



MEMORANDUM

TO: Mayor Burch and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: Owens-Brockway Judgment Resolution

DATE: October 8, 2015

The agenda includes the introduction of a resolution to direct the use of the funds received in the Owens-Brockway judgment. Consistent with discussion at the previous Council meeting, this resolution calls for retaining the entire sum as a designated reserve.

Among the uses that have been mentioned for a portion of these funds is the establishment of a revolving loan fund and the replacement of weather warning sirens. It is my understanding that Council Member Dyer will be making a presentation regarding the former during Monday's meeting. As to the latter, Council Member Sanders has asked that I provide Council the following information I obtained from Chief Fullerton regarding costs associated with replacing the sirens:

The approximate price to remove and replace each siren is \$21,500 each and these new ones would be digital. It would also require \$8,000 upgrade at the station to be able to operate the sirens.

Digital means that the sirens are monitored 24/7 for power and battery backup, plus we do a check 3 times a day to make sure they are operational (much like we monitor the generator system at the West Side Station)

We would still need to upgrade our other two sirens (to a digital system) at a cost of \$16,000 to \$18,000 for both sirens, but this could be done a year or two later.

Options:

1. Remove and replace the bad siren---\$21,500 + \$8,000 (station upgrade) = \$29,500
2. Remove and replace both old sirens--\$43,000 + \$8,000 (station upgrade) = \$51,000
3. Remove and replace both old sirens and upgrade the other two sirens-\$43,000 + \$8,000 (station upgrade) + approximately \$17,000 (siren upgrade) = \$68,000

The resolution I prepared, as noted at the previous meeting, should be viewed as a draft and not a recommendation. As you consider it, you can consider amendments that would address these and other possible uses prior to approving its first reading.