

City of Mt. Angel
Infrastructure Task Force Report Summary
April 2016

Overview

In 2015, the Mt. Angel City Council created a citizen task force to analyze costs and revenue sources for maintaining city, and possibly county infrastructure, inside city limits. The Infrastructure Task Force was comprised of members of the City Budget Committee, business community, citizens, and the City Council.

The Task Force met five times between October 2015 and February 2016. The Task Force discussed each of the city's utility systems: water, wastewater, streets and stormwater needs. The task force evaluated the 10 year capital needs for these systems, financial projections for the City's utility funds, future operational needs for the Public Works department, and utility rates in neighboring jurisdictions.

Future System Capital and Operating Needs

Based on the City's various system master plans, total capital needs for the next 10 years are as follows. Some of this cost will be paid for with system development charges (SDCs) as allowed. The difference must be paid for through user rates:

	<u>Total</u>	<u>SDC Funded</u>	<u>Rate Funded</u>
Water System Projects	\$ 3,949,855	\$2,284,775	\$ 1,665,080
Wastewater System Projects	\$ 6,848,000	\$1,223,000	\$ 5,625,000
Street System Projects	\$11,726,700	\$8,391,700	\$ 3,335,000
Stormwater System Projects	<u>\$ 1,883,080</u>	<u>\$1,883,080</u>	<u>\$ 0</u>
Total	\$24,407,635	\$13,782,555	\$10,625,080

On the operations side, the task force recommended adding one utility worker to the Public Works Department to provide, operational back-up and safety, and improve park maintenance. The task force also recommended adding administrative support for the department (it has none) to improve department efficiency.

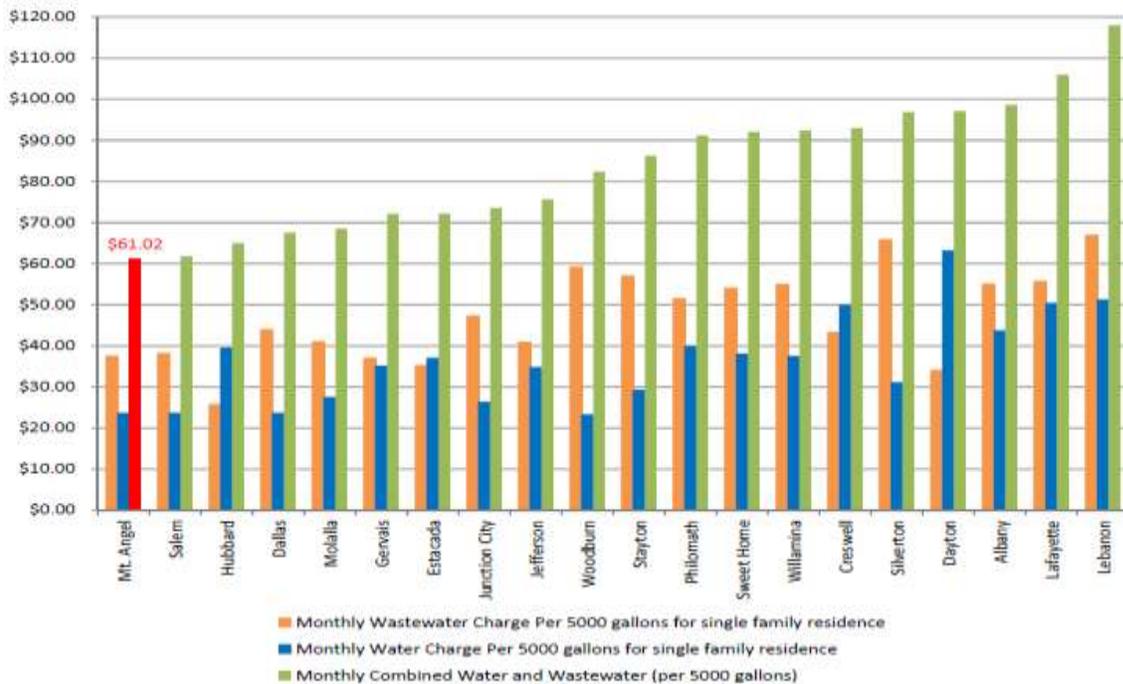
Last Utility Rate Update

The City's current utility (sewer and water) rates have been in place since 2009. Prior to that, the City raised rates on a schedule of about every four years. It has been seven years since the last rate increase. Further, the City has no dedicated revenue source to pay for growing stormwater maintenance and capital needs. The City receives an allocation of state gas tax to pay for street maintenance, but this money is inadequate to pay for all of the services related to the street system: street maintenance, sidewalk repair, street sweeping, street lighting, and stormwater management.

Mt. Angel's Utility Rates in Comparison

The following chart shows the City's utility rates in comparison with other jurisdictions in the region and around the state.

Comparable Utility Rates (Sorted by Sum of Water and Sewer Rates)



Task Force Recommendations

After considering the needs and financial projections for the City’s utility funds, the task force recommended sewer and water rate increases, as well as new fees for stormwater management and street lighting. The following examples of different customer types illustrates new monthly utility charges if the recommendations of the task force were implemented:

	<u>Current</u>	<u>Proposed</u>
Customer #1: Residential (3/4" meter) and typical (e.g. 6.5 units) water use, 1 ERU:	\$ 60.65	\$ 72.87
Customer #2: Industrial (2" meter), water usage (e.g. 67.93 units) and 4 ERUs:	\$ 365.08	\$ 430.84
Customer #3: Institutional (4" meter), water usage (e.g. 141.6 units) and 10 ERUs:	\$1,016.81	\$1,173.58

What’s Next?

The task force recommendations were presented to the City Budget Committee for inclusion in the FY 16-17 Budget. The Budget Committee concurred and its recommended budget includes these proposals. The City Council is scheduled to conduct a public hearing and consider the budget for adoption on June 6, 2016. The public is welcome to attend this meeting and provide comment on the budget. The budget goes into effect July 1st. For more information, contact Eileen Stein, City Manager, at 503-845-9291.