

## Gary Cooper

---

**From:** Grayson Bottom  
**Sent:** Friday, October 28, 2011 3:20 PM  
**To:** Gary Cooper; alberts239; bbradway@cox.net; juju2000@att.net; Ken Smith; thegrbas@cox.net  
**Subject:** City Council Update

During the Study Session we will present some information that we just received from Buxton concerning retail sales leakage. Sales leakage data is usually one of the best ways to determine growth opportunities. Buxton is a trusted service and data provider utilized by communities, developers, site locators and businesses to match up sites with opportunities. Their information is conservative, but defensible.

Outside of the consent agendas there is one action item for the YMA and six action items the City Council agenda. Under the YMA, and also on the City Council agenda, is the consideration of an amendment to the current water treatment plant operation agreement with Veolia Water North America Operating Services, LLC, for the purpose of implementing a CPI adjustment to the fee resulting in a fee of \$94,127.33 per month as allowed for under the existing contract and implementing a new fee of \$5,000 per year for additional testing required by the current discharge permit. First to the new \$5,000 per year for additional testing. ODEQ is now requiring that we test upstream as well as downstream more often. The \$5,000 per year is simply a pass through cost associated with that increased testing. Our contract calls for periodic CPI increases. To give you an idea of our water sales and waste water fees for the first three months of this fiscal year, our water sales averaged over \$900,000 per month with waste water fees being just under 30% of that or \$270,000 per month.

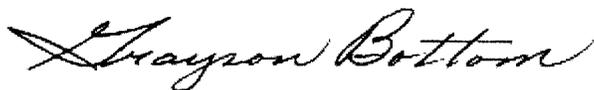
You will hear a report from the Board of Adjustment after the consent agenda followed by your consideration of two actions items related to changing our sanitation service operation. The first part is to consider the changes in the operation itself and the second part is to consider the financing. We are proposing to negotiate and sign a five year lease purchase at what we believe will at or below 3.25%. We are purposing a normal lease purchase primarily because the Sanitation Department is an enterprise fund that makes money.

Action item fifth is to consider the Veolia Water North America Operating Services, LLC agreement that you have already considered under the YMA agenda.

The sixth action item is to consider the long awaited revisions to Ordinance No. 1271 concerning Nuisance abatement. The primary change is to bring this process in line with other processes in the City and set the Council as the court of appeals. This Ordinance come with an emergency clause.

The final action item is to consider approving the City Manager to negotiate terms of a credit facility in the amount of \$1.7 million dollars with Arvest Bank at 3.25% fixed for a seven year term for the purchase of vehicles and equipment as outlined in a memo contained in your budget workshop materials you received in May. We are using a reducing revolver type of financing because well over half of the items are for nonrevenue producing departments of government. We have already included the necessary P & I payments in the approved budget.

Call or come by with any questions you have at any time.



Grayson Bottom, City Manager  
City of Yukon