

**UNIVERSITY CITY COUNCIL**  
**STUDY SESSION**  
5th Floor of City Hall  
6801 Delmar  
**August 27, 2018**

**1. MEETING CALLED TO ORDER**

The City Council Study Session was held in the Council Chambers on the fifth floor of City Hall, on Monday, August 27, 2018. Mayor Terry Crow called the Study Session to order at 5:30 p.m.

In addition to the Mayor, the following members of Council were present:

Councilmember Paulette Carr  
Councilmember Steven McMahon  
Councilmember Jeffrey Hales  
Councilmember Tim Cusick  
Councilmember Stacy Clay  
Councilmember Bwayne Smotherson

Also in attendance was City Manager, Gregory Rose; City Attorney, John F. Mulligan Jr., and Public Works & Parks Director, Sinan Alpaslan.

**2. CHANGES TO REGULAR AGENDA**

Mayor Crow noted that "*Like Bikes*," should be amended to read "*Lime Bikes*," and turned the meeting over to the City Manager.

**3. TRAFFIC COMMISSION**

- The Traffic Commission is an advisory board to the Mayor, Council, and City Manager on traffic and parking-related matters.

Mr. Rose stated a part of the Work Plan for this fiscal year is to review the City's Boards, Committees, and Commissions. The first review is of the Traffic Commission and their Chair has been invited to participate.

Mr. Rose stated staff has no recommended changes to the existing Code. However, at the next Council meeting, his intent is to recommend the appointment of two non-voting staff members to this Commission.

Councilmember Carr asked Mr. Rose if these reviews are to ensure that the administration is paying attention to details and making certain that staff is being appointed as non-voting members? Mr. Rose stated that is correct.

Mayor Crow asked if the goal is for these appointees to remain as non-voting members? Mr. Rose stated that it is.

Mayor Crow stated hopefully, as staff moves through these reviews Council will gain a better understanding of their operation and enhance its ability to conduct broader conversations about their roles and responsibilities.

#### 4. **RESIDENTIAL** Sewer Lateral Program *Requested by the City Manager*

Mr. Rose stated as recorded during the budget process, there are concerns about the financial position of the Sewer Lateral Program. Included on Council's agenda is a proposal to acquire a loan from the General Fund to the Sewer Lateral Program which at this time is financially incapable of covering all of its costs.

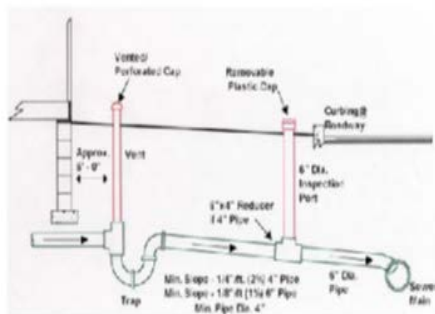
Public Works Director, Sinan Alpaslan will present Council with information that outlines some of the challenges and proposed solutions.

Mr. Alpaslan stated that the Sewer Lateral Repair Program is administered by the Public Works Department. To be eligible for this program, applicants must be current on any outstanding Personal Property Tax bills.

Applications are completed by the property owner and submitted, along with a video inspection record illustrating the conditions within the pipe. Staff reviews the video makes an assessment to determine whether it is a qualified repair, writes the specifications, and sends it out for bids. The practice is to receive at least three bids and award the project to the lowest responsible bidder. Under the current policy, property owners must commit to 20% of the cost.

#### **Program Information:**

- Staff responsibilities; assess, prepare specifications, solicit bidders, and oversees repair of sewer laterals
- Available for residential units of 6 units or less
- First approved by voters on April 6, 1999
- Program commenced on January 1, 2000
- Revenue is derived from St. Louis County Real Estate property tax bill; (\$50 for each home in University City)



**Diagram of Sewer Lateral:**

The facilities of a residential home discharge into a drain underneath the foundation and gravitates through an access system. This system functions as a method to rid households of discharges into the sewer main, which is maintained by MSD, and located under the street.

The internal plumbing system and everything between the sewer main and the residence is the responsibility of the property owner. The City's program covers sections outside of the foundation wall where the house line ends and connects to a vitrified 6-inch clay pipe that travels to the sewer main.

**What is covered:**

- Replacement of defective lines
- Restoration above the line to its original condition; *(not including landscaping)*

**What is not covered:**

- Cabling (maintenance activity)
  - Root-clearing (improve flow)
  - Hydro Flushing (improve flow)
- ❖ Staff is aware of U City's aging infrastructure and residential building stock which have resulted in an increased number of repairs.

**Program Status Report - Last 5 fiscal years:**

- FY14-15: 234 projects = \$885,706
  - FY15-16: 201 projects = \$633,473
  - FY16-17: 266 projects = \$785,149
  - FY17-18: 231 projects = \$766,674
  - FY18-19: 36 projects = \$119,992 (ongoing)\*
    - **Current fund balance: negative \$180,000**
    - **Estimated Annual Program Revenue in University City is \$570,000**
- ❖ While the actual fund balance reflects -\$80,000, an estimated \$100,000 of projects completed in FY18 have not been paid.

**Program Status Report - FY18:**

- Approximately 74 Home Sales Repairs; *(defects identified during inspections)*
  - 93 Emergency Repairs
  - 64 Other Residential Repairs
- Total: 231 projects**
- 11 Home Sales; *(also emergencies)*
  - 20 Backlogs; *(jobs completed in FY18)*

- ❖ Emergencies are defined as when the condition on the surface of the pipe has caved-in on private property or the public right-of-way. Or when there is exfiltration from the pipe that creates a health-related hazard.

Councilmember Clay asked if the 11 home sales (emergencies) were counted under emergency repairs or home sale repairs? Mr. Alpaslan stated they were counted under home sales.

**Methods Utilized for Improvements:**

- Bundled contract
  - Effective April 2015
    - 80/20 cost split
    - Prior 90/10
- Trenchless methods
  - Cured-in-place pipe
  - Pipe bursting

Mayor Crow asked when the practice for submitting bids had switched from bundling contracts to submitting each project separately? Mr. Alpaslan stated staff had tried to bundle a few contracts in March or February of 2017, however, the end result did not prove to be cost-effective and the contract was never executed. Mayor Crow asked whether the company who presented the bundled contract also performed individual contracts for the City? Mr. Alpaslan stated that they did.

Mr. Rose stated it does seem as though bidding them out individually takes a lot of time. And so he has asked staff to explore the bundling option to determine whether it will reduce the number of hours needed to implement this program.

Bid Tabulation							
Sanitary Sewer Lateral Repairs #1215							
Item	Description	Unit	Quantity	Labor @ 2018 \$11.00		Self-Installed	
				Unit Price	Amount	Unit Price	Amount
1	Installation	Each	60	\$100.00	\$6,000.00	\$1,800.00	\$7,800.00
2	Excavation						
	Excavate 8' x 8' x 10' deep	LF	60	\$75.00	\$4,500.00	\$60.00	\$3,900.00
	18" backfill 8' x 8' deep	LF	60	\$45.00	\$2,700.00	\$10.00	\$2,400.00
	8" backfill 8' x 8' deep	LF	1320	\$75.00	\$99,000.00	\$80.00	\$107,000.00
	10" backfill 8' x 8' deep	LF	1320	\$75.00	\$99,000.00	\$80.00	\$107,000.00
	12" backfill 8' x 8' deep	LF	1440	\$75.00	\$108,000.00	\$100.00	\$144,000.00
	14" backfill 8' x 8' deep	LF	60	\$75.00	\$4,500.00	\$100.00	\$6,000.00
	Concrete form 18" x 18"	LF	32	\$150.00	\$4,800.00	\$100.00	\$4,800.00
3	Open Open End	Each	30	\$100.00	\$3,000.00	\$100.00	\$3,000.00
4	Open Connection to MSW main	Each	2	\$75.00	\$150.00	\$1,000.00	\$1,150.00
5	Concrete Ditchway Removal and Replacement 48" deep	SF	134	\$12.00	\$1,608.00	\$10.00	\$1,340.00
6	Manhole Placement Removal and Replacement (Type "C" Asphalt Concrete)	SF	687	\$5.00	\$3,435.00	\$8.00	\$5,496.00
7	Excavate, Remove and Replace Manhole (Type "C" Asphalt Concrete)	SF	334	\$10.00	\$3,340.00	\$10.00	\$3,340.00
8	Install Manhole (Type "C" Asphalt Concrete)	Each	4	\$1,000.00	\$4,000.00	\$1,000.00	\$4,000.00
9	Reinforcement and miscellaneous	Each	7	\$1,500.00	\$10,500.00	\$1,000.00	\$7,000.00
10	Reinforcement and miscellaneous	Each	7	\$1,500.00	\$10,500.00	\$1,000.00	\$7,000.00
11	Replace Under Passes include replacement of porch structure	Each	2	\$1,000.00	\$2,000.00	\$1,000.00	\$3,000.00
Total Base Bid Cost					\$112,968.00		\$113,174.00

**Itemized Bid Record:** This method generalizes the type of repairs made in a certain year since there is no way to determine what class a specific job might fall under.

For example, as illustrated on this record, if the excavation is between 8 to 12 feet it's one price, but if it's between 12 to 15 feet it's a different price. While there are some assigned quantities to assist with calculating the total bid price, even these are subject to change throughout the year dependent upon the type of application received. Overall, when staff compared the cost of bundling to the cost of an individual bid, bundling exceeded the individual bidding prices.

When applicable, trenchless methods can provide a cost-savings. Limitations include a major offset or when the pipe has busted. And cured-in-place piping costs about \$100 per foot compared to \$300 a foot for traditional methods.

Mr. Alpaslan informed Council that staff had also consulted with the City of Maryland Heights to gather information about their experience with this program.

### **Optional Solutions**

- Adjust cost-sharing to a 70/30 split
    - *Reduces City expenses on average to \$750,000; (over budget)*
    - *Increases homeowner's co-pay from \$800 to an average of \$1,200*
  - Adjust cost-sharing to a 50/50 split
    - *Reduces City expenses on average to \$450,000; (within budget)*
    - *Increases homeowner's co-pay from \$800 to an average of \$2,000*
  - National League of Cities (NLC) Service Line Insurance Program supplement and the City's adjusted cost-sharing plan of a 70/30 split
    - *Program covers up to \$8,500 or 90% of the repair cost with \$0 co-pay; (voluntary membership)*
    - *Additional annual cost of \$87/per household*
    - *Estimated average City expense with no participation in the Service Line Program is \$435,000; (within budget)*
    - *Increases homeowner's co-pay from \$800 to an average of \$1,200; (for non-member households)*
  - Revise qualification criteria:
    - *Current criteria - defective when there is sufficient evidence to prove that the lateral is significantly broken, misaligned, offset, cracked.*
    - *Proposed criteria - defective/qualified when there is severe damage causing cave-ins in the public right-of-way or back-up in the home; (utilized by the City of St. Louis)*
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- ❖ Staff was approached by the National League of Cities seeking the City's approval to market this program. Participants in this program will still be eligible to participate in the City's Sewer Lateral Program if the costs exceed \$8,500.
  - ❖ Currently, the Service Line Program is available in cities through the metropolitan area and nationwide.

- ❖ A clause in the City's policy also provides that an applicant may be eligible for coverage if the need for a repair can be foreseen within a three-year timeframe.
- ❖ The proposed criteria exclude cave-ins on private property and if adopted, could reduce the number of applications and cost of the program. (Cave-ins may still qualify if they create a hazardous condition.)

Councilmember Smotherson asked if staff had broken-down any of these repairs by individual Ward? Mr. Alpaslan stated although staff had not created such a breakdown the information can be derived from the available data. Councilmember Smotherson stated it would have been interesting to see pictures of some of the work being performed because he is curious to know whether the City has a policy regarding the type of restoration a contractor is expected to perform? Mr. Alpaslan stated the City's restoration standards are somewhat minimal, typically consisting of backfilling or the installation of pavement to match what existed before the repair. And even though there are ways to make new concrete match areas where the concrete has aged, most of these contractors are not experts in the areas of paving or landscaping. However, if staff determines that a restoration has not been correctly matched; similar to the one at 6917 Corbitt Avenue, contractors are required to make the necessary improvements. Mr. Alpaslan stated staff has also run into incidents where they've found defective restorations in the public right-of-way. Usually, these restorations are removed from the original scope of work, bundled, and then performed by a contractor who specializes in this area. Councilmember Smotherson stated neighbors have also informed him about problems with water pooling in their front yards after these restorations are completed. Mr. Alpaslan stated that would be a grading issue and the City does have a requirement that instructs contractors on how the trench should be backfilled and refilled.

Councilmember Carr stated as it relates to the proposed criteria, what proportion of the applications are for repairs in the public right-of-way versus back-ups on residential property? Mr. Alpaslan stated although he does not have an exact number, he anticipates that the proposed criteria would reduce the number of applications by 50%. Because under that criteria small cracks in a pipe; which rarely create a major flow issue or cave-in, would no longer be eligible.

Councilmember Carr stated her major concern is the possibility of a homeowner who has been paying into this insurance program suddenly finding out that they have to foot a pretty large bill because the section of the pipe needing repair is maintained by MSD and therefore, not covered. And that leads her back to some of the earlier comments she made about trenchless repairs. Because if MSD can perform trenchless repairs in large pipes; Public Works might be able to do that as well. Mr. Alpaslan stated he and his staff are always on the lookout for better and newer techniques and strive to achieve trenchless applications whenever possible. However, when they are not feasible to perform staff must revert back to traditional

methods. But in terms of the criteria being proposed, the entire length of the line as depicted in the diagram will remain the same. The only change is to the type of defects in the pipe that will be covered. Councilmember Carr asked if a cave-in in a homeowner's front yard would still be eligible for the City's program? Mr. Alpaslan stated although it would be, he believes that the language U City needs to adopt is "*causing cave-ins or back-ups in the home*". That way it would not be limited to the public right-of-way, which is how the City of St. Louis applies their criteria. Councilmember Carr questioned whether a cave-in could cause a back-up into the residence? Ms. Alpaslan stated that it could.

Councilmember Clay stated it seems as though while the number of incidents would be reduced under the proposed criteria the cost per incident would increase. Because now you would be addressing issues that are far more intense than just a crack in the pipe.

Mr. Rose stated when the program was initially created in roughly 2001; the intent was to address catastrophic failures where the City paid 100% of the costs. For anything less than that, the City paid nothing. So this program has evolved over the years to what it has become today. And unless Council elects to subsidize the cost of sustaining this program out of the General Fund on an ongoing basis, the City simply cannot financially afford to maintain the program as it exists today. So from a financial perspective, this is really about what is going to make the most sense. If there is a catastrophic failure and the homeowner has paid into an insurance policy, perhaps, the City should pay 100%. But if you're a homeowner preparing to sell your house and a camera inspection reveals cracks in the pipe that should not be considered a catastrophic failure that the City should take on the burden of paying for. Mr. Rose stated he believes if the City develops more stringent criteria it would reduce the number of applications received. And if it was structured in a way where the City pays 100% then residents would receive a benefit when their sewer lateral needs repairing.

Councilmember Hales stated he has used this program on a couple of occasions and was curious to know whether staff had a breakdown of the average cost of repairs? Mr. Alpaslan stated he could provide that information, but did not have it available today. Councilmember Hales stated it doesn't matter whether you live in a small house with a small lot or a big house that sits on an acre, everyone pays the same amount. So has staff given any consideration to providing coverage based on the equal amount of buy-in from each resident? Mr. Alpaslan stated staff has looked at putting a cap on the costs, which is how Clayton implements their program. There is a maximum amount of costs that the City pays and the remaining cost is borne by the property owner. So yes, that is another method that can be utilized and reviewed to see how it compares to the 70/30 or 50/50 split.

Mayor Crow stated he has also been in need of a sewer lateral repair and immensely appreciated the opportunity to utilize this program. But he was curious

to know if there was any way to increase the \$50 fee? Mr. Alpaslan stated \$50 is the highest fee that can be charged.

Mr. Mulligan stated there is a State statute that caps the fee at \$50. And unfortunately, that legislation has not been revised in fifteen years. In order to get it increased you would need legislative authority and voter approval.

Mayor Crow asked Mr. Alpaslan if he knew the dollar amount of Clayton's cap? Mr. Alpaslan stated it is \$3,000. Mayor Crow stated while he thinks everyone realizes the program needs to be changed, the challenge is coming up with the best solution for the benefit of U City residents. He stated the one part that concerns him about the catastrophic failure concept is that residents are familiar with the current program and ultimately, he believes it would result in residents deferring an awful lot of maintenance that at some point may come back and haunt the City. And while he may be wrong, he believes there are quite a few residents who think the current program is a good one because it helps maintain property values and keeps neighborhoods in good condition. So he would like to come up with an option that makes this as painless as possible.

Mr. Rose stated staff can look at best practices from other regions and present them to Council at a later time. But, based on his knowledge, Clayton's program works pretty well and is still solvent.

Councilmember McMahon asked Mr. Alpaslan if he had any knowledge about the lifespan for some of the cheaper repairs? Mr. Alpaslan stated this practice is somewhat new, so there is limited product information. However, the claims by representatives are that their line pipes are as good as the original pipes, as long as they are used under the correct substrate conditions. He stated when this product was first launched; the lifecycle was approximately 7-years versus the original vitrified clay pipes which had an endurance level of almost 60-years. Today, pipes are made of PVC, and although it is pretty durable, it still does not have the same type of lifespan.

Councilmember McMahon asked Mr. Alpaslan if there was anything in between catastrophic and minor repairs that could be included in the criteria and still allow residents to get some of the inexpensive repairs done? Mr. Alpaslan stated that pipelining could be a short-term solution.

Councilmember Hales stated based on his experience, tree roots are the most common cause of offsets. So do you have any idea how many repairs would potentially qualify for this type of repair? Mr. Alpaslan stated he could find out and provide that information to Council. But yes, tree roots are a major problem in U City.

Mr. Alpaslan stated as Council is aware, this is a County program and if U City no longer wants the financial obligations associated with running this program it can



be administered by the County. Should that be the case, the County would retain 10% of the annual \$570,000 collected in revenue to cover the cost of administering the program. And unlike U City, they have a designated Sewer Lateral Program office that handles these repairs on a daily basis.

**5. ADJOURNMENT**

Mayor Crow thanked everyone and closed the Study Session at 6:19 p.m.

