

**BUDGET WORK SESSION OF THE
BRIGHAM CITY COUNCIL
May 10, 2016
6:00 PM**

PRESENT:	Tyler Vincent	Mayor
	DJ Bott	Mayor Pro Tem
	Alden Farr	Councilmember
	Ruth Jensen	Councilmember
	Tom Peterson	Councilmember
	Mark Thompson	Councilmember

ALSO PRESENT:	Dave Burnett	Director of Public Power
	Kirk Morgan	City Attorney
	Mike Nelsen	Police Chief
	Derek Oyler	Finance Manager
	Tyler Pugsley	Public Works Director
	Jason Roberts	City Administrator
	Stephen Childs	Curbside Recycling Task Force
	Dave Jeffries	Curbside Recycling Task Force

Discussion on Curbside Recycling Task Force

Mr. Pugsley reviewed the results of the survey asking citizens their opinion on the possibility of curbside recycling in Brigham City (*see attached survey results*).

The task force reviewed the results of this survey and then developed a plan. They also talked to adjacent communities that recycle. After all this, the task force felt strongly that curbside recycling would be a good environmentally friendly thing to do.

Mr. Oyler said curbside recycling would be done every two weeks. He explained the financial aspects of the City operating the curbside recycling or contracting the service. To do the recycling in-house the City would need one more full-time person. Mr. Pugsley added that there are currently three people working in the Collections Refuse Department. These three employees cover the regular routes as well as the green can routes during the summer. They try to get the cans off the streets as soon as they can. He estimated it would take one full-time employee 2/3 of a day to pick up the recycling routes. After that is done, the employee could deliver new or replacement cans and do other projects in the City.

Mr. Oyler stated that another impact would be the life cycle on the trucks. Currently, the five trucks are on a 5-year rotation. One of these trucks is used for green waste recycling. With the increased time to run the curbside recycling route, the rotation should be lowered to four years. This would mean the City would be purchasing a new truck every year. Mr. Pugsley added that there are three trucks that are in operation all the time. There is an older truck that is used as a backup and is used on double trash pickup and during green waste pickup.

Other impacts are itemized in the following table.

		City Operated	Contracted
<u>Negative Financial Impacts:</u>			
Number of new employees needed	One full time employee	\$ 61,850	
Change in life cycle on collection trucks	One	52,000	
Additional Fuel	33% increase (\$2.61/gallon average)	16,464	
Additional Maintenance	33% increase	12,118	
Annual Cost for Cans (20 Year Life)	(250 opt outs) 5,700 cans	53,550	
Administration Time	200 hours per year	5,600	\$ 5,600
Cost of Disposing of Recyclables (Variable)	1,564 tons @ \$20/ton	31,280	
Decrease in the number of existing fees (second black cans)	1,133 cans	104,145	104,145
Change in fees from green cans	100	5,196	5,196
<u>Positive Financial Impacts:</u>			
Decrease in tipping fees	1,564 tons	(36,917)	(36,917)
Value of Recyclables (Variable - \$0 Now)	1,564 tons	-0-	
Hook Trucks stopping daily trips to hillside:	18 trips / week		
Fuel		(19,544)	(19,544)
Decrease in fuel costs	1 less trip per day (\$2.61/gallon average)		(6,517)
Decrease in hours needed for operation			(30,925)
Net Cost/(Benefit to City Operations)		\$285,743	\$ 21,038
Number of Households after opt out	5,355 (10% of 5,940)		
Monthly Charge per User (Estimate)			4
Average Monthly Fee to Break Even		5.11	4.93
<u>Other Items for Consideration:</u>			
In-house pickup can be coordinated so all cans are the same day.			
Public Customer Service			

Mr. Pugsley said the Committee's recommendation is that the City allow residents to opt out of the blue can. It was also recommended that the current recycling bins at the compost be removed, except for those for metal.

Mr. Oyler said most surrounding communities are charging at least \$4.00. The recommended charge of \$4.93 if it is contracted out is to recoup the net loss of \$21,038 yearly. If the City does it, \$5.11 would need to be charged to break even.

Mr. Oyler added that the above numbers are worst case scenario, other than the cost for recycling (\$20). If citizens are not allowed to opt out, 5,950 residents would be paying so the \$5.11 would

be lowered to \$4.70. If 25% opt out, the City would have to charge \$6.11. Councilmember Thompson asked what it would cost the City if 25% opt out and the monthly fee was \$5.00. Mr. Oyler said it would cost the City approximately \$7,000 per year.

Mr. Pugsley said because the City provides waste collection, they can provide a better service than outsourcing it. When a customer calls and says their can was not picked up, the City picks it up. If it was outsourced, the customer would have to wait until the next week. In addition, if there is a bad snowstorm or a truck breaks down, they are still able to stay with the route timelines. The City's customer service exceeds anything an outside company could provide. He recommended the curbside recycling be done in-house to maintain the current level of customer service. Councilmember Peterson added that it also provides another employee to utilize as needed.

Mr. Pugsley said if the Council decides to outsource this, curbside recycling could start in July 2016. If it is determined it should be done in-house, garbage cans would have to be ordered, which would take some time. He estimated it would be this fall before the program could start.

Councilmember Farr said he is not opposed to this, but would like the citizens to have a choice to opt out. Mayor Pro Tem Bott said the committee recommended allowing a certain amount of time to opt out, and then allow it once a year after that.

Councilmember Peterson asked what other community's opt out rates are. Mr. Pugsley will contact surrounding communities and find out how many of their residents opted out.

Councilmember Jensen felt that the program should go forward, but also wanted the option for citizens to opt out. She also recommended contracting it out first. This gives the City an opportunity to see how many opt out and see how the contracted company works. There was concern expressed by others that switching from a contractor to the City would be confusing to residents. Mr. Pugsley said the contractor would probably require a 5-year contract, a minimum of 3 years. He will contact other communities regarding their contracts.

Mr. Pugsley said they could find out how many residents are going to opt out and then put out the RFP. Mr. Oyler said if that was done, there would have to be a set monthly fee.

Mr. Roberts stated that if it is contracted out the blue can would be picked up on a different day than the regular can.

Councilmember Peterson said the most valuable part of doing it in-house is that the City will have an additional employee in the Street Division.

Discussion on the Possibility of Doing Tree Trimming In-house – Dave Burnett

Mr. Burnett came forward and stated that the City has contracted tree trimming for the last five years and the contract is ready for renewal. He is happy with the current company, but he felt that the chances of them getting the contract again if an RFP is sent out is slim. Going into citizens' backyards is very sensitive. It needs to be someone that knows how to deal with the citizens. He felt it would be better if this was done in-house. Financially, the cost is close to the same either way.

Mr. Oyler said the current contract is \$185,600. In addition, the City spends approximately \$15,000 for Parks Department tree trimming, which equals \$200,600.

To do it in-house they would need to hire two employees at \$168,642, including benefits. A 4-wheel drive truck would cost \$255,000, plus \$15,000 to outfit the truck with trimmers, poles, chainsaws, etc. He estimated there would be a 15-year life cycle on the truck. This would be a lease payment to the Fleet of \$27,033 per year. Additional yearly supplies such as fuel, chain oil, etc. were estimated at 9,000 for a total of \$204,675 per year.

These numbers indicate it would cost the City \$4,000 more per year to do it in-house. Mr. Oyler added that the tree trimming contractor works 11 months out of the year. By doing this in-house it would give the City a full month of service.

Mr. Burnett said he was doubtful a new contract would be \$185,600. They work from 7:30 AM to 3:30 PM. City employees would work 7:00 AM to 4:00 or 4:30 PM.

Councilmember Farr felt that the City would save money in the long run and have more control over the tree trimming. He suggested leasing the equipment until the money could be saved to buy a truck.

The Council unanimously agreed to the proposal to bring tree trimming in-house. There was discussion on looking for a used vehicle.

Employee Merit

Councilmember Peterson said Salt Lake City recently increased their Police Department's wages, which will have a ripple affect throughout the State. Salt Lake County is already losing all their law enforcement. Mr. Roberts added that West Valley is planning on increasing their Police Department employees by 7%.

Mayor Vincent said that is why there is a 5% merit increase in the budget. He would like to focus on the Police Department. The Sheriff of Weber County told him he is encouraging their commissioners to increase the wages in his department, and he will steal who he can. He felt that every municipality and county will do the same thing.

Mr. Pugsley said the problem extends beyond the Police Department; there has been a lot of turnover everywhere.

Budget Concerns for Future Work Sessions

Mayor Pro Tem Bott asked what other concerns the Council would like to discuss in future meetings.

The following items will be discussed in future budget work sessions:

- Police Department
- Fire Department
- Natural gas power generation plant
- Property for splash pad

Closed Session to Discuss the Purchase, Exchange or Lease of Real Property

A motion to adjourn to a closed session was made by Councilmember Jensen, seconded by Councilmember Thompson. Mayor Pro Tem Bott asked for a roll call vote to adjourn to a closed session to discuss the purchase, exchange or lease of real property.

Mayor Pro Tem Bott – aye
Councilmember Farr – aye
Councilmember Jensen – aye
Councilmember Peterson – aye
Councilmember Thompson – aye

The meeting adjourned to a closed session at 7:58 PM. The Council returned to an open meeting at 8:54 PM and adjourned.

The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the May 10, 2016 Budget Work Session.

Dated this 2nd day of June, 2016.

Mary Kate Christensen
Mary Kate Christensen, Recorder