

SOUTH JORDAN CITY  
CITY COUNCIL WORK SESSION

August 6, 2013

**Present:** Mayor Scott Osborne, Council Member Mark Seethaler, Council Member Chuck Newton, Council Member Brian Butters, Council Member Steve Barnes, Council Member Larry Short, City Manager John Geilmann, City Attorney Rob Wall, ACM Gary Whatcott, Public Works Director Jason Rasmussen, Fleet Manager Tom Volt, City Council Secretary MaryAnn Dean

**Others:** Rick Bailey, Aleta Taylor

4:00 PM  
EXECUTIVE CONFERENCE ROOM

**SPECIAL WORK SESSION**

**NOTE: “NO MOTIONS OR ACTIONS WILL BE TAKEN DURING THIS MEETING”**

I. TRAINING

None.

II. MAYOR AND COUNCIL ITEMS FOR REVIEW AND DISCUSSION  
(For the Purpose of Reporting on or Requesting Future Action on Items)

A. Discussion: COG Homeless Services Proposal (*Mayor Osborne*)

Mayor Osborne said COG has encouraged every city in the County to give additional funding to address homeless concerns. City Attorney Wall has worked with the County on an interlocal agreement but it has stalled at this point. There is a consensus for all of the cities to be involved. He said he has concerns about surrendering cash to the County into a nebulous account not knowing how it would be used. He said he wants to be able to assist with this need. He feels the City Council should consider what other opportunities they would want to participate in relative to helping the homeless and to give them assistance. He said he is still okay with the idea of 35 cents per capita, which would equate to approximately \$16,000 for South Jordan. He noted the increase in CDBG funding that the city received. He said believes this issue needs to be addressed by the County. The County has the responsibility and the budget for these services, but the funds are not meeting the need. He said the County needs to put together a plan for the future.

Mayor Osborne noted that four cities have signed the interlocal agreement. Those cities did so without any attachments, not knowing how the funds will be used, who will administer the funds, etc. It was noted that those who sign the interlocal agreement must have approval from their City

Councils, by Resolution. City Attorney Wall concurred that the interlocal agreement that was signed was very loose.

Mayor Osborne said he would like the City Council to determine how to best serve the community. Some CDBG funds may be available. He said the funds could go toward homeless or abused individuals, for example.

Council Member Newton noted that 6-7 groups were helped through their CDBG funding this year. He said they could absorb the administrative costs from the CDBG funding and use the additional money for this purpose. Council Member Seethaler said the proposal is to do something, irrespective of the CDBG funding. Mayor Osborne noted that with the CDBG funding, they can't exceed the program cap amount.

Mayor Osborne indicated that he would like to include the request in this year's budget. He advocated strongly that they not have any participation with the interlocal agreement.

Council Member Seethaler suggested that they create an advisory group to determine the cause that the city will support with these funds. He said it might make more sense to do a \$1 per household fee rather than a 35 cent per capita fee. Mayor Osborne said that is fine, or they can just pick a number and not tie it to any population number.

The City Council discussed using the people that worked with Planner Jake Warner on the CDBG funding process. Planner Warner also has crossover knowledge. Mayor Osborne said he does not want to receive solicitations for this request. He wants to go out and find a need.

Council Member Butters asked what would the funds be used for? Mayor Osborne suggested assistance to the homeless, some kind of recovery for abused individuals, assistance to help individuals become productive in society. It would not be for South Jordan residents only. He noted that they would be spending money in their city if the services were not provided in other communities.

The City Council discussed an idea to offer transportation for those that need dental services provided at the dental school.

Council Member Barnes asked if they should communicate with the County to see where the shortfalls are? Mayor Osborne said no, that is well defined. He would prefer a clean slate every year to do a project of their own accord. He does not want it tied to the County.

Mayor Osborne said staff should tell COG that they are not going to participate in the interlocal agreement at this time. The City will continue discussing how they can assist the homeless in other ways.

### III. CLOSED SESSION

**Council Member Seethaler made a motion to go into a closed session to discuss the purchase, exchange, or lease of real property and the character/professional**

**competence/health of an individual. Council Member Short seconded the motion. Roll call vote. The vote was unanimous in favor.**

CLOSED MEETING

**Council Member Short made a motion to come out of closed meeting. Council Member Barnes seconded the motion. The vote was unanimous in favor.**

IV. STAFF PRESENTATIONS AND DISCUSSION

A. Discussion: Resolution R2013-23, Fleet Replacement Program (*By Fleet Manager Tom Volt and Public Works Director Jason Rasmussen*)

Fleet Manager Volt reviewed the fleet inventory and replacement guidelines. He reviewed the process to determine if a vehicle/equipment meets eligibility for replacement. Requests are typically submitted with the budget annually. He reviewed a list of vehicles/equipment that he would like replaced this year. They would like to do a lease option.

Council Member Short asked how fleet vehicles are sold? Mr. Volt said through the public surplus process. There is not a formal policy to give employees first dibs on the vehicles.

Mayor Osborne asked about maintenance incurred in the first year of having the vehicle? Mr. Volt said that would include oil changes, parts, labor, and any services done in the shop. If an item is under warranty, that is done at the dealership.

Council Member Seethaler asked if the lease payment would be a monthly cost charged through the various departments' operations? Public Works Director Rasmussen said that would be listed under the fleet budget. It was noted that the proposal is a lease to own option.

Council Member Newton said many of the vehicles that they are using don't have the highest resale value, such as a Honda Accord and VW Jetta. Council Member Newton said you would pay triple for the cost of parts for those cars. Council Member Newton said many cars are being switched out at 102,000 miles. They could keep a Jetta to 200,000 miles. Public Works Director Rasmussen said there is a difference in the way that people replace their personal vehicles versus when the city replaces the fleet. The two should not be compared.

Mayor Osborne expressed concern about encumbering future City Councils for lease payments. At the end of 5-7 years, they will have an annual \$2 million expense that has historically only been funded in times of surplus. Where will that \$2 million come from if they don't have a normal surplus? They need a real plan that illustrates how to pay for this. He expressed concern about the possibility of the city losing sales tax revenue moving forward.

Public Works Director Rasmussen said this gets them where they need to be with reliable fleet vehicles. Going forward, they will continue to assess the fleet needs. He concurred that they are locking in a future commitment. They will make do with what they are given.

Mayor Osborne said this commits them to a 7 year budget commitment, with no recourse. CM Geilmann said they will follow the same rules creating future budgets as they did for this year's budget. ACM Whatcott said it is about prioritization. These are assets that help them do their work. The fleet management/rotation has fallen behind. This would get them back on track. There are costs to replace the vehicles now, but if they don't replace the vehicles, there are increased maintenance costs.

Mayor Osborne asked about the policy regarding alternative fuel. Public Works Director Rasmussen said an analysis has been done, but it has not penciled out financially. They are continuously monitoring it. Staff is not opposed to that option. Mayor Osborne said he feels things are starting to shift. Staff should continue to study it for sure.

Council Member Newton suggested they look into hybrid vehicles as well. CM Geilmann noted that the yard is plumbed for natural gas. At one time, Mountain Fuel talked about putting a public natural gas filling station there. It was noted that Murray makes \$115,000 on that type of set up. Mr. Volt indicated that he is up to date on industry changes and alternative vehicles.

Public Works Director Rasmussen explained that they use an industry standard to determine when it is advantageous to replace a vehicle rather than continue to maintain a vehicle. That is part of the annual analysis done.

ACM Whatcott noted that police vehicles are on a 5 year lease program, rather than 7 year, because of their use. Resale of the vehicles is part of the process.

Mayor Osborne said the one thing he hasn't seen is what they are using to pay to finance the vehicle.

Council Member Seethaler asked what are the top 3 motivators to move to a lease versus purchase? Mr. Volt said to catch up on the fleet management/rotation, to lower maintenance costs, to lower personnel costs by not adding additional mechanics, and to maintain their service value.

Council Member Seethaler said he would like to understand the longer term budgeting impacts and have the broader picture.

**This is a true and correct copy of the August 6, 2013 City Council Work meeting minutes, which were approved on August 20, 2013.**

  
**South Jordan City Recorder**