

AMERICAN FORK CITY COUNCIL
MAY 7, 2019
WORK SESSION MINUTES

Members Present:

Bradley J. Frost	Mayor
Kevin Barnes	Council Member
Barbara Christiansen	Council Member
Rob Shelton	Council Member
Clark Taylor	Council Member

Members Absent:

Staci Carroll	Council Member
---------------	----------------

Staff Present:

David Bunker	City Administrator
Camden Bird	Admin Analyst
Wendelin Knobloch	Associate Planner
Terilyn Lurker	City Recorder
Aaron Brems	Fire Chief
Kyle Maurer	Finance Officer
George Schade	IT Director
Timothy Merrill	Legal Counsel
Adam Olsen	Senior Planner
Darren Falslev	Police Chief
Derric Rykert	Parks and Recreation Director
Scott Sensanbaugher	Public Works Director

WORK SESSION

The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.

The American Fork City Council met in a work session on Tuesday, May 7, 2019, in the City Administration Office Conference Room, located at 51 East Main Street, commencing at 4:00 p.m.

Mayor Frost excused Council Member Carroll who had planned to attend electronically but was detained in Washington D.C.

1. Review of Fleet and General Fund Budgets. *(Requested by Kyle Maurer, Administration)*

Mr. Maurer explained that the fleet fund was created for the purchasing cars and maintenance. Each department was charged for their expenses which amounted to \$503,783. The cost was due to the aging fleet and fuel prices. There were \$3 million in capital for vehicle replacements, new officers, a ladder truck, trucks for streets and sewers, and some lease payments. Mr. Maurer added that \$250,000 was dedicated to replace 6 police vehicles and provide vehicles for 2 new

officers. The capital lease payments were for fire trucks, ambulances, public works dump truck, Cedar Hills vehicles, and police vehicles.

Council Member Barnes asked about a price difference in the budget. Mr. Maurer explained that the difference was an estimate he didn't include which accounted for the potential payment the police fund would receive from the other City departments when the older police cars were transferred into said departments. This money would be used to equip the new police vehicles.

Council Member Shelton asked if there was a written plan for vehicle replacement, to which Mr. Maurer responded in the negative. Chief Falslev explained that the value of police vehicles dropped because they had to drill holes into the vehicles to mark them. Mr. Bunker said they had not yet developed a plan for vehicle resale. Council Member Shelton said this would be a good idea. Mr. Maurer said they created the fleet fund to be prepared for this type of idea.

Council Member Shelton asked how to ensure that a good plan was made. Mr. Bunker suggested that vehicle replacement be included in the five-year plan because it would cost a lot of money. Council Member Taylor was skeptical about the possibility of selling back fleet cars for a profit and there was some discussion about sale and rotation of fleet cars and motorcycles. Council Member Shelton reiterated the need to create a vehicle replacement plan and stated that if the Council found they couldn't fund the plan one year they would know they needed to raise taxes in incremental values to keep up with inflation. Mayor Frost agreed they needed to have a plan to save the City money. Mr. Bunker suggested starting with the four or five units they felt they could purchase and sell for a profit as a beginning step in this direction. Council Member Christiansen encouraged building flexibility into the plan that would take into account good and bad financial years.

- **General Fund Overview**

Mr. Maurer presented an overview of the General Fund and discussed how the City's sales taxes compared to the neighboring cities. He noted there was an increase in emergency services revenue due to the City's contract with Cedar Hills.

- **General Fund Expenditure**

Mr. Maurer continued by explaining that the Cedar Hills Fire Budget was \$813,000, which would be paid from the contract and transports. They were proposing \$14,000 for a wellness program. He said they were also proposing an increase in street light maintenance. He then presented the personnel highlights, specifically a part time Communications Specialist and additional library staff in addition to the new fire and police staff being hired. He noted that this was listed in detail on page 13 of the Council packet.

Council Member Shelton asked if they would outsource some of the park work. Mr. Bunker said they had started that process and then became very involved with work at Art Dye Park. This would be completed by early winter, late fall. Council Member Shelton asked about the expenditures for the Cedar Hills fire station and compared them to income received from Cedar Hills. payment they received from Cedar Hills to pay for the contract. Mr. Maurer explained that the contract was \$689,000 and that they expected revenue from the transports.

Council Member Clark asked if staff anticipated that the City would make up the cost of the contract from transports. Chief Brems responded in the negative. He explained that the City needed a fire station in that area to service northwest American Fork and as Cedar Hills had a low call volume and needed the station it was a win for all involved. He said they were close enough and the call volume was low enough that the cost was worth the contract.

Council Member Shelton said it was a concern Cedar Hills could get out of the contract in one year.

- **Fund Structure Changes**

Mr. Maurer continued by discussing fund structure changes. He explained that he created an information technology fund that would cover phones, software, and video storage. He said each department would be charged for this fund. Council Member Barnes asked what the purpose of this fund was. Mr. Maurer stated that this helped him track what the departments were using. The City needed new accounting software and this data helped them determine when they should make the purchase. Additional information on the matter would be provided at the next meeting.

Mr. Bunker noted this was tentative and subject to change with the Council's input. The tentative budget would be approved at the May 14th meeting with the final budget approval set for June 11th.

2. Review of Proposed General Fund Balance Policy. (Requested by Kyle Maurer, Administration)

Mr. Maurer explained that there had been discussion about incrementally increasing the fund balance. He recommended a minimum level of two months of operating revenue. He also recommended 10% a year until they reached 25%. He explained that the City was currently at 9% and it would take two years to get two months of reserve.

Council Member Shelton asked who created the plan. Mr. Maurer said the City Administrator would create the plan and it would be voted on by the Council.

Mr. Maurer continued discussing the policy. He explained if the revenues exceeded the threshold it would be transferred into the Capitol Project fund. Mayor Frost asked what the State would do if they got to 5%. Mr. Maurer said he was not sure but he would ask the auditor.

Council Member Shelton asked if the new policy was in the formula for the fund balance. Mr. Maurer said he did not create a specific formula because the State could make changes. Council Member Shelton suggested they add the formula because the finance directors all calculated it differently. Mr. Maurer said he would add this into the policy.

Mr. Maurer then explained how the fund balance could be used and for what it could be used. Council Member Barnes asked if there were items that were prohibited to which Mr. Maurer responded in the negative. He said the Council would be required to vote on all items.

3. Adjournment

The work session adjourned at 4:52 p.m.

A handwritten signature in black ink, appearing to read "Lauralee Hill", written in a cursive style.

Lauralee hill, Deputy Recorder