

Minutes of a Meeting of Public Improvements Committee  
Held May 3, 2016  
6:30 p.m.

Present: Tom Henderson, Paul Vincent, Dwight Clark

Also present: Mayor Sutherland, Councilman Mace, Councilman Tadych, Law Director Ebert, Director of Public Safety/Service Thomas, Finance Director Mahoney

Audience: Russell Thompson, Jeff Foster, Lydia DeGeorge, Warren Remein, Jerry Laughlin, Donald Zimmerman, Bill Barack, Jeff Maurer, Steve Lorton, Martha Krebs, Roger Faulb

Chairman Henderson called the meeting to order at 6:30 p.m.

Mr. Henderson advised that tonight that there are two documents associated with this meeting. One is a Power Point presentation, and the other is an appendix to the Power Point presentation that contains supporting analyses and documents. Both of these documents were made available in hard copy to the members of the audience this evening. The documents are also available electronically on the city web site by accessing [www.cityofbayvillage.com/government/citycouncil/agendas](http://www.cityofbayvillage.com/government/citycouncil/agendas), and clicking on the agenda for this evening's meeting. Mr. Henderson expressed appreciation to Director of Public Safety/Service Thomas, CT Consulting Engineer Bob Greytak, and Finance Director Mahoney for the great work that was done in the past couple of weeks that is contained in the four analyses in these documents. The Power Point presentation that is being used tonight to facilitate the conversation is the derivative work of those.

By looking at the footnote on every page of the documents, it indicates that the documentation contains preliminary data, draft analyses and other information for review by the Public Improvements Committee. It contains no decisions, recommendations or approvals. Mr. Henderson stated that he wants to be clear that this is part of the ongoing conversation related to these two projects; there are no formal decisions being made this evening. This is an opportunity to talk about potential solutions and potential ideas that are put forth in the documents, and to hear from the public what they think about these, as well as from the members of the committee.

Mr. Clark stated that Council appropriated about \$186,000 for engineering fees for the Sunset Project in 2015. That work yielded several different plans that will be gone through this evening.

Mr. Henderson stated that he will walk through the Power Point presentation in a way that will facilitate conversation. It is not intended to project the presentation on the screen, but to use it as a discussion document, with hard copies available here this evening.

Page two of the document is the discussion outline, with the intention to speak first this

evening about the Situation Review. The discussion will be the Bruce/Russell/Douglas Project, and then discuss the Sunset Project in more detail, and finally try to identify a path forward.

Page 4- is the General Situation Review - The Bruce/Russell/Douglas (“BRD“) addresses a United States Environmental Protection Agency (US EPA) administrative order dating back to 2009. The Sunset Project addresses infrastructure issues back to at least the early 1980’s, or even back to the 1970’s in some discussions. The administration currently recommends moving forward with Sunset construction first, then begin BRD construction second, and simultaneously make progress on BRD engineering, even as Sunset ramps up.

Page 5 - Situation Review: Project Interrelationships - indicates that the Sunset engineering is completed. There is a project that has been fully engineered and made available to the committee. There is a copy of the information related to it financially in the budget packet. The right hand side of the page indicates that the BRD engineering is not completed. These interact in an interesting way. Because it is the administration’s recommendation to move forward with Sunset first, and BRD second, we want to make sure that the City can afford to undertake both projects, particularly because the BRD Project has an EPA mandate behind it. We would not want to move forward with a project for Sunset unless we are comfortable that the City can afford to undertake both. Otherwise, we risk challenges with the EPA. The BRD engineering work is not completed yet because there is more engineering work to be done. At this point, we have three options on the table, and guidance to be given by this committee to the Committee of the Whole and the administration as far as which option to move forward with. Mr. Greytak has a perspective on the options as well. Until the committee makes their conclusion as to which option to pursue, it is not possible to really engage the engineer further for a detailed engineering plan.

Resident concerns need to be addressed. In the case of the Sunset Project, Mr. Henderson stated that his perception of the key issue from residents seems to be centered upon the assessments being fair and reasonable. The document contains a way that would offer a way to assess the fair and reasonableness of potential assessments. On the BRD side, resident concerns are similar; they want to make sure that the unique issues surrounding this project are considered and that the costs are fair.

The goals of tonight’s meeting are to formalize support for one of the BRD options provided to Council so that engineering can move forward, with the understanding that further refinement will be required. Secondly, to develop consensus that even under a worst case scenario (I.e. highest cost scenario) for BRD, the City will be able to afford to conduct both projects. Finally the goal is to advance the 30+ year situation in Sunset by alleviating unprecedented assessments, while ensuring that the solution remains fair for all stakeholders, namely other taxpayers in the City.

Mr. Henderson invited dialogue from members of the committee and the audience as the meeting moved forward.

## **BRD Benefits Associated with the BRD Project**

The US EPA administrative order must be addressed and is something that will clearly benefit the City. Under some of the engineering options, it might reduce the flow of clean water to the Waste Water Treatment Plant (WWTP). Sewer bills have gone up over the past few years as a result of the increased cost to the City of Bay Village for their responsibility for the costs associated with the operation of the treatment plant. Bay's portion of the WWTP's budget increased from 16% in a 2009 study to 25% in a 2013 study - increasing Bay's sewer bills. Seventy-one percent of the water flowing from Bay to the WWTP is clean water, according to CT Consultants' findings. Reducing the flow of clean water may reduce the WWTP's operating costs and/or reduce Bay Village's portion of the WWTP's operating budget which is shared with participating communities. Under certain options, the project may reduce the probability of flooding around the City.

Page 9. BRD: Recent History notes that in the winter of 2011 sewers were tested to check for leaks into the sanitary sewer. No leaks were found. In the spring of 2012, homes were tested to determine if downspouts were connected to sanitary sewer lines. Thirty-three percent of homes were connected to sanitary lines instead of storm lines. In the summer of 2014, homes were tested to determine if foundation drains were connected to sanitary lines. Eighty percent of homes were connected to sanitary lines instead of storm lines. In the summer of 2015, the engineering consultant was engaged to provide a potential solution. In September of 2015, a town hall meeting at the Dwyer Memorial Center regarding a potential solution was held. The potential engineering solution and cost sharing plan was presented to residents. Residents communicated various concerns, including:

- Concern that the solution may not reduce the probability of flooding
- Belief that it was unfair to burden BRD-area residents with significant costs because resolving the EPA's order benefits all residents, not just those in the BRD area.
- Belief that it was unfair to burden BRD area residents with significant costs because reducing flow to the WWTP benefits all residents, not just those in the BRD-area.
- Belief that residents who had received authorization from the City to connect their drains to the sewer should not be required to update connections at their own expense.

Mr. Henderson noted that two that stood out to him were the belief that it was unfair to burden BRD area residents with significant costs because resolving the EPA order benefits all residents, and the belief that it was unfair to burden BRD area residents with significant costs because reducing flow to the WWTP benefits all residents, not just those in the BRD area.

## **BRD: Three Options Presented to the PI Committee**

The three options presented by the administration to the PI Committee on January 25,

2016 were reviewed, noting that the administration recommends Option 2, increasing the size of the storm sewer.

Option 1 would increase the size of the sanitary sewer and install a large pump station, all in public right-of-way, Option 2 would increase the size of the storm sewer, and install a medium sized pump station and involve both public and private work. Option 3 would install sump pumps, install a medium sized pump station, and all work would be on private property. The costs associated with each option are outlined in the document, with Option 2 the most expensive at \$4,654,000. Page 11 of the Power Point presentation document, is the cost breakdown for each option. The intent this evening to look at Option 2, the most expensive option of the project. Option 2 is the option that has the proposal in the appendix of the Power Point presentation document, available for further study on the website or by requesting a copy from Mr. Henderson or the Clerk of Council.

Page 12 of the Power Point presentation document is the BRD proposed timeline. The BRD proposed timeline indicates that for Option 2, which is the option recommended by the administration, the engineering will take one year resulting in the project not commencing until 2017.

#### **BRD: Similar Situation in Lakewood**

In 2015 Lakewood initiated a “Clean Water Pilot Project” with the rationale including similarities to the rationale to the BRD project in Bay Village. Lakewood’s sewer system was plagued with significant inflow and infiltration, resulting in sewage overflows, and an administrative order with the US EPA, and the majority of rainfall that enters the sanitary sewer system comes from sources on private property. The scope of the Lakewood project included an inventory of all sewer connections, identifying design options for correction of violations and arrangements for and conducting connections. Solutions may include installation of a sump pump - a pressure driven backup sump pump or battery powered backup sump pump - downspout diverters - lateral pipes. The City of Lakewood pays 100% of initial property correction, with Lakewood residents repaying just 10% of the cost of any correction per parcel over a 10-year period at 0% interest. If a person does not opt into the program, they would have to bear the full expense of the corrections.

Mr. Henderson stated that when he thinks about the meeting held last September at the Dwyer Memorial Center, and this new information from Lakewood, the part that speaks to him is that during the meeting in Town Hall residents expressed the belief that it was unfair to burden BRD area residents with project costs because benefits accrue to all residents in resolving the EPA order and reducing the amount of clean water flowing to the WWTP. Bay Village could consider applying concepts from Lakewood’s project (e.g., 90%/10% split). The next three pages of the Power Point Presentation document show what this might look like if it was decided to follow the Lakewood concept, of 90%/10% cost sharing is applied to Options 1, 2, and 3.

Mr. Vincent stated that he believes there will be more information available this summer about the Lakewood project.

### **BRD: Goals Review**

Formalize support for one of the BRD options with the understanding that further refinement will be required.

Option 1 does not reduce the flow of clean water to the WWTP

Option 2 is recommended by the administration, but is the most expensive option

Option 3 is similar to Lakewood's program, but involves execution risk and would require an ordinance enabling the City to charge non-compliance penalties and to enable the City to cause violations of such ordinances to be abated (e.g., Chapter 913, Chapter 916).

Develop consensus that even under a worst case scenario (i.e. highest cost scenario) for BRD, the City will be able to afford to conduct both the BRD project and the Sunset Project.

### **Sunset Project**

Engineering Project Reports for the Sunset Project dating back to 1982 were referenced indicating \$270,000 for construction of roadways, \$200,000 for construction of a storm sewer line, or a total of \$517,000 including a 10% contingency. Due to inflation, \$517,000 in 1982 is equivalent to \$1,313,180 today per the Engineering News Record Construction Cost Index (ENR-CCI).

In the past, the City portion has averaged 15% of the project cost (i.e. 85% assessed).

A November 2003 report indicated an engineering recommendation of \$821,000 for a storm sewer and concrete pavement. Due to inflation, that is equivalent to \$1,347,621 today per the Engineering News Record Construction Cost Index (ENR-CCI). It was assumed that the City would be responsible for 75% of the total cost and the remaining 25% would be assessed to the property owners.

Recent history (2015) indicates a total of \$1,382,597 in construction and engineering for the Sunset Project, with 65% of the cost assessed to residents.

The 2016 Current Proposal for the Sunset Project is outlined on Page 25 of the Power Point Presentation document, with total construction and engineering costs of \$2,669,269 with 44% of the cost assessed to Sunset residents. The 2016 proposal differs due to the fact that it includes new water lines and sanitary lines.

Director of Public Safety/Service Thomas commented further on the conditions of the sanitary lines and the water lines in the Sunset area. Mr. Thomas expressed the need to replace both the sanitary lines, and the water lines, due to the concern that the existing

water lines are in poor condition and would be crushed during the construction process.

Page 28 of the Power Point Presentation document outlines by a graph illustration of the comparison of historical and current proposal costs, on an inflation scale basis. Page 29 of the document is a review of the historical and currently proposed assessments to residents, and the mean cost per parcel, illustrated with pie chart graphics.

Mr. Henderson reviewed comments received from Sunset area residents that a direct assessment of 45% of the project cost to a small number of Sunset area residents is appalling, and that an assessment of that percentage is unprecedented. Mr. Henderson worked with Finance Director Mahoney to find a benchmark project that worked with assessments for somewhat similar projects. The 1986 Cahoon Project was chosen as the benchmark project for comparison and is detailed on Page 31 of the Power Point Presentation document.

Acknowledging the comments of the Sunset area residents about the high percentage of assessments to property owners, CT Consultants was asked to prepare an analysis that would bring the average down to the Cahoon Project level. Page 32 takes the 2016 Sunset Project of \$2,669,269 and reallocates the average to around \$9,000 per parcel, the same average amount assessed to Cahoon residents. The City would pick up a larger contribution in the amount of \$692,642, or 84% of the project.

Page 34 of the Power Point Presentation Document shows the assessments per property using this alternative proposal, and indicating a mean assessment per parcel of \$9,120 and a maximum per parcel of \$22,800. Residents could choose to pay the assessment up front or defer payment over 20 years. If payment is deferred over 20 years, the assessments per parcel would equate to:

- Mean assessment \$456 per year (the equivalent of \$38 per month)
- Max assessment \$1,144 per year (the equivalent of \$95 per month)

These assessments are more affordable than the current 2016 proposal, but are not as affordable as the 2003 plan, which had a more limited scope (no water or sanitary lines).

This alternative proposal was designed to ensure that the mean assessment per parcel is not unprecedented. The mean is the same as the 1986 Cahoon project, on an inflation-adjusted basis. This is a potential “fairness” consideration issue.

This later requires a \$692,642 assessment reduction contribution from the City and results in 16% of the cost be assessed to residents. The remaining 84% of the cost is borne by the City, which is funded by taxpayers. This is a potential “fairness” consideration issue.

Another alternative to promote affordability and fairness may be to reduce the project cost.

Identifying an outside source of funding for the water mains has been proposed by the Administration as another option to reducing the City's and residents' share of the cost.

Page 36 covers the proposed timeline for the 2016 Project, which began with the March, 2015 authorization to the engineer to prepare plans, specifications, cost estimates, and other related documents. In order for this timeline to be as presented on Page 36 and Page 37, the source of funds must be established by August 3, 2016 for the balance of the schedule to be valid.

### **Sunset: Goals Review**

Formalize support for one of the BRD options provided to Council so that engineering can move forward, with the understanding that further refinement will be required.

Develop consensus that even under a worst case scenario (i.e., highest cost scenario) for BRD, the City will be able to afford to construct both projects.

Advance the 30+ year solution in Sunset by alleviating unprecedented assessments, while ensuring that the solution remains fair for all stakeholders.

### **Path Forward**

#### **Sunset & BRD Timing Interrelationship**

The Administration would like to initiate the Sunset project first and the BRD project second, while continuing to make progress on BRD's engineering as Sunset gets underway.

#### **Sunset and BRD Funding Interrelationship**

A consensus must be developed that even under a worst case scenario (i.e., highest cost scenario) for BRD, the City will be able to afford to conduct both projects.

Sunset should proceed in advance of BRD only if it can be demonstrated that both projects can be undertaken because BRD is associated with a U.S. EPA administrative order.

Law Director Ebert advised that the City of Bay Village is looking to acquire a right-of-way on the parkway on Sunset in order to begin this project. The question remains as to whether an easement should be acquired, or a right-of-way should be acquired, and the difference between the two. There is concern that there may be something constructed by the utilities or the City that would be a visual impairment. Another concern is financing the project. In order to "bond out" the project, the City must show ownership. The easement would have to be for a period longer than twenty years in order to maintain the road and provide City services. The other issue that has held up the right-of-way is the need for an appraisal. Without a basis for an appraisal, it is difficult to determine the

value of the property right-of-way in order to take that amount off the assessment to the property owners. Mr. Ebert noted that the roadway will be undersized at 16 feet wide versus 18 feet wide. The residents have agreed to a one-way street, since the street will be so narrow. Mr. Ebert stated that the Sunset area has never been assessed for improvements. That is the primary reason the assessments are so high. He noted that it not the intention of the City to build anything on the right-of-way; the right-of-way is to be used to build the road and maintain it going forward. Mr. Ebert noted that he cannot guarantee that forever, however with this Council and administration any build on that right-of-way would be in the case of need for safety reasons.

Mr. Clark stated that the plan would be to borrow money for a minimum of twenty years for this project. That is why the issue of ownership is so important.

Jeff Foster, Kenmore Drive, stated that the association's legal counsel has been cooperating with Mr. Ebert on this matter, and they have researched the financing end and do not have any issue with that. Their concern is what will be built above ground, and it is not necessarily what the City will do, it is what any utility could do in that right-of-way. Mr. Ebert stated that there may be a problem with public utilities if there is not the right-of-way to have the utilities there. Mr. Ebert noted that they are working together on these issues; it is not an adversarial situation at all. All the work the City is going to do is going to be underground, or on the roadway itself.

Mr. Henderson noted that this is a critical component of the project and he is happy to learn that the association counsel and the City are working together to resolve this issue.

Mr. Henderson stated that Page 40, **Path Forward: Sunset and BRD Timing Interrelationship**, the key points to take away is that the Sunset Project will happen first, and the BRD Project will happen second. Another key point is the approximate August time frame for the decision making to be complete on these issues in order to keep the administration's time line on track.

Page 41, **Path Forward: Sunset & BRD Funding Interrelationship**, Mr. Henderson stated that in anticipation of his expectation that the Finance Committee would turn soon to the bond issues, he met with Finance Director Mahoney to come up with a preliminary debt capacity analysis. Using the two methodologies discussed, on BRD using the most expensive option, which is Option 2, using a 100 year sized storm, with the split of 90%/10% based on the Lakewood example, the City's portion of the project would be \$4,629 million. On the Sunset Project, using the benchmark that the project would be the \$2,669 million project, but where the assessments are brought down to where they are not unprecedented, based on the Cahoon 1986 benchmark, on an inflation adjusted basis, of approximately \$9,000 per parcel, the City's portion of the project would be the \$2.2 million. The sum of both projects for the City's portion would be \$6,860,487, or just under \$7 million. The City's total annual budget is around \$27 million.

Page 42 **Path Forward: Debt Capacity (Legal Limit) Mr.** Henderson stated that if we were to max out the City's debt capacity, the total available for debt would be another

\$21,993,145.

Page 43. **Debt Capacity (Credit Rating Limit)**. Mr. Henderson stated that the City of Bay Village enjoys an Aa1 Bond Rating, a very good rating, allowing the City to borrow money at a very low cost. The City needs to make sure they protect that rating. Finance Director Mahoney believes that an additional \$6.3 million would not be detrimental to our bond rating.

Page 44. **Path Forward: Funding Alternatives**

The City does have capacity to issue and service enough debt to undertake both projects. Mr. Henderson stated this is key, because we would not want to approach Sunset unless we could be sure that BRD could also be done, because of the EPA mandate. That debt could be serviced through the Bond Retirement Fund, which is funded by taxes. However, issuing debt reduces the City's ability to issue debt in the future for other projects. Instead of relying on existing taxes, alternative revenue sources could be considered:

- A "capital fee" on the sewer bill (permanent or temporary/project specific)
- An outside source of funding for the water main component of Sunset
- Reducing the cost of the projects (recall that BRD is illustrated as "worst case" and Sunset includes sanitary sewer and water main replacement, in contrast to prior plans.

Page 45. **Path Forward: Goals Review**.

1. Formalize support for one of the BRD options provided to Council so that engineering can move forward, with the understanding that further refinement will be required.
  - A decision which option to select must be made in a timely manner, but due diligence in examination of all the options must be thorough
  - Cost sharing considerations must take into account the situation in BRD, especially related to the benefits associated with the project (e.g. EPA resolution, WWTP flow reduction)
2. Develop consensus that even under a worst case scenario (I.e. highest cost scenario) for BRD, the City will be able to afford to conduct both projects
  - The City does have capacity to issue and service enough debt to undertake both projects
  - Continued access to additional capital in the future must be ensured; alternative funding sources for debt service should be evaluated.
3. Advance the 30+ year situation in Sunset by alleviating unprecedented assessments, while ensuring that the solution remain fair for all stakeholders.
  - The Administration is ready to move forward with this project, inclusive of roadway, storm sewer, sanitary sewer replacement and water main replacement.

- The solution must balance affordability for Sunset area residents and fairness to everyone.

Mr. Vincent asked if the BRD piece will offset the cost of the remainder of the projects due to the fact that we will not have as much clean water flowing into the WWTP.

Mr. Henderson stated that he has had conversations in this regard with Mr. Greytak and Mr. Thomas. Option 2, increasing the storm sewer size, the \$4.6 million project, would not include sump pumps for residents. However, any resident who wishes to purchase one could certainly do so, and would receive the benefits associated with those as long as the pumps work and are properly sized.

Mr. Vincent stated that if somehow Options 2 and 3 were married together, would Option 2 change if Option 3 was done first, and reduce the amount of the \$4.6 million project. Mr. Thomas stated that potentially it could, but the issue with BRD is the undersize of the storm sewer.

Mr. Henderson stated that last year there was work being done on Chapter 913 and 916 and creating districts in the City, and the implementation of those modifications to Chapters 913 and 916 would eventually occur across the entire city. There is a corollary there again to the Lakewood project, because it is similar and has an administrative order from the EPA associated with it. Mr. Henderson stated that he would like Mr. Thomas's thoughts about foregoing Option 3 and proceeding with Option 2. How would it play out along the long, long term across the rest of the City, knowing that last year we talked about essentially Option 3 rolling across the whole City over time?

Mr. Thomas stated one of the things they talked about is the modeling of the storm and sanitary sewers. That is what is going to have to be done within those districts, so that we make sure we address is correctly, like we are doing at BRD.

Mr. Henderson stated that he does recall the complete modeling projects were very expensive. That is one factor that plays into the final numbers of Option 3. Another point observed in the Lakewood documentation is that they were using a number of \$7,500 per household. Option 3 considerations were using \$3,000 per household. There is clearly a disparity there. Possibly because Mr. Scott was talking about outdoor sump pumps whereas Lakewood is talking about older housing stock. This is why it would be helpful to touch base with Lakewood and see their cost experience. In the event that \$3,000 is not correct for Option 3, if it is perhaps higher, that may cause the gap in the total cost between Options 2 and 3 to narrow.

Mr. Clark noted that there is about \$12 million now in the City's outstanding debt. We do not want to jeopardize our rating or our ability to do other projects down the road which are inevitably going to come up at some point in time. Mr. Henderson stated that he believed by modeling a worst case scenario and a full debt financing structure that perhaps we can get comfortable with moving forward on Sunset before we have a definitive plan for BRD.

Mayor Sutherland stated that they have looked for outside funding for the Sunset area. It is such a small residential project it is just not going to score well in comparison with other communities' applications. However, we definitely will be applying for some type of funding for BRD because of the EPA administrative order and that obviously affects more residents, and everyone downstream from that area. We will definitely go for state funding for that. It is also possible to go for EPA loans, but typically those loans are fairly expensive and just not a really a good option for us. I do want to bring up again the importance of the water agreement. In fact, I would request Mr. Henderson, as chairman of the Public Improvements Committee, to take that up. I think it would be fantastic if you did another analysis of the water agreement and what it could bring to us. I was just in Columbus a couple of weeks ago and there was a presentation by the Deputy Director of the Ohio EPA on the state of water lines and some of the smaller water purveyors. It would be worth having either the director or deputy director come in and talk to the committee.

Mr. Henderson stated that he knows that the Cleveland Water issue is complex and there are cases pending. It is definitely something to continue to consider.

The Mayor stated that it is complex, but don't let the perfect be the enemy of the good, and if we could draw down \$300,000 to help offset costs for Sunset that allows \$300,000 to be spent elsewhere. The same with BRD; once we get into that project there are some really bad water lines over there as well, some of the oldest in the City. It would be the height of stupidity to open up these roadways and not replace the infrastructure once we are in there because we know we are going to have problems with them over the next twenty years.

Mr. Henderson stated that the Public Improvements Committee has a certain scope that would indicate this is a perfect place to look at that. Mr. Clark, as Chairman of the Finance Committee, can do a deeper dive into the financial numbers. These two committees can work together from both sides of the project to make sure we can move forward.

Mr. Henderson asked for comments from the audience.

Mr. Don Zimmerman, 24744 Lake Road, expressed appreciation for the work done and stated that this is the first time any sanity has been brought into the picture as far as the assessments. The prior Council did a terrible disservice to the residents of the area by publishing outrageous numbers that would cause a number of residents to have to sell their homes and move out because numbers were so high and historically out of whack with anything else the City had ever assessed to any other residents. Now that some sanity is being brought to the project, I certainly appreciate it.

Mr. Jeff Foster stated he would encourage this committee to take this as a recommendation and move ahead on it. Until this committee takes action, the ball doesn't start rolling. He personally encouraged acceptance of the project. It is a good

equitable share and puts into a perspective that is reasonable for the residents. It is something we can all live with.

Mr. Zimmerman stated that they have been putting up with streets that are not as good as some of the streets in third world countries Mr. Zimmerman has visited. As a resident I totally understand why the City didn't want to do them while the lake project was being done, but I have no benefit from the lake project. I have been putting up for 12 years with very substandard streets. I would appreciate that the Sunset area project get done prior to the BRD project.

Finance Director Mahoney stated that the overall cost for the residents for the Cahoon project was 50%/50%. The Bassett project was 75%/25%. For the Sunset project the residents would bear 16%. Somewhere between 16%, 25% and 50% would be my recommendation. Using the water agreement could lower the cost for the residents and the City. There are still some moving parts that need to get looked at.

A resident commented that the 16% is a fictitious number. If sanitary and water lines go out, there is never an assessment for the replacement and repair of those. That is roughly 50% of the cost of the Sunset project. If we strip those out, the Sunset project is about \$1.3 million. Our 16% now is about 32%, which is more in line with what you are talking about.

Mr. Henderson thanked everyone for their participation. The meeting adjourned at 8:00 p.m.

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Tom Henderson, Chairman

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Joan Kemper, Secretary