

GOOD EVENING....

Welcome to
Public Information Meeting #3
SAW Grant &
Asset Management

A short presentation will begin at 6:15 pm



Stormwater, Asset Management & Wastewater Grant (SAW) – Status through August 2017

Summary of the Ten Tasks Identified in the SAW Grant Scope of Work:

- 1) Asset Management Policy Development – Underway
- 2) Initial Collection of Existing Data/Base Plan Development (GIS) – Complete
- 3) GPS Structure (GIS) – Sanitary Sewer - Complete, Storm Sewer - Underway
- 4) Condition Assessment (eg. Sewer Televising) – Near Completion
- 5) Build the GIS System (GIS) – Near Completion
- 6) GIS Implementation – Near Completion
- 7) Asset Management Evaluation – Near Completion
- 8) Develop Capital Improvement Plan (CIP) – Near Completion**
- 9) Rate and Fund Management – Underway**
- 10) Selection and Implementation of CMMS Software – Complete

The Asset Management Plan is a dynamic program that will evolve over time. The SAW Grant activities focus on infrastructure in Right-of-Way. Items listed as complete are from the perspective of the SAW Grant, in reality they should be ongoing items that continue and improve over time.



SAW Grant will conclude Oct 29, 2017

Started in January 2015 (3 year project)...a lot of work has been done but this will be a process of continuous improvement

SAW Grant –Public Involvement Overview

- ✓ April 20, 2017 – Sewer Fund Financial Working/Admin Meeting*
 - ✓ April 22, 2017 – 1st Public Meeting – “How Your Infrastructure Works”
 - ✓ May 9, 2017 – Street Fund & Water Fund Working/Admin Meeting*
 - ✓ May 24, 2017 – 2nd Public Meeting – “Managing Infrastructure” (Asset Management)
 - ✓ June 19, 2017 – Infrastructure Funding Study Session with City Commission
 - ✓ July 31, 2017 – 2nd Infrastructure Funding Study Session
 - ❑ August 22, 2017 – 3rd Public Meeting – “Infrastructure Funding” (Impact to Taxes and Rates)
 - ❑ October 29, 2017 – SAW Grant deadline for eligible activities
- *Working Session/Admin Meetings at Staff level with Wade Trim & Umbaugh & Associates



SAW Grant – 3rd Public Meeting – Proactive vs Reactive Computerized Maintenance Management System (CMMS)

The screenshot displays the Cityworks web application interface. The main content area shows a work order for 'New Install Water System Valve' (Number: 87). The work order is in 'Open' status, initiated by MACDONALD, TOM, and requested by MACDONALD, TOM. The supervisor is GUESS, JIMMY. The work order was opened on 8/25/2016 at 7:51:33 AM. The actual start date is 09/12/2016 at 12:00 PM, and the actual finish date is 09/14/2016 at 12:00 PM. The expense type is 'Maintenance'. The location is 'Wayne between Port & Ship'. The work order is associated with one asset, 'WSYSTEMVALVE'. The interface also shows a list of work orders on the left, a supervisor list on the right, and various tabs for details, project tree, and related activities.

Unscheduled Repairs:

- \$8,000 on Wallace
- \$19,000 on Langley



SAW Grant – 3rd Public Meeting

Inventory/Assessment Phase

- SAW Grant is eligible to cover Asset Management Activities for Sanitary and Storm Sewer systems.
- City of St. Joseph has included their Water System and Public Street System as part of a comprehensive asset management evaluation.
- City has 62 miles of water main, 460 fire hydrants, and a 1.5 Million Gallon Storage Tank
- City has 48 miles of sanitary sewer, 3 miles of forcemain and 10 lift stations
- City has 43 miles of roadway and 34 miles of storm sewer
- All roadway segments were last rated in 2014 – approximately **12 miles poor**, **26 miles fair**, and **only 4 miles were rated good**
- 190 Water Main breaks have been mapped since 2009
- Nearly 70% of the Public Water System is over 60 years old
- 56% of Storm sewer system is over 20 years old

Since 1999, City has been pro-active in completing many CSO projects and improving fire flows throughout the City, but there is still many assets that need to be improved.



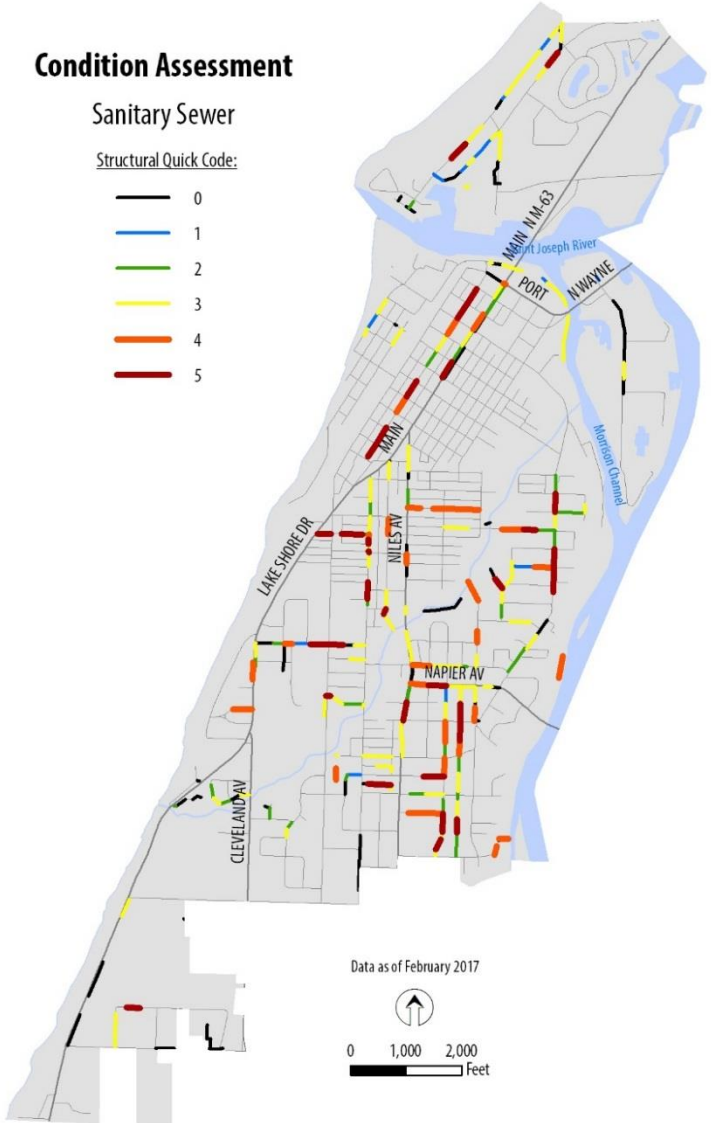
SAW Grant – 3rd Public Meeting Condition & Consequence of Failure Maps

Condition Assessment

Sanitary Sewer

Structural Quick Code:

- 0
- 1
- 2
- 3
- 4
- 5

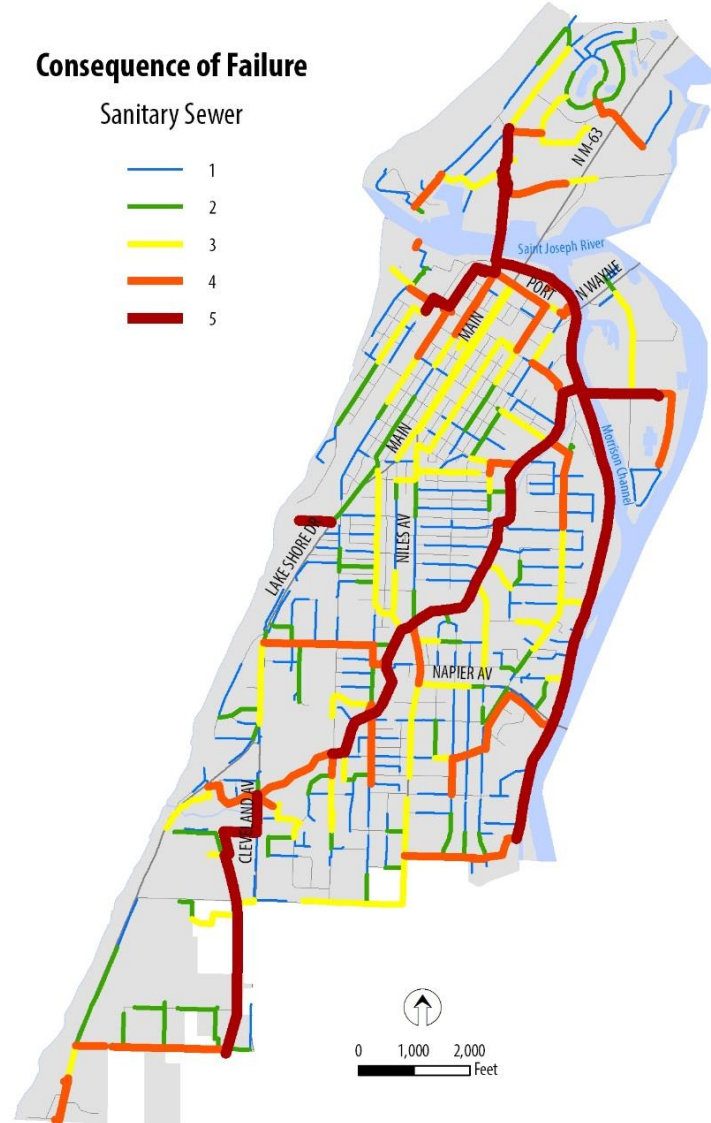


Data as of February 2017

Consequence of Failure

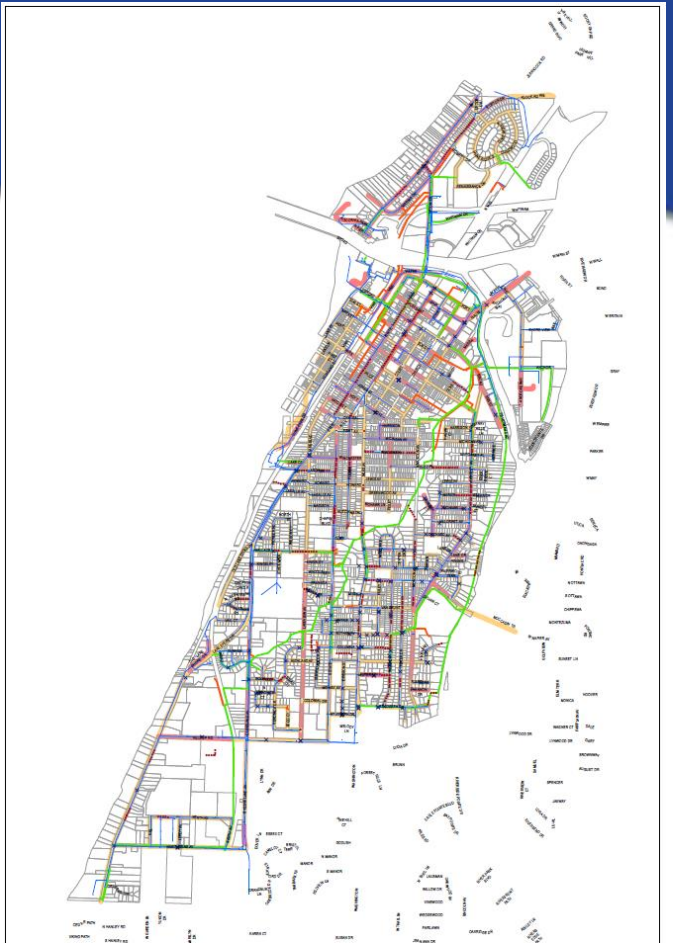
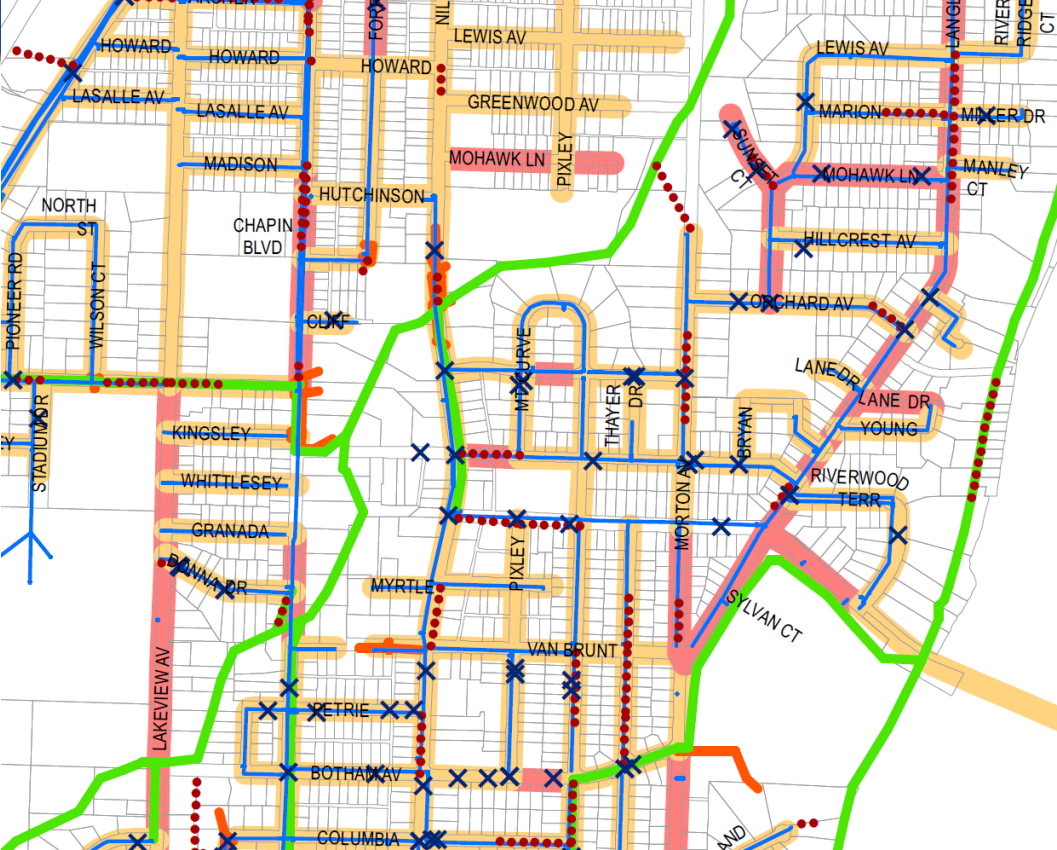
Sanitary Sewer

- 1
- 2
- 3
- 4
- 5



0 1,000 2,000 Feet

SAW Grant – 2nd Public Meeting: Criticality Maps



- X Water_Main_Break_Locations
- Sanitary Sewer Gravity Mains - Quick Codes**
- Trunc_Latest_Structural_Quick
- 4
- 5
- Stormwater Gravity Mains - Quick Codes**
- Trunc_Latest_Structural_Quick
- 4
- 5

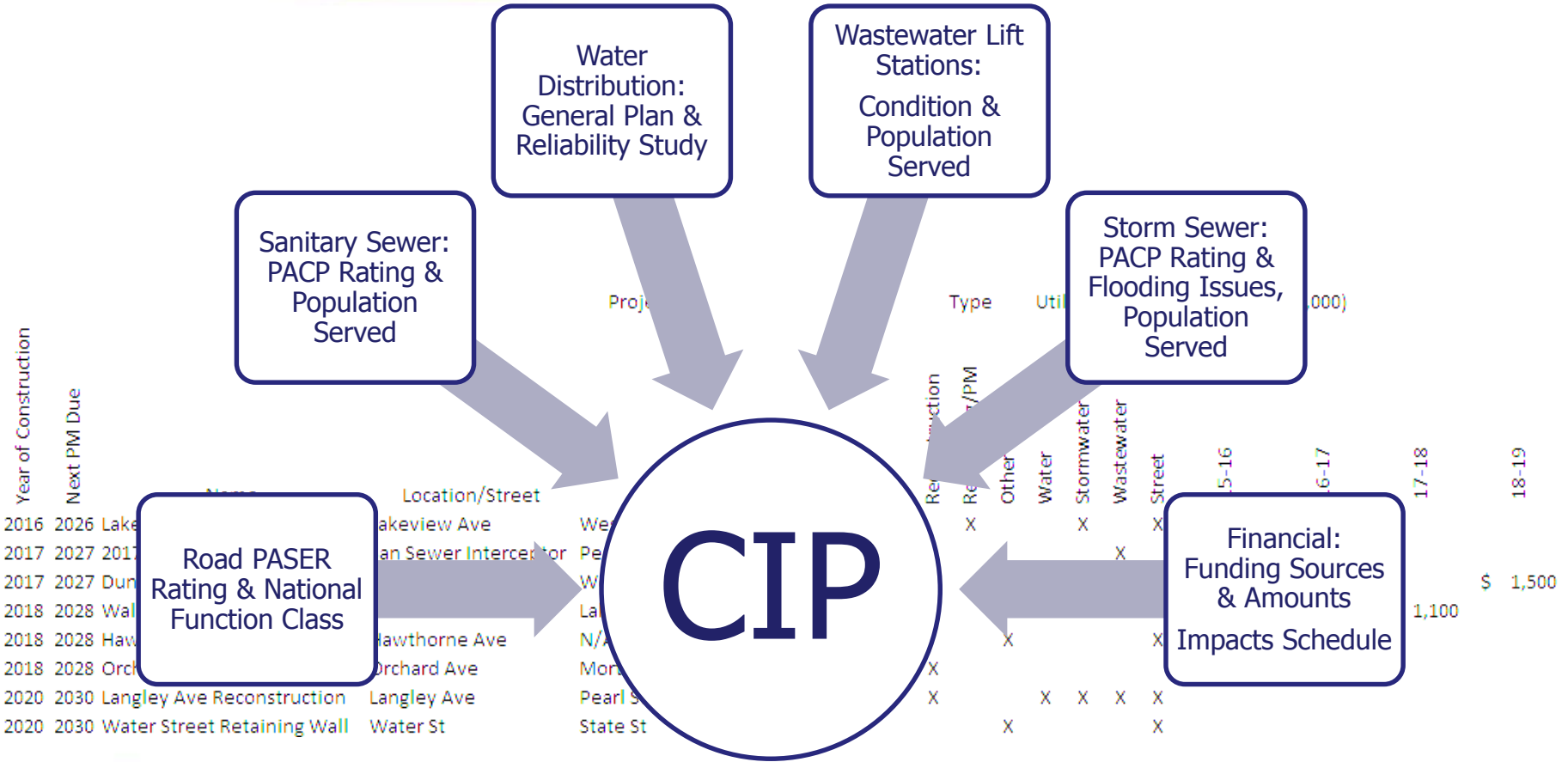
- wMains - Install Date**
- Install Date
- 1/1/1890
- 1/1/1920
- 1/1/1950

- Sanitary Sewer Gravity Mains - Consequence of Failure**
- COFailure**
- 4
- 5
- Stormwater Gravity Mains - Consequence of Failure**
- COFailure**
- 4
- 5

- StreetPASER**
- LASTRATING**
- 0: Not Rated
- 2: Very Poor
- 3: Poor
- 4: Fair
- 5: Fair
- 6: Good
- 7: Good
- 8: Very Good
- 9: Excellent

February 24, 2017

SAW Grant – Capital Improvement Planning (CIP)



SAW Grant – CIP List

The Capital Improvement list generated for the SAW Grant includes both Reconstruction and Preventative Maintenance Costs.

Operations and Maintenance Costs are not included.

Fiscal Year	204 Street Improvement Fund	590 Sewer Fund (Incl. 450)	592 City Water Fund	TOTAL
2016-2017	\$ 303,000	\$ 5,000	\$ 440,000	\$ 748,000
2017-2018	\$ 428,000	\$ 2,281,500	\$ 150,500	\$ 2,860,000
2018-2019	\$ 742,225	\$ 1,652,294	\$ 75,000	\$ 2,469,519
2019-2020	\$ 444,000	\$ 5,799,294	\$ 160,000	\$ 6,403,294
2020-2021	\$ 2,286,838	\$ 1,449,513	\$ 2,216,892	\$ 5,953,242
2021-2022	\$ 2,250,777	\$ 1,958,537	\$ 982,925	\$ 5,192,239
2022-2023	\$ 1,577,884	\$ 1,611,249	\$ 747,227	\$ 3,936,360
2023-2024	\$ 1,116,017	\$ 1,114,721	\$ 532,489	\$ 2,763,227
2024-2025	\$ 1,947,477	\$ 1,593,285	\$ 835,654	\$ 4,376,415
2025-2026	\$ 1,848,431	\$ 1,333,614	\$ 787,146	\$ 3,969,191
2026-2027	\$ 2,237,831	\$ 1,519,463	\$ 960,918	\$ 4,718,211
2027-2028	\$ 1,834,922	\$ 1,045,637	\$ 692,130	\$ 3,572,689
2028-2029	\$ 972,269	\$ 537,537	\$ 308,390	\$ 1,818,196
2029-2030	\$ 1,667,341	\$ 1,071,963	\$ 707,694	\$ 3,446,997
2030-2031	\$ 1,731,644	\$ 1,396,887	\$ 917,922	\$ 4,046,453
2031-2032	\$ 3,081,435	\$ 2,398,033	\$ 1,513,912	\$ 6,993,380
2032-2033	\$ 2,584,152	\$ 1,827,849	\$ 1,195,289	\$ 5,607,290
2033-2034	\$ 759,742	\$ 1,147,612	\$ 755,169	\$ 2,662,523
2034-2035	\$ 872,279	\$ 1,402,134	\$ 784,567	\$ 3,058,980
2035-2036	\$ 3,007,176	\$ 2,090,609	\$ 1,275,308	\$ 6,373,092
2036-2037	\$ 2,856,676	\$ 1,753,809	\$ 1,140,914	\$ 5,751,399
TOTAL	\$ 34,550,115	\$ 34,990,538	\$ 17,180,045	\$ 86,720,698



SAW Grant – Funding Sources

Water Funds: (FY 16-17)

Water System Funding (591 Fund)

- Revenue: \$4.7 million/year system-wide revenue.
- 2017 Anticipated Expenditures:
 - \$1.66 million/year to Water Treatment Plant
 - \$1.47 million/year to Distribution System and O&M
 - \$838,000/year to Administration
 - \$490,000/year to Capital Improvement
 - \$546,500/year Drinking Water Treatment Plant Debt Service

The City of St. Joseph water distribution system includes 62 miles of water main, 460 fire hydrants and a 1.5 Million Gallon Water Tower. The City's Water Plant can treat ~16 million gallons of water per day and serves St. Joseph Charter Township, Lincoln Charter Township, Royalton Township, and the Villages of Shoreham and Stevensville

City Water Improvement Funding (592 Fund)

- Revenue: \$675,000/year generated from System Improvement Fee
 - \$170,000/year Operating & Maintenance
 - \$300,000/year to City capital improvements (often transferred to 204 municipal street fund),
 - \$200,000/year Debt Service (Water Tower)



SAW Grant – Funding Sources

Sewer Funding (590 Fund):

- FY 16-17 Revenue: ~\$1.8 Million/year
- FY-16-17 Expenditures (unless noted otherwise):
 - ~\$700,000/year to City Operations & Maintenance
 - ~\$800,000/year JWWTP for Wastewater Treatment
 - ~\$50,000 Annual CSO Debt Service Payment
- Lift Station/Sewer Projects/Street Reconstruction Projects: ~\$1.4 Million Requested in 17/18
 - Significant Expenditures include: Harrison Sewer Replacement, Dunham Lift Station Replacement and Wallace Ave Reconstruction Project
 - Includes transfer to CSO Fund (450): 2017 CSO Project, CSO Compliance



The City of St. Joseph wastewater collection system includes 48 miles of gravity sewer, 3 miles of forcemain and 10 wastewater lift stations

SAW Grant – Funding Sources



Street & Stormwater/Drainage Project Funding:

Act 51 Funding: ~ \$600,000 for both local and major streets – spent on operations & maintenance/public works activities

City General Fund:

- \$125,000 to \$175,000 from General Fund for local road operations and maintenance
- \$160,000 to alleys, parking lots and PW facility – operations and maintenance

Street Improvement Fund: ONLY 1 Mill or \$440,000/year is directed for reconstruction and preventative maintenance projects, includes the biennial sidewalk replacement project (\$50,000+/year)

–TIP Funding: Average ~\$400,000 to \$500,000 every 3 year TIP cycle (more strings and more competitive)

Act 51 Funding - Anticipated Increase					
FY 15	FY 17	FY 18	FY 19	FY 20	FY 21
\$ 566,526	\$ 700,159	\$ 742,686	\$ 794,526	\$ 854,748	\$ 948,805



The City of St. Joseph owns 43 miles of roads and 34 miles of storm sewer gravity mains. This does not include MDOT roads (Main Street, Niles Rd, etc.)

SAW Grant – Asset Management – Shared Thoughts

Rate & Tax increases will ultimately determine how quickly the City can undertake the projects on the Capital Improvement Plan. A

The amount of available funding determines the level of service the City is able to provide:

- If we aren't proactive, our assets will continue to degrade and the City will spend money in a reactive manner on water main breaks, emergency repairs and pot hole patching, etc.
- If we are overly aggressive and try to do too much, the necessary rate and tax increases will adversely impact City residents and property owners.
- There is no perfect solution. **We are looking to find the right balance.**

The CIP Schedule can be met by increasing water 3.5% and sewer rates 7% annually and the road millage an additional 2 (requires debt) or 2.5 mills (no debt).

Debt – Are we comfortable with debt and paying interest over many years?

- One of the factors that we have discussed with the City Commission is “how much debt should the City take on?”
- Minimizing the amount of interest that is paid allows for tax payer dollars to be focused on actual improvements.

“If you don't know where you are going,
you'll end up someplace else”

Yogi Berra



Proposed Rate & Tax Increases

Water & Sewer: Typical Quarterly Homeowner's Bill*						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Water Distribution	\$ 27.89	\$ 27.89	\$ 28.87	\$ 29.88	\$ 30.92	\$ 32.00
Water Treatment	\$ 53.41	\$ 55.28	\$ 57.21	\$ 59.22	\$ 61.29	\$ 63.43
Total Water	\$ 81.30	\$ 83.17	\$ 86.08	\$ 89.09	\$ 92.21	\$ 95.44
Sewer: Treatment & Collection	\$ 61.06	\$ 65.44	\$ 70.02	\$ 74.92	\$ 80.17	\$ 85.78
Total: Water & Sewer Bill	\$ 142.36	\$ 148.61	\$ 156.10	\$ 164.02	\$ 172.38	\$ 181.22
Increase/Quarter		\$ 6.25	\$ 7.49	\$ 7.91	\$ 8.36	\$ 8.84

Annual Tax Increase - Median True Cash Home Value**	
Mill Increase/Year	Amount Increase/Year
2 Mill	\$ 142.60
2.55 Mill	\$ 181.82

Total Monthly Budget Impact (compared to 17/18)						
Increase	2016/17	2017/18	2018/19**	2019/20	2020/21	2021/22
Water, Sewer & 2 Mill			\$ 14.38	\$ 17.02	\$ 19.81	\$ 22.75
Water, Sewer & 2.55 Mill			\$ 17.65	\$ 20.29	\$ 23.07	\$ 26.02

* 5/8" Meter with 1,800 cubic feet use/quarter

** The Median True Cash Value of a home in the City of St. Joseph is \$142,600 (Taxable Value \$71,300)

*** A millage increase would not go into effect until FY 18/19



Public Information Meeting #3 – SAW Grant

Thank you for attending today!

Your feedback and questions are appreciated.

