

Village of San Jose
Finance Committee Meeting
March 23, 2015

Meeting called to order at 6:30 pm by Chairman Smith.

Present: Blackstock, Tibbs, Smith, Coon and Nolan

Also present: President Worlow, Clerk Coon, Engineer Burris, Water Superintendent Albers and Maintenance Supervisor Conrad

Meeting agenda was posted more than forty-eight hours in advance of the meeting on the outside and inside bulletin boards at Village Hall and is attached to and made part of the minutes.

Chairman Smith began by discussing the Water & Sewer budget with Tibbs. Questions were asked of Albers pertaining to the chlorination use and cost associated with all chemicals and testing equipment involved. Albers explained of a new chlorine tank that has been recommended for use and the approximate cost of upgrading to this type of system. Smith asked Albers to compile a list of cost involved with the water purification process before the next budget discussions so accurate amounts could be entered into the FY 15-16 budget.

1. Engineer Burris then addressed the options for the 2015 MFT Program cuts and reported that the fourth street curb and gutter project has already been removed from the program. There were three other options given for possible places for reductions. These areas were 1) the Frank Otto property on E. Arch Street which would result in a \$9675 reduction; 2) cut back to one day of spray patch work which would result in a \$1735 reduction; 3) appropriate all work after the oil bids come out from Logan County. There was a possibility that the amount of salt to be purchased could be cut to allow for a \$625 reduction. There were discussions about all of the above mentioned options with pros and cons weighed for each one.

Recommendation: Leave the 2015 MFT Program as submitted with reductions being shown as half of the salt and spray patching amounts as presented. This should equal an approximate reduction of \$2660 with the total amount of the MFT project being \$28324 after reductions.

2. Engineer Burris reported that the Phase II water project was going to be a \$1.4 million dollar project. There was a detailed cost analysis done, pre-application paperwork done, all of the mapping as presented is done, construction proposals and the CDAP grant have all been addressed by Burris. There was discussion about the ways in which this project could be funded, including a loan from the USDA and increases in water billing rates inside the village. The needed increases to water bills were calculated at being approximately \$16.00 per household with an approved loan. The possibility of a capital improvement charge or increasing tax rates was also explored. The pros and cons of this project were laid out. Burris was questioned about breaking the project into several phases with each phase getting completed as the money was available. The project was examined and subsequently broken into three phases with the area nearest Casey's being the first priority due to the need for continuous water availability to the business.

Recommendation: It was recommended to separate the Phase II water project into three smaller phases and raise water rates all to be completed over the next three years

There was further discussion pertaining to how the initial project would be separated with the area nearest Casey's being Project A; the southern section being Phase B; and the Northern end of the village being Project C. Burris suggested incorporating the area of South 4th street into Phase A. Burris will separate the project and bring the costs involved back to the board. There was inquiry about moving the water lines off of Route 136. Conrad suggested allowing the maintenance personnel to complete some of the smaller portions of replacement instead of repairs being done during one of the phases listed above.

3. Chairman Smith began by discussing the quotes that Conrad had obtained for the lawn mower purchase. Conrad submitted quotes on three different models ranging in price from \$5500-\$8950 for commercial grade mowers due to the amount of mowing that is done every season. There was discussion pertaining to the various brands, size of mower and cost associated with purchasing a mower. Burris suggested pursuing a possible lease agreement for the mower. Conrad is to obtain quotes for a lighter duty mower before the next budget discussion. The hours spent mowing each year and possible businesses to visit for price quotes were discussed.

-The properties that the maintenance personnel mow was reviewed and modified to exclude, among a few other properties, all properties that are adjacent to private farming property inside village limits. The parameters for placing a classified ad soliciting bids for the mowing of village properties were reviewed. A mowing company would need references, insurance and proper equipment to be eligible of obtaining any contracts. Clerk Coon will place a classified ad in a newspaper with bids to be opened at the April 2015 regular board meeting.

Coon explained his concerns with the status of the current plow truck and the need for replacement or extensive repairs to the existing equipment. Burris encouraged that Nickles in Mason City be contacted for quotes on new equipment.

-Conrad reported that the community building floor was not in need of replacement and that repairs had been made to ensure the safety of the current flooring.

-There was a discussion about 407 W. Walnut possible demolition. There was no allotment made for this project due to currently not being able to obtain authorization for demolition.

-The storm sewer project at 100 E. Race Street was discussed and Burris will be submitting a new cost for the project.

-Smith explained that he has requested for Burris to only do work that is approved by the board. Burris explained the charges that he submits to the village for reimbursement. Burris explained the proper way to place the classified ad with proper wording and charging prevailing wage concerns. Smith went on to explain that anytime a project is taken to Burris that it be brought to the board so everyone can determine the need for Burris' involvement. The current state of the financial standing of the village was discussed and the good work of the police department helping to fund their payroll.

-The further need for financial meetings was discussed.

Meeting was adjourned at 8:25 pm.