

CITY OF MONTEVIDEO  
CITY COUNCIL WORKSESSION  
March 19, 2012

The city council met in a budget worksession at 5:00 P.M. on Monday, March 19, 2012 in the conference room at city hall. This date/time was set by motion of the council on March 5, 2012.

Council members present: Sandra Hodge, Al Johnsrud, Karen Nieuwbeerta, Marvin Garbe and Bryce Curtiss. Absent: None. Mayor Debra Lee Fader present.

Also present were City Manager Steven C. Jones, Assistant City Manager for Community Development Nick Haggemiller, Finance Director Jan Flaherty and City Clerk Glennis A. Lauritsen.

Purpose of the worksession was for continued discussion of building needs and contract issues.

**Building Needs:**

City Manager Jones distributed materials to aid in the discussion, including the following: Alternatives to New or Major Renovation comparison for the city hall/fire hall/police department building and the public works facilities; Guesstimates for Runnings Building Renovation; and, Review of 2115 East Highway 7 (Runnings building) prepared by Building Official Don Fischer. The information was reviewed and discussed, showing that total renovation costs for the city owned buildings range from \$500,000-\$1,375,000, while guesstimates for the Runnings building renovation range from \$1,951,000-\$4,152,500.

Council discussed the need for an engineer's estimate, to more closely reflect actual renovation costs of the Runnings building. Jones was asked to contact an engineer to obtain quotes for the various levels of proposed renovations and Haggemiller was asked to request permission from Runnings for council members to view the building.

**Contract Issues:**

City Manager Jones distributed information to aid in the discussion, including the following: Review of (existing) Refuse Hauling Agreement; 2012 Residential Garbage Rate Survey results; a copy of the Municipal Rubbish & Garbage Disposal Agreement with Tostenson, Inc.; and, Consumer Price Index information.

Jones explained that the existing contract with Tostenson's will expire at the end of 2012; therefore, it is a good time to discuss some of the issues. Over the five-year contract period, Tostenson's received a 24% increase. The rate survey shows Montevideo's rates much higher than those of area communities, as follows:

<b>Size of Container</b>	<b>Montevideo</b>	<b>Average of Survey</b>
Small	\$16.56	\$11.85
Medium	20.99	14.13
Large	25.49	16.23

Council discussed pros/cons of opening up the community to license multiple haulers:

- New potential laws could affect this issue;
- Rates would likely go down to average levels, saving the taxpayers considerable money each month;
- Competition would prevail and citizens would have a choice;
- City would likely not bill for services and would lose \$2,000/month;
- City would no longer collect for trash, so the utility bills would be lower;
- More trucks on city streets (increased traffic/road degradation);
- The city would need to look at its ordinances and shore up requirements of citizens to have trash removal, and there would be some issues with people not buying the service and the subsequent trash (nuisance) problems.

Following discussion, Jones was directed to send a letter to Tostenson's, notifying them that their contract is up at the end of 2012, conveying the city's concerns over rates, sharing with them the survey results and inviting a discussion with them.

Meeting adjourned at 6:25 P.M.

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Glennis Lauritsen, Secretary

Approved by council April 2, 2012:

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Sandra Hodge, President