

SPECIAL COUNCIL WORK MINUTES
MAY 9, 2016

The City Council held a meeting on Monday, May 9, 2016, at 5:30 p.m., in the Council Chambers, 10 North Main Street, Cedar City, Utah.

MEMBERS PRESENT: Mayor Maile Wilson; Councilmembers: Ron Adams; Paul Cozzens; Terri Hartley; Craig Isom; Fred Rowley.

STAFF PRESENT: City Manager Rick Holman; City Attorney Paul Bittmenn; City Engineer Kit Wareham; City Recorder, Renon Savage; Finance Director Jason Norris; Police Fire Chief Mike Phillips; Fire Marshal Mike Shurtz; Public Works Director Ryan Marshall; Airport Manager Jeremy Valgardson; Wastewater Manager Darrell Olmsted; Street Superintendent Jeff Hunter; Fleet Manager Corey Childs.

OTHERS PRESENT: Doug Hall.

DEPARTMENT/DIVISION DISCUSSIONS ON TENTATIVE BUDGET:

Fire: Chief Mike Phillips – thank you for your support in the last year meeting accomplishment and goals. I am pleased with the Mayor’s budget. You will find a copy of your annual report in your box show what was completed last year.

We moved forward with ISO, as we continue to grow we need to increase our margins. This is how the insurance rates are done. We need to look at property for future fire stations. We have had quite a few developers wanting to put higher building in. If we have an additional 5 buildings that are 4 stories or over we will need an additional ladder truck. Rick – originally the legislature only allowed impact fees for buildings, but it has changed to include some equipment, we have not done that for fire equipment. Unfortunately when the University builds tall buildings they don’t pay impact fees. Rowley – how high will the ladder truck go? Mike – 7 stories, but these are over \$1.3 million dollar trucks.

Senate Bill 122, catastrophic fire. Our contribution will be \$44,000, they don’t want cash, but in-kind money. The new type 1 tender we are building counts toward the in-kind money. We have the supplemental fire suppression, feasibility study has been done. We are working with SUU on the business plan and it will outline how the revenue will be spent, capital improvement/suppression.

Rowley – what tires cost \$30,000, what vehicle gets its tires worn out. Mike – Fire apparatus say it should not have tires over 7 years old. Our goal is to replace them and then replace and we will send them to Public Works and they can put it on the garbage truck. Rowley – what is a turnout washer? One for our turnouts. Rowley – thermal imager has gone down in price. Rapid vehicle is one going out? Mike – so we are not driving the fire engine around town.

Airport: Ryan Marshall, Public Works Director. We appreciate the Mayor submitting a budget with an increase in salaries, our people are happy about that.

We are looking good on revenues this year; we are ahead on a few. We are happy with the budget submitted for operational concerns. In the capital projects, there are two different capital project budgets, the 2400 account and 4300 account. The 2400 is our operation and small capital projects we fund, the other is an AIP project list the FAA and us develop and their grant money goes to this budget. We are talking the 2400 budget. There is approval for us to stain in the building. There was another issue with putting a sidewalk in; we didn't feel it is prudent at this time. When we improve the property we will do it at that point. We will do some weed abatement in that area. Hartley – have you talked with Commissioner Brinkerhoff? Mayor – I have had a conversation with Commissioner Adams, the \$25,000 contribution from the County is in their budget, if it doesn't go through they will bring it up for a vote. I talked with him about our needs and he can see why the thing Commissioner Brinkerhoff wants is not at the top of our priority list. He said the money would still go forward. Ryan – we were not funded for the HVAC, or rotary cutter. I would encourage you to talk about the HAVAC system at the terminal; Jeremy is having a nightmare with that system. It is throwing codes and they are resetting it constantly. They say when it goes it will have to be replaced. Jeremy Valgardson, Airport Manager – it is 10 years old and everything works, but the system they put in is on their own dedicated system and it is not compatible with the windows operating systems. Hartley - \$25,000 is just for the control system. Ryan – if possible we would like that added in. Rowley – how is it that ULA quit buying fuel, but our fuels rate stayed the same. Ryan – it just when on their system recently. They are purchasing in Parowan, but the ten cent fuel charge is still charged whether they buy it from us or from Parowan. There is also a three cents fuel sales tax that the distributor to the FBO pays to the state and some of the funds come back, so that has transitioned to Parowan. We will probably lose \$10,000. Rowley – do they get charged for landing fees? Ryan – yes, the monthly fee. Mayor – it is the \$3,500 a month. There are discussions with the University about this and could be changes in the fee schedule. Ryan – the HVAC system we collect PFC passenger facility charge from SkyWest and charters. We can collect that if we have projects that go back into the facility. This may qualify for those funds. The last thing is the revenues. We are not proposing rate increases. Three years ago we did a study of the rates of similar size airports, we were low on some. We had a 5 year plan to bring some of those up. We are up on all but commercial landing fee; we will propose that next year. Cozzens – what is the control of the HVAC? Jeremy – it is a Honeywell system. We will have 200 alarms, we have to clear those to keep it running. This happened 3 or 4 year ago, if they go bad we will not be able to turn the heat on. Rowley – it is a Honeywell system and they are saying it is junk now? Jeremy – yes. Cozzens – we need to research that more. I would like you to call Rodney Forsyth and get opinion. Jeremy – Davis and a guy from New Harmony have both looked at it and they confirm that it needs to be replaced. Just for your information, we got our million dollar broom. Ryan – our AIP projects were the broom and the general plan we are updating. Next year we will do the hard standout where Delta parks, that will take up the full allotment for that project. Rick – long term projects, Jeremy talk to the council about the runway extension and other information we may want to give thought to. Jeremy – our engineers will be in to discuss it. They talked to every door about the runway extension; we had a letter from 3 tenants saying they would use it. Tanker 10 said we need a stronger runway, not a longer one, so we will find out that.

Because of Coal Creek, if we do stronger it will be cheaper by about \$10 million to do stronger than longer.

Water: Ryan – water revenues are on track. We submitted a list of projects to work on, we were able to propose funding for all of those. If you want us to run down those we can. The projects were south tank floor replacement and interior recoating. We had a project recoating the sides. They go down in scuba gear, it hasn't worked out as well as they thought because of the cold. They are coming back in a few weeks. We will have to drain the tank to put a new floor in it. Robbie Mitchell – they will recoat the. Rowley – why can they do the walls with water but not floor? Robbie – it was a ½ million project to do the floor. There is 85% of loss in the metal on 50% of the floor so we will re-weld an additional floor. I can't have the tank out of service for 90 days. We will have to put in a 2" jumper to keep the homes in water. If we do it in November, December and January it is cooler, if not it is longer process and twice as much money. Rowley – it will be a better floor with the coating? Ryan – the line to Eagle Ridge is coming off a transmission line so we would like to put a secondary line and take them off the transmission line. They went out to see if they could isolate the line and not affect the neighbors. We want to develop a line they can be for the neighborhood. Robbie – when both wells are running in the summer we have an air problem, if it goes to the tank first the residents don't get the air. This will go to the furthest east street so we will tie into that and off the transmission line. We will shut it off and isolate it. We could still feed the neighborhood with it if needed. Ryan 40% of that line will be paid with impact fees. Hartley – how does that work with them scuba diving and people drinking the water? Robbie – they spray their equipment down with chlorine and we have it tested at SUU daily. They will cut a panel out of the top and drop it down and cut it to fit and weld it in.

Solid Waste: Ryan – our garbage collection division, 5-6 years ago they made a decision to go to a rotational base on the trucks. We were putting a lot of money into maintenance so we are rotating and get trade-in value, and that has been a marvelous success, repair costs are way down. We have continued on that. We have looked at that for all city equipment. We have 1 truck for replacement. Jeff Hunter – our garbage cans we have seen this year the old round cans starting to break on a regular basis, so we are using more and more cans. The budget went up to \$3,300, hopefully that will cover it. This budget should be good. The big cans, we still have a few areas that use those, we have given the Cross Hollows the old stuff, we will have to get 6 or so because those are breaking.

Cozzens – what is the increase in administration? Jason – I was encouraged to look through revenue lines, one is the administrative fees from Enterprise funds to general funds that is a portion of the salaries from this office. The attorney, my time, etc. Cozzens – it is not new, just reevaluated. Yes. Ryan – Kristin in billing was not charged the full amount of time. Hers increased and so did the front desk increase. This will in in all my budgets.

Street: Ryan – the administrative portion, the largest increase is in the maintenance budget, and you have been explained a few times. We are getting an increase of \$160,000 in C-road funds. That will increase the street maintenance. Rick talked with you last week for a new tax to help with some of our streets. This is the gas tax that is already in place. Hopefully you will pass the resolution and the County will put it on the ballot and hopefully we will

have additional funds. The other thing is a dump truck replacement. They have also run into the ground, we were doing patches on rusted out areas. We made a decision to replace them all, this will get us with the last ones being replaced and we will be up to speed on the replacement. Rowley – is there a lining from salt corrosion? Jeff – we are going to stainless steel beds to extend the life. The problem we have now is they are not passing inspection because of the undercarriage. We were allowed to use one for snow plow only by the UHP. The other one will have a little value. Jason – we bought about 8 of those trucks used and that is what got us in this situation. We will try and rotate so we don't have to replace an entire fleet.

Ryan – the engineering capital projects Kit put on the list and one funded is street light conversion to LED, phase I. There is a payback to that through the power company; it is a 3.5 year return on investments. Rowley – is it the entire head? Ryan - ballast will be replaced and the bulbs. Mayor – I will get the area for you. Jeff – on the carryover items is replacing lights on Main Street. Mayor – from All American Diner to Cal-Ranch were approved in last year's budget and is on the to do list. Rowley – what is development impact fee improvements? Rick – the upsizing, if a new street is built and it is 66' the impact fees pay to complete it.

Ryan – several projects were not considered, but the Spruce Street water way, there are flooding issues. The cost is minimal so if it could be added it would help. Jeff – water coming down spruce is jumping and going into the A-frame apartments and it is a mess. Jason – is it storm drain or streets? Hartley – is it under ground? Jeff – no. It is street, curb, gutter and sidewalk. Hartley – is the water below the flood dikes from the streets or where does the water come from? Jeff – it is coming off the streets.

Jeff – in personnel we have been requesting this new person for 6 years. When Mayor Burgess took away the concrete guy from the Street Department, he was a 5 month guy with concrete and the rest we spent doing street work. We have noticed and missed that individual in the daily operation. Our storm drain person we are using all the time to make up that shortage. You know we have had flooding problems and that person could stay on storm drains all the time. In my budget in the past we have had \$70,000 for part-time workers. We are having a hard time finding these people at \$10 - \$11 an hour. So I took out more than ½ of that budget in part-timers to put to the full-time position. Mayor – that is how we are justifying this position because we took part-time hours away. Jason – people with CDL's don't work 20 hours a week for \$10 an hour.

Storm Drain: This is an area where street and storm drain have been intermixed. We are trying to have more definition. The storm drain person will be shifted to the storm drain issues, as well as the equipment. We have an excavator purchased in streets and used in storm drain. We are asking for an excavator funded out of storm drain. The bids were without the thumb controller so it is \$220,000 instead of \$213,000. I was looking through the fund balance and I think we can do that. Cozzens – will you have two? Jeff – yes, but we won't have as many hours on it, it has almost 7,000 hours on it now. We need something more reliable in storm drain. Cozzens – is it a John Deere or Cat? Jeff – it is a CAT lease, guarantee buy back after 3 years. A lot of cities are going this route now. Rick – it is about

\$9,000 a year. Jeff – if something happens and they dent a door we have to replace it. Mayor – the \$220,000 is the up-front money and when we turn it back it is about \$9,000 a year. Ryan - Moonlight Drive project and 1400 West project were not funded. The Moonlight Drive storm drain was not recommended to be funded. There is a cul-de-sac where the water runs into a gentleman's yard. I would ask you to look at the fund balance and cover that. Jeff – the gentleman wants to be on-site when we walk the property. It will benefit their property. Ryan – the 1400 West is across the frontage of a private property owner.

Collections: Ryan – the operation is similar to last year. Jason and I did talk about this account in depth. There is a dump trailer, Cross Hollows to Cedar Meadows sewer line and 4500 west sewer line. Jason had put in the budget to suggest we do the dump trailer. Jason's concern is we have a fund balance we try to keep \$1 million. When we got looking in it, the revenues projected we think we will have \$3 million in the next few years. It doesn't make sense to do Cross Hollows to Cedar Meadows, so of the two we are proposing the 4500 west sewer line replacement. We are asking that the Council look at putting the 4500 west line in the budget. Darrell – the screening is from the plant, this is collection. This is to put scrap and haul it to the landfill. With this 4500 west line, we need to consider this because the Cedar Meadows lift station is overloaded. We do have new construction and growth. There is a new subdivision going in by the Equestrian Center so that puts a lot on the Cross Hollow lift station, this would redirect some of that. We will be able to get rid of a lift stations. Ryan – this would divert this to the west and any development to the west would use this line. Rowley – any time we can get rid of a lift station we should. Mayor – we had a lift station with a carry over and an additional \$10,000. Ryan – the SCADA going in it is a carryover that needs to be added. Trevor McDonald – we discussed with the SCADA proposal they did not include redundant hardware on the system, the extra \$10,000 will cover the back-up.

Treatment: Ryan – we were pleased with the proposed budget. The operational budget increase was the chemicals. You are aware that the nitrate program requires a lot more chemicals. We also have additional in increased testing required. Rowley – didn't you say you needed another skimmer pond eventually? Darrell – eventually we will, the clarifiers at the back of the plant are rated 3.5 million gallons, adding a 3rd will take to 5.2. Rowley – would we be better to save money and not do the expansion of the administration building. Darrell – we are quite a few years out on that project. Mayor – I told you that you would see fee changes, you don't see yet, this is another change in the fee schedule. All of Public Works are making the fees uniform, there is a new fee of \$15 per sample for drinking water analysis. Rowley – who would ask for that? Darrell – right now we have a special service district we do their sample. We have also done it for Brian Head, entities with State permits. Isom – what is transfer from Collections? Jason – they are inter fund loans, there are two. We make the final payment on one in this budget.

Ryan – we have the additional to the building for testing. The skid loader is a rental like the excavator. Rowley – will the administration or lab extend more? Darrell – the expansion is for the laboratory, the other side of the hallway will be turned into offices. Mayor – with additional testing they need the bigger lab.

CATS: Ryan – we have \$5,000 in capital for signage and rebranding. We have had that in our Federal grant, this is the local match. I don't think we will spend the \$5,000. There are not any buses or vehicles. The one request that did get cut was salaries. We proposed \$107,000 which is a \$12,000 increase. There was a study done for the part-time employees and categories. There was also a range, the CATS drivers were \$10-\$11 range, this increase brings them up to the range. With the hours operating, to bring them to minimum it was \$12,000 increase with \$7,400 reimbursed the remainder city match. I felt the drivers should be brought to the low end of their range. The other part is the resolution. If the additional tax was put in we would have \$40,000 that would be taken out of the general fund. Rowley – I expressed my concern, it is our exposure to federal law suits when someone is yelled at by the bus driver. It is a large exposure to a low return to the average citizen. Ryan – any time you have federal money there are laws to abide by. We have had 2 issues, when passed to the Feds they said there is no reason for a claim. Rowley – we should get out. Mayor – we would have to pay back the money for all the vehicles that have been purchased. Ryan – there is a clause that if you discontinue the service you have to go through a public hearing and people will fight it. Any depreciated value of funds they have provided would have to be paid back. Mayor – it would cost us quite a bit. We even looked to see if we could do dial-a-ride without the fixed route, you can't.

Fleet: Ryan – they do a great job. We asked them to come up with the vehicle replacement project. We have looked at this for a few years. We are fine tuning it and hope to be able to propose something. In the long run we will save a lot of money, you will trade in when they still have value. We don't have anything for the small vehicles this year. Mayor – with that next year they will be on fleet management software to help manage it. Ryan – the other thing is there is not a lot of space; we have talked about a new building.

Public Works Facilities: Ryan – this is mostly a capital project budget. If you look at what we have for requests, parking lot pavement, asphalt and the fleet building. Jason did a wonderful job to see how we can fund the building. We have a shell. We need fleet operations to move to another building. They cannot put large vehicles on a hydraulic lift. We would have large overhead cranes to lift for maintenance. It opens up the older fleet area for streets. During the winter streets has to store some equipment inside so we are shuffling the equipment in and out. We are grateful there is a proposal to finish the shell out. Rowley – you have to add concrete, heating and crane? Yes. Mayor – the floor has not been done because they would have to redo it. Ryan – what is the reason for having to do that building, it is the larger equipment. The divisions that have large equipment need to burden the funding. We looked at garbage trucks and others, so they are moving funds to help do this. We had an estimate done a few years ago and those are the numbers we used. Rowley – in the concrete world they have forms set up in areas that they can dump if they have extra. Can asphalt be done that way? Ryan – they can and I think that is what they did in the back of our building. It comes up quickly if it isn't done correctly. We have been taking large sections where we can plan water run-off and prep the base properly and get enough of an overlay, but water goes where there are seams. Cozzens – have you been able to do that with concrete? Ryan – we have not done that. I don't know how much flexibility we have with our contractor. Rowley – Is there any economy is selling ourselves gasoline and diesel? Rick – we use both. We have contained tanks, above ground and we have gas cards. Ryan – it gets quite expensive to

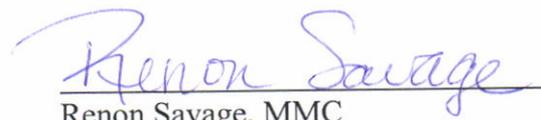
put your own tanks in so it is a long return on investments. Rowley – if the price at maverick is \$2.50 a gallon, do you pay the full price? Rick – it is less than the retail rate. Rowley – how do we get it back? Jason – you only go to the places that have the gas card program. Rick – when I used to drive the public works truck, it does not give you a receipt, it tells you the gallon at gas card rate. Jason – gas card and the vendors work it on the back end and we get billed. Rick – Corey in the past watched the prices and would direct us to UDOT or SUU pumps depending on the price of the fuel.

Public Works Administration: Ryan – this is just an operational budget, no capital.

Engineering: Kit – there are not any changes in operating. Engineering projects we are getting a new plotter, we asked an additional \$1,000 in funds, but found out we don't need those either, it was purchased in this budget. We would like to get a new large copier to make the 24x36 prints, it gets a lot of use. Mayor – it is not listed. Kit – we are seeing more maintenance. Jason – we can add it. Kit – we are finding jobs for an intern all the time. We have a high school kid come in 1.5 hours a day. A lot of what we want them to do is getting our maps scanned and digitized so we can pass out to people without making copies. They can also help Curt survey. Mayor – he requested \$2,000 to help get an intern. Mayor – in the current budget year we hired another public works/building inspector. Kit – the intern would help with traffic studies, street lighting, surveying assistance, scanning, helping Michal keep track of documents and field studies. We put them to good use and get our money worth.

Mayor – in streets we have the street retrofit phase I, what is included? Kit – that is the neighborhood lights, we are taking around 600 lights and converting to LED's, we are changing the bulb, and we have a few that are being tested. It had about a 4 year payback.

ADJOURN: Councilmember Rowley moved to adjourn at 3:02 p.m.; second by Councilmember Isom; vote unanimous.


Renon Savage, MMC
City Recorder

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