

## Storm Drain Oversight Committee

March 7, 2007 Meeting Summary

Attendees:

<b>SDC Members Present</b>		<b>City Staff</b>	
John Melton, Chair	John Tarlton, Vice-Chair	Matt Brunnings	Joe Teresi
Stephenny McGraw	Richard Whaley	Matt Raschke	Dale Wong
Rod McNall		Glenn Roberts	

### **Agenda Item I – Roll Call**

The meeting opened with roll call at 9:00am. All members were present.

### **Agenda Item II – Oral Communications**

No members of the public requested to address the Committee.

### **Agenda Item III – Old Business**

1. Richard Whaley moved to approve the minutes from January 17, 2007, and John Tarlton seconded the motion. The minutes were approved unanimously (5-0).
2. The Committee then discussed the format and content of the attachment to their Storm Drainage Fund year-end financial report. There was discussion on whether to include the full amount of the advance payment of the Storm Drainage Fee for City-owned parcels or just the portion that is attributable to the fee increase. The Committee ultimately decided to consider only the portion that is attributable to the fee increase and an overall format that showed the expenditures, commitments, and remaining appropriations for each of the ballot-approved projects and programs.

Next, the Committee discussed changes to the wording of the year-end memo itself. Rod McNall raised the issue of using fee increase money to eliminate the previous General Fund subsidy of the Storm Drainage Fund. He emphasized that this expenditure was not explicitly part of the ballot measure. John Tarlton stated that the intent was implicit and asked about Rod's purpose for pointing out the issue. Rod indicated that his intent was simply to encourage more funding for the ballot-approved projects that were in jeopardy due to severely escalating construction costs.

After a brief discussion, the Committee agreed to have only the single page year-end summary spreadsheet attached to the memo (other background materials will be referenced in the memo, but not attached) and to add a sentence to the memo reflecting the total amount spent on operating expenses that were previously covered by the General Fund subsidy.

3. The last item of old business was the review of the draft memo to the City Council on construction cost increases and project priorities. John Melton prepared the first draft of the memo. John Tarlton recommended adding a statement about the possibility of internal financing (General Fund loan) as a way to help complete all of the ballot-approved storm drain capital projects. Glenn Roberts cautioned that any method of financing could be contrary to the "pay-as-you-go" funding strategy specified in the ballot measure. He also asked the Committee to consider using the memo

to point out the hard lesson learned by using the consumer price index (CPI) instead of a local construction cost index for fee escalation.

The Committee also decided to put the estimated shortfall dollar amounts into the memo (i.e. the amount of funds needed to complete the remaining storm drain capital projects if construction costs continue to increase per the Committee's projections). In total, three changes to the memo were approved: a.) Inclusion of a statement about the use of CPI versus construction cost indexes, b.) A recommendation that internal financing be considered to accelerate the project construction schedule, and c.) Inclusion of the estimated amounts of budget shortfall based on the previously discussed inflationary scenarios.

Joe Teresi indicated that both of the Committee's memos would be included in an upcoming City Council agenda packet as an informational item. Glenn Roberts added that the memos would be repackaged again in May for the Finance Committee.

#### **Agenda Item IV – New Business**

Rod McNall asked staff about the schedule for review of the budget for FY 07-08. He indicated that a summary breakout of just the fee increase revenue and expenditures should be provided to the Committee. Joe Teresi and Glenn Roberts indicated that the draft budget would be available toward the end of April, when it is first presented to the Finance Committee. John Melton said that the Committee should plan on two meetings to review the budget and prepare their memo to Council. Joe announced that the Finance Committee review of the Storm Drainage Fund budget will be held on May 17 and agreed to work with Budget staff to schedule a Committee meeting as soon as the budget is publicly available for review.

#### **Agenda Item V – Adjournment**

At 10:36 am the meeting was adjourned.

Matt Raschke  
March 9, 2007