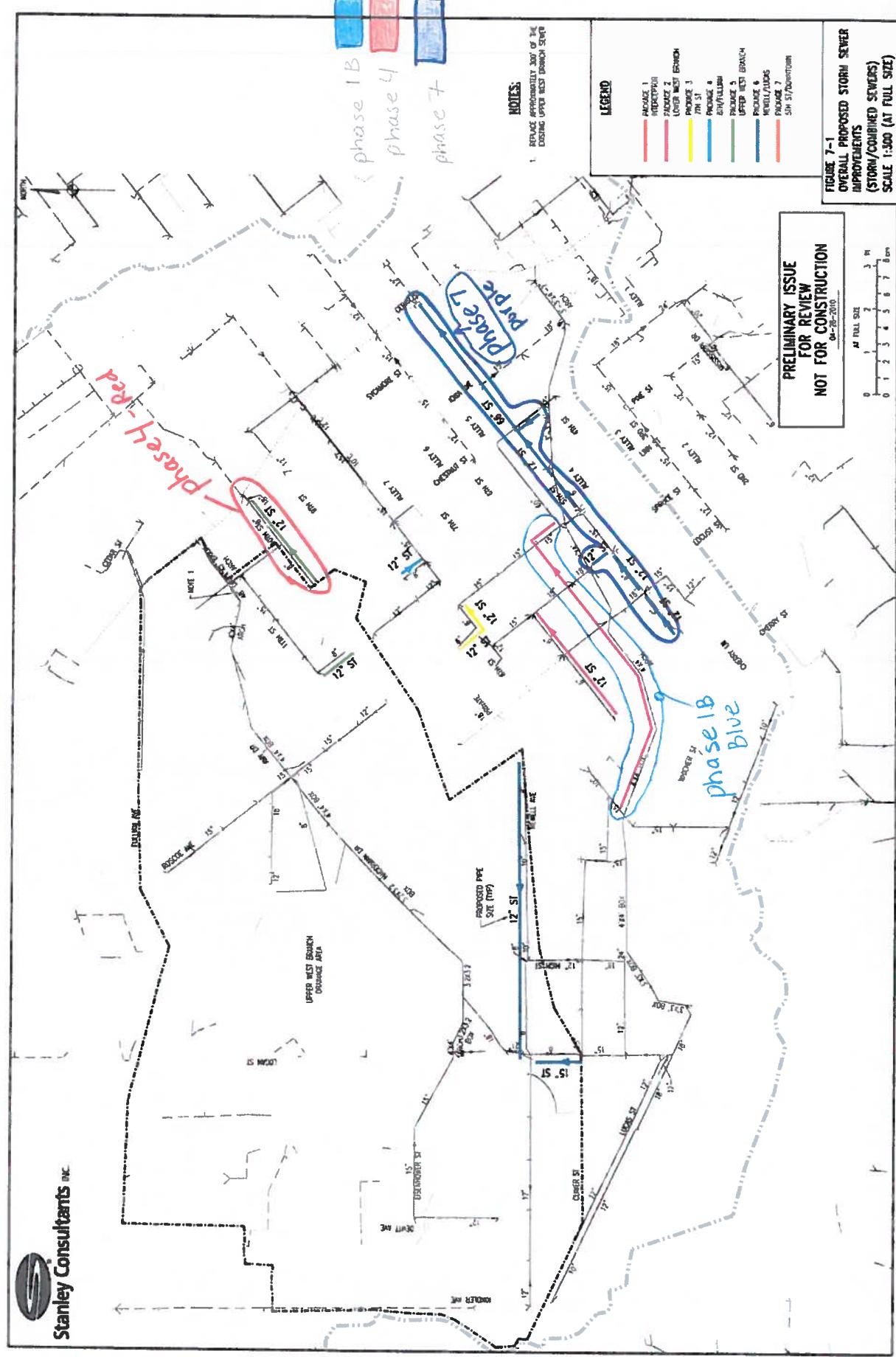
West Hill Area Sanitary and Storm Sewer Separation Projects - Schedule Scenario 10 Phases Extended to Year 2026, No Escalation Date: August 2011										
Phase	Project	Construction Costs								
		2013	2014	2015	2016	2017	2018	2019	2020	2021
1	West Side Interceptor & NWB to Locust	\$ 5,899,860								
1B	Bayne Storm and Sanitary, 7th & Hill	\$ 3,513,000								
2C	Climer, Lucas, 8th	\$ 2,833,156								
3	7th St and Lucas St	\$ 4,241,000								
4	7th St and Fullam Ave	\$ 3,307,000								
5	Upper West Branch Sanitary Sewer	\$ 4,651,000								
6	Newell Ave and Lucas St Improvements	\$ 4,714,000								
7	Sta Street and Downtown	\$ 4,869,000								
8	Estimated Overflow at Peacock Creek Pump Station	TBD								
	Total	\$ 37,353,118								

Notes: Costs are construction costs only
Costs do not include any allowances for Engineering fees, City Administration Costs, or legal Costs.
Costs were calculated for the October 2010 report.
Costs are in 2010 dollars and include no escalation

West Hill Area Sanitary and Storm Sewer Separation Projects - Schedule Scenario 10 Phases Extended to Year 2026, With Escalation Date: August 2011										
Phase	Project	Construction Costs								
		2013	Difference	Established	2013	2014	2015	2016	2017	2018
1	West Side Interceptor & NWB to Locust	\$ 5,899,860	\$ 3,639,203	\$ 3,129,694	\$ 3,129,694	\$ 3,129,694	\$ 3,129,694	\$ 3,129,694	\$ 3,129,694	\$ 3,129,694
1B	Bayne Storm and Sanitary, 7th & Hill	\$ 3,513,000	\$ 3,259,540	\$ 3,058,450	\$ 3,058,450	\$ 3,058,450	\$ 3,058,450	\$ 3,058,450	\$ 3,058,450	\$ 3,058,450
2C	Climer, Lucas, 8th	\$ 2,833,156	\$ 4,681,744	\$ 4,681,744	\$ 4,681,744	\$ 4,681,744	\$ 4,681,744	\$ 4,681,744	\$ 4,681,744	\$ 4,681,744
3	7th St and Lucas St	\$ 4,241,000	\$ 5,384,434	\$ 5,743,212	\$ 5,743,212	\$ 5,743,212	\$ 5,743,212	\$ 5,743,212	\$ 5,743,212	\$ 5,743,212
4	7th St and Fullam Ave	\$ 3,307,000	\$ 5,372,372	\$ 5,268,186	\$ 5,268,186	\$ 5,268,186	\$ 5,268,186	\$ 5,268,186	\$ 5,268,186	\$ 5,268,186
5	Upper West Branch Sanitary Sewer	\$ 4,651,000	\$ 4,644,331	\$ 4,622,166	\$ 4,622,166	\$ 4,622,166	\$ 4,622,166	\$ 4,622,166	\$ 4,622,166	\$ 4,622,166
6	Newell Ave and Lucas St Improvements	\$ 4,714,000	\$ 5,649,455	\$ 5,319,728	\$ 5,319,728	\$ 5,319,728	\$ 5,319,728	\$ 5,319,728	\$ 5,319,728	\$ 5,319,728
7	Sta Street and Downtown	\$ 4,869,000	\$ 5,723,469	\$ 5,723,469	\$ 5,723,469	\$ 5,723,469	\$ 5,723,469	\$ 5,723,469	\$ 5,723,469	\$ 5,723,469
8	Estimated Overflow at Peacock Creek Pump Station	TBD								
	Total	\$ 37,353,118								

Notes: Costs are construction costs only
Costs do not include any allowances for Engineering fees, City Administration Costs, or legal Costs.
Costs were calculated for the October 2010 report and escalated to the year the project would be bid





Local Option Sales Tax Fund
Projections for West Hill Sewer Project (As Updated 1/7/12 and 1/12/12)

Assumptions:

1. Stanley's 10 Phase Scenario with 3% Annual Escalation (requires a 4 year extension to Consent Order deadline)
2. Calendar year converted to following fiscal years
3. Engineering added on Phase 1 only. For this scenario assume contingency in project costs would cover eng.
4. Assumes 1.5% annual increase in Local Option Taxes beginning in FY 14
5. Assumes Local Option Tax extended past the current 6-30-19 expiration date
6. Assumes funds from WPCP and Collection and Drainage Operating funds set aside annually beginning in 2011/2012. see Proposed Set-Aside Funding below (Set-aside could include reducing current funding transfers to existing reserves)
7. Assumes 4.5% annual increases in sewer and collection and drainage rates to fund annual increases in operating costs as well as annual set-aside funds from operating budgets. (See PFM Projections)

				West Hill Phase I-A (Based on 10 Phases)			Phase I-C/Phase 2 Start		
		Actual		Budget		Revised Estimate		Preliminary Estimate	
		2009/2010		2010/2011		2011/2012		2012/2013	
		2009/2010	Actual	2010/2011	Budget	2011/2012	Revised Estimate	2012/2013	Preliminary Estimate
Beginning Balance, July 1	1	\$ 4,747,796	\$ 3,364,971	\$ 1,302,071	\$ 1,076,470	\$ 1,780,368	\$ 11,794	\$ 182,324	\$ 312,819
Revenues	2	\$ 2,519,107	\$ 2,433,919	\$ 2,435,000	\$ 2,655,498	(1)	\$ 2,536,638	(2)	\$ 2,675,534
Transfers In	3								
SRF Board Proceeds	4	\$ 18,899	\$ 5,270	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Interest	5								
Total Revenues	6	\$ 2,538,006	\$ 2,439,189	\$ 2,436,500	\$ 2,656,998	\$ 2,561,158	\$ 2,598,538	\$ 2,637,494	\$ 2,677,034
Funds Available	7	\$ 7,285,802	\$ 5,804,161	\$ 3,738,571	\$ 1,733,468	\$ 4,340,526	\$ 2,610,332	\$ 2,819,818	\$ 2,989,853
Expenditures									
Transfers Out:									
Sewer Projects (Various)	8	\$ 3,430,734	\$ 4,240,906	\$ 1,515,000	\$ 307,000	\$ 61,400	\$ 30,860	\$ 1,979,800	\$ 2,334,400
Hershey Sewer Phase II	9								
West Hill Sewer Phase I - Engineering	10								
West Hill Sewer Phase I - Construction	11								
Pavement Management Program (3)	12	\$ 490,097	\$ 486,784	\$ 487,000	\$ 531,100	\$ 511,732	\$ 519,408	\$ 527,199	\$ 535,107
Total Expenditures	13	\$ 3,120,831	\$ 4,777,690	\$ 2,002,000	\$ 1,955,100	\$ 4,328,732	\$ 2,428,008	\$ 2,506,990	\$ 2,514,907
Ending Balance, June 30	14	\$ 3,364,971	\$ 1,076,470	\$ 1,736,571	\$ 1,780,368	\$ 11,794	\$ 182,324	\$ 312,819	\$ 474,946
									\$ 313,000
									\$ 1,612
									Deficits will inc. with eng. added (if project contingency insufficient to fund)
Proposed Funding Set-Aside Annually:									
Water Pollution Control Operations	15								
Collection and Drainage	16								
Proposed Total Annual Amount	17								
Transfers Out to LOS Fund	18								
Cumulative Set-Aside Pending	19								

Assumptions:

1. Stanley's 10 Phase Scenario with 3% Annual Escalation (requires a 4 year extension to Consent Order deadline)
2. Calendar years converted to following fiscal years
3. Engineering added on Phas. I only. For this scenario assume contingency in project costs would cover eng.
4. Assumes 1.5% annual increase in Local Option Taxes beginning in FY 14
5. Assumes Local Option Tax extended past the current 6-30-19 expiration date
6. Assumes funds from WPCP and Collection and Drainage Operating funds set aside annually beginning in 2011/2012 - see Proposed Set-Aside Funding below (Set-aside could include reducing current funding transfers to existing reserves)
7. Assumes 4% annual increases in sewer and collection and drainage rates to fund annual increases in operating costs as well as annual set-aside funds from operating budgets. (See PFM Projections)

Phase 2 Final/Phase 3		Phase 4/Phase 5 Start		Phase 5 Final/Phase 6 Start		Phase 6 Final/Phase 7 Start		Phase 7 Final/Phase 8 TBD	
Preliminary Estimate	2019/2020	Preliminary Estimate	2020/2021	Preliminary Estimate	2022/2023	Preliminary Estimate	2023/2024	Preliminary Estimate	2024/2025
Beginning Balance: July 1	\$ 1,602	\$ 2,611,400	\$ 2,196,971	\$ 2,280,619	\$ 155	\$ 997	\$ 572	\$ 315	\$ 869
Revenues									
Local Option Sales Tax	2	\$ 2,797,748	\$ 2,839,714	\$ 2,882,310	\$ 2,925,545	\$ 2,960,428	\$ 3,013,959	\$ 3,059,179	\$ 3,105,067
Transfers In	3	\$ 4,800,000		\$ 821,000	\$ 845,400	\$ 712,000	\$ 676,000	\$ 1,131,000	\$ 655,000
SRF Bond Proceeds	4								
Interest	5								
Total Revenues	6	\$ 7,597,748	\$ 2,839,714	\$ 2,882,310	\$ 3,746,545	\$ 3,814,428	\$ 3,725,969	\$ 3,735,179	\$ 4,236,067
Funds Available	7	\$ 7,599,351	\$ 5,451,114	\$ 5,079,281	\$ 6,027,164	\$ 3,814,542	\$ 3,726,966	\$ 3,735,175	\$ 4,236,282
Expenditures									
Transfers Out:									
Sewer Projects (Various)	8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hershey Sewer Phase II	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
West Hill Sewer Phase I - Engineering	10	\$ 2,686,200	\$ 2,222,200	\$ 5,441,900	\$ 3,219,500	\$ 3,123,600	\$ 3,123,600	\$ 3,614,500	\$ 3,614,500
West Hill Sewer Phase I - Construction	11	\$ 4,428,400	\$ 2,670,000	\$ 505,100	\$ 567,943	\$ 576,462	\$ 595,100	\$ 602,794	\$ 611,836
Pavement Management Program (13)	12	\$ 559,550							
Total Expenditures	13	\$ 4,987,950	\$ 3,254,143	\$ 2,798,662	\$ 6,027,009	\$ 3,814,542	\$ 3,726,966	\$ 3,735,174	\$ 4,235,513
Ending Balance: June 30	14 (4)	\$ 2,611,400	\$ 2,196,971	\$ 2,280,619	\$ 155	\$ 997	\$ 572	\$ 315	\$ 869
Deficits will inc. with eng. added									
o fund (if project contingency insufficient to fund (if project contingency insufficient to fund (if project contingency insufficient to fund									
<i>* Costs not yet available for Phase 8</i>									
<i>It is proposed that SRF Loan funds be used to fund project costs in excess of Local Option Sales Tax funds and Set-Aside funds. Amounts shown are PRELIMINARY ESTIMATES ONLY based on the assumptions in this model. Overall SRF loan funding will likely exceed the amount shown. This model will be updated throughout the project as project costs, local option tax revenue, and other variables and assumptions change.</i>									
<i>Proposed Funding Set-Aside Annually:</i>									
Water Pollution Control Operations	15	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Collection and Drainage	16	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Proposed Total Annual Amount	17	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Transfers Out (in LOST Fund)	18								
Cumulative Set-Aside Funding	19	\$ 1,640,000	\$ 2,040,000	\$ 2,440,000	\$ 2,019,000	\$ 1,574,000	\$ 1,222,000	\$ 255,000	\$ 400,000

1. The Revised Estimate Local Option Tax revenue amount is the State's estimate (\$2.55k,658) plus a prior year reconciliation amount of \$96,840.
2. The FY 2013 and future Local Option Tax revenue amount is estimated conservatively at the State's projected 2011/2012 level of \$2,558,658. A 1.5% annual escalation factor has been used for future years, actual amounts, however, would be dependent on the economy.
3. Effective July 1, 2009 up to 2015, of Local Option Tax revenue will be used for the Pavement Management Program per the voter referendum. This 20% allocation will be transferred in a separate subfund to separately account for this portion of the tax.
4. Based on the assumptions used for the costs by fiscal year it appears there will be sufficient funding to cash flow Phases 1-A, and 1-B. It appears that beginning in 2017 Local Option funds will not be sufficient to fund the beginning of Phase 1-C and the remaining phases. Possible funding sources outside of Local Option funds would include (1) SRF or other loans, (2) Sewer Extension or WPCF Reserve funds, (3) WPCF and Collection & Drainage fund balances, (4) redirecting portion of the Street allocation of Local Option tax funds, or (5) future grant funds. Rates would need to be increased if SRF Loan funds are used in order to meet their coverage requirements.

The Proposed Sewer-As-Built funding from both the WPCF and Collection and Drainage budgets could assist in reducing SRF Loan funding requirements. It should be noted that these are very preliminary Local Option Tax and project cost estimates for future years.