

SOUTH WEBER CITY COUNCIL WORK MEETING

DATE OF MEETING: 17 March 2015

TIME COMMENCED: 5:30 p.m.

PRESENT: MAYOR:

Tammy Long

COUNCILMEMBERS:

Scott Casas (excused at 7:02 pm)
Randy Hilton
Michael Poff
Marlene Poore
David Thomas

CITY MANAGER:

Duncan Murray

CITY RECORDER:

Tom Smith

Transcriber: Minutes transcribed by Michelle Clark

VISITORS: Keith Christensen, Mark Larsen, Mark McRae, and Bryan Wageman.

Quarterly Report and Public Works Presentation: Vehicles and Heavy Equipment (by Public Works Director): Mark Larsen, Public Works Director, presented the quarterly report to the City Council.

List of Current Vehicles/Heavy Equipment:

2014 Dodge 2500 4 X 4 with Plow – Mark drives this vehicle.

2014 Dodge 2500 4 X 4 with Plow – Clint drives this vehicle.

2013 Chevrolet 3500 4 X 4 Plow – Bryan drives this vehicle

2014 Dodge 2500 4 X 4 – Jason drives this vehicle for parks

Dodge 2500 4 X 4 – Jordan drives this vehicle.

2003 Ford Ranger – Used by Curtis and Zach to do sewer work

1997 International 4900 with Plow – There is a sander in the back

2003 International 7400 with Plow and Sander – This has a built in sander and is more useful

2006 Case 580 Super M – This has about 500 hours of use.

Case C/50 Tractor – Used to spray weeds and spread fertilizer. Mark brings a leveler from home to use on it.

2014 Ferris Finish Mower

2012 Ferris Finish Mower

2012 Honda Rancher with Plow – Curtis drags the field with this. It is also used to plow snow.

1995 Freightliner MCVF70

2005 Ford Excursion

Kaiser Jeep (Brush 1)

1979 UUU LaFrance Ladder Truck

Council Member Poore said the Public Works Department is requesting replacement of the 1997 International 4900 Snow Plow at a cost of approximately \$170,000. She recently conducted her own research to justify the need and expense for a new snow plow. She contacted Public Work Directors, truck and equipment distributors, and snow removal specialists. She discussed the pros and cons of the vehicle that Mark is interested in. During her research she found out that there were some vehicles that were used in Layton and other cities that were in better shape than South Weber City's International 4900. She is concerned about how the City is maintaining its vehicles. She is concerned about the miles on the dump trucks. She discussed the option of repairing the existing snow plow. She asked if Job Corp can look at it. Mark said Job Corp doesn't have a paint shop anymore. Council Member Poore discussed alternatives and stated she would like documentation that supports the need for a new plow. Bryan discussed the work that is done with the dump truck. He said the smaller trucks cannot be used to push snow of the big roads. Council Member Poff suggested hiring an individual consultant to do the research because there doesn't seem to be any common ground. Council Member Casas asked if there is a compromise of a cheaper price than \$170,000. Mark said cost can be reduced by not having a stainless steel bed, but he would still go with a front end spreader. Bryan suggested keeping in mind that other cities that have separate trucks for separate things. He said South Weber City is different than other cities. Mark said after several years of experience, he feels the front spreaders work better for South Weber City.

Keith Christensen, 1411 E. 7425 S., asked if there is another alternative for a "used" front end spreader.

Council Member Poore doesn't feel a new vehicle is justified for the City. Council Member Poff said if the council can't come to a determination in that we trust our employees, then we should hire an independent consultant. He feels that money put away for a vehicle replacement plan will be used whether it is for a "used" or "new" vehicle regardless.

Council Member Poore feels the City needs to concentrate on something that the City "needs" instead of "wants". Mark said he feels he knows what is best for the Public Works Department. He invited the council to spend some time with the employees as they work throughout the City. Council Member Hilton asked when he needs the new truck. Mark said it is hard to know because the 1997 snow plow may last a few more years, but it may not. He said if you keep something long enough, it won't be worth anything.

Tom referred to the vehicle plan that was put into place by Rodger Worthen. He said there are safety needs that need to be looked at as well. He discussed situations that would be an emergency. He reminded those in attendance that the City does provide "on call" services.

Duncan would like to know who the Council would like as an independent consultant. Duncan said this is the first City he has worked for that there doesn't seem to be trust with the Public Works Director. Council Member Poff recognized the Public Works Department for their efforts on water leaks etc. Council Member Hilton said we have spent a lot of money on fire trucks, and they may have to sit without ever being used, but the City still needs to have them.

Mark discussed spending a small fortune to get the 1997 snow plow road worthy. He addressed the maintenance issue and stated the City hasn't always had the steam cleaner. He knows other cities have their own wash bays.

Report on upgraded Water Meter Replacement Program and Master PC Link Software

(by Bryan Wageman): Bryan Wageman, of the Public Works Department, explained the cost for the Master PC Link Software upgrade and two days training is \$11,300. He said this cost is in the budget. He explained the process of meter reading and what Kim Byram does on her side. He said the upgraded software will help eliminate time Kim spends to collect the data. He said there are other cities that will be doing this as well. He said the newer version software has GPS with a Google view. He said there are meters that are 200 yards away from homes. He said it comes with two laptops and training. Bryan explained the meter replacement plan and staying ahead of that.

Reviewing the 2013 Capital Facilities Finance Plan for Fire and Public Works Vehicles:

Bryan Wageman stated that Zions Bank did complete a 2013 Capital Facilities Finance Plan for Fire Public Works vehicles.

2015 Vehicle Replacement Plan and the 2012 Fleet Management Plan:

Tom explained the vehicle replacement plan that he has drawn up. It accounts for a purchase of an administration vehicle and recreation ATV. He then reviewed the three replacement plans which are based mainly on the Zions Bank Financial study and professional recommendations from local distributors. The plans include:

- I. Plan 1: includes an option to lease all department vehicles (excluding heavy equipment and dump trucks), and an approximation to begin make a possible purchase or to allocate money for a ladder fire truck.

Tom explained that Plan 1 would be a ten year rotation plan. Council Member Thomas suggested addressing the “ladder truck” as a “fire truck”.

- II. Plan 2: includes an option to lease all Public Works and Recreation vehicles, heavy equipment (PW Tractor and Backhoe). The administration vehicle would be purchased with a possible 10 year rotation under plan #2. This plan does not include leases for dump trucks, and the Recreation ATV. It also includes an approximation to begin a possible purchase or to allocate money for a ladder fire truck.

Mark McRae discussed the budgeting process for vehicles. He also discussed advantages to leasing for small cities. He said you need a long term plan, but he would recommend spreading the purchases out. He said government can lease cheaper than businesses. Tom said leasing is the single best option because South Weber City doesn't have a full time staff to service the vehicles. Council Member Thomas asked about average cost to purchase over a five year period verses leasing. Mark McRae said there are warranties as well.

- III. Plan 3: includes an option to lease all Public Works and Recreation vehicles, heavy equipment (PW Tractor and Backhoe). The administration vehicle would be purchased with a possible 10 year rotation under plan #2. This plan

does not include leases for dump trucks, and the Rec ATV. It also includes an approximation to begin a possible purchase or to allocate money for a ladder fire truck.

Duncan suggested contacting Zions Bank to ask them how much it would cost to have the 2013 vehicle replacement plan modified. Mark McRae said State contracts work differently in that cities have to sell the vehicle. Council Member Hilton is concerned about any of these plans raising property tax.

Highmark Detention Basin Piping Project (Community Fundraising): Tom explained that there is a small ditch running into the detention basin. He said the charter school came to the City and asked about putting in grass and sprinklers in the detention basin as well as maintain it. Jones & Associates completed a cost estimate for the Highmark Detention Basin Piping Project. Total cost would be approximately \$19,250.00

Council Member Casas was excused at 7:02 p.m.

Bryan is concerned about other people wanting to do the same thing with detention basins in their areas. Mark discussed it being a “private” use for the charter school. Duncan said the charter school would lock the gate and use it as a playground. Mark discussed forcing the water into the pipe and out. He said someone will have to purchase secondary water to water it. Duncan said it seems to be the consensus that the City is not willing to do this project.

Follow up Information Regarding FY 2013-2014 Audit Report (by Deputy Treasurer Mark McRae): Mark McRae stated he has put together a memo of 17 March 2015 concerning the 2014 audit. He said Depreciation is a non-cash expense. It is calculated on the Fixed Assets of an organization. These include buildings, improvements other than buildings, and equipment (equipment, machinery, and vehicles). Land is not depreciated. Mark explained that in government accounting, depreciation shows as a line item expense in Enterprise Funds only. In South Weber these funds are water, sewer, sanitation, and storm drain. In the Governmental funds such as the General Fund, depreciation is not budgeted nor shown as a line item expense. But for reporting purposes, depreciation on these city assets is calculated and shown in the audit report.

Mark explained that Capital Contribution is a non-cash revenue. When a subdivision is completed, those assets put in by the developer are turned over to the City. These include such items as road, sidewalks, water lines, etc. These are items paid for by the developer and not South Weber City. They become fixed assets of the City when the subdivision is accepted by the City and we recognize these capital assets that have been contributed by the developer. This however is not a budgeted revenue as the City does not pay the associated expense.

Mark stated interest is earned on the funds invested with the Public Treasurers’ Investment Fund. During the budget process we have found that this interest has been going to the General Fund only. It has not been allocated on a monthly basis to the various funds. This will be corrected for the current fiscal year and the allocation of interest will be reflected in the 2016 budget.

Council Member Thomas asked about accumulating so much money in reserve. Mark said you have to have a capital plan to show that you will be spending it. He said investing is time

consuming. He said most cities do not have the expertise or training to really know how to invest cities money. He said the majority of small cities will invest into the Public Treasurers Investment Funds (PTIF).

Mark stated South Weber City has two outstanding bond issues. One is the Water Fund, and the second for the Recreation Center/Firehouse. He said 72% of the payments are allocated to the Recreation Fund and 28% to the Fire Department. In 2014, the budget for water did not reflect the principal payment, only the interest payment. This has been corrected for 2015, and the 2016 budget.

Mark explained that the City maintains its own diesel tank and pump at the City Shop. It collects the data on which vehicles are fueled from this tank. However, when the equipment was installed, the internet access piece of the puzzle to allow retrieval of this information was not completed. Therefore, the allocation of the dispensed fuel is not being recorded to the proper departments. Mark is working with Mark Larsen to get this completed and the diesel fuel cost allocated properly. He said it is being recorded but we need to finish getting the system working.

Mark said South Weber City purchases non-culinary water from Weber Basin for the watering of the parks. In the past this has been budgeted in the Water Department. During the budget process this year, this was discovered and moved to the Park's Department. He said the budget will be amended and \$30,000 will be moved to the Park's Department.

Mark explained that previously the City Council was shown the current allocation of labor for the five full-time Public Works employees to various departments. This allocation is reflected as FTEs, or Full Time Equivalents. In the past, FTE was used only for labor distribution and not for associated expenses such as fuel or vehicle lease payments. During this year's budget process, these FTEs were reviewed and adjusted slightly. These FTEs will now be used for the calculation of the respective department's fuel, uniforms, and lease payment expenses. Council Member Poff asked if a portion of administrative expenses are going into those accounts. Mark explained for example, the Water Department should function as it's own business (payroll, etc.) The City does everything in common here because there isn't the need. He said so one way to do it is to put it all in the General Fund but have an Administrative Charge. He said the second way is to take the salaries and distribute them out to other departments. He said so there would be an FTE for administration. Mark said he is used to an administrative service charge and once it is calculated, it isn't that hard to maintain. He said it will increase the revenue in the General Fund. He said if it is something that the Council would like to look at, he would suggest looking at it for next year and not this year.

Mark discussed setting aside money in reserve for infrastructure that is wearing out. He would recommend the minimum comparable to the depreciation. He said right now the City has a Fund Balance for reserve. Mark said he went over this at the Summit of where the City should be for operation purpose. He said the City's preparation is under funded.

Mark said he would happy to meet with and discuss any further questions with anyone who is interested.

Council Member Hilton moved to go into a closed session to discuss imminent litigation. Council Member Thomas seconded the motion. Council Members Hilton, Poff, Poore, and Thomas voted yes. The motion carried.

APPROVED: _____ Date
Mayor: Tammy Long

Transcriber: Michelle Clark

Attest: _____
City Recorder: Tom Smith