

Midway City Council
20 September 2022
Regular Meeting

Resolution 2022-28 /
Budget Amendment /
Leasing Vehicles

Brad Wilson

From: Jeff Drury
Sent: Tuesday, September 13, 2022 12:52 PM
To: Brad Wilson
Subject: Re: Vehicle Replacement
Attachments: Current Vehicle List-JeffEdit (2)(AutoRecovered).xlsx

Brad,

I have attached a new spreadsheet with a tab called "Lease Edits" that models out the changes to Vehicle Replacement CIP budget. Here is a high level of what I think needs to be addressed:

- Building Inspection and Admin departments will each need to stop their contributions to VR CIP, and have a General Fund line item for \$5,500 per year for vehicle leasing.
- VR CIP fund for non-PW should be transferred to another CIP fund
- Public Works will need a General Fund line item for \$40,500 per year for vehicle leasing. This could come from their current \$90,000 per year contribution to VR CIP, this should be a budget discussion point.
- If there are any contributions to VR CIP by other departments they will need to be changed to roll into the PW dept contribution.

During our discussion I can go through the spreadsheet and how changes will effect the VR CIP fund.

Thanks,



Jeff Drury
Midway City Council
jdrury@midwaycityut.org
Phone: 1-435-714-1425
75 North 100 West
P.O. Box 277
Midway, Utah 84049-0277

Midway

From: Brad Wilson <bwilson@midwaycityut.org>
Sent: Tuesday, September 13, 2022 10:21 AM
To: Jeff Drury <jdrury@midwaycityut.org>
Subject: RE: Vehicle Replacement

Vehicle Use Description	Assigned Employee Name:	Vehicle Type	Vehicle Description	Purchase Price	Year	Current Mileage	Yearly Period	Year to Replace	Mileage	Lease Cost
Building Inspection	Woody	Colorado	4 Door 4x4 Pickup	\$ 29,659.00	2020	10.00	10 Years	2030	100000.00	1.67%
Building Inspection Admin	Monica	Dodge Journey	4 Door 4x4 Jeep	\$ 26,900.00	2016	24050.00	10 Years	2026	100000.00	1.67%
Admin Staff & Mayor Meetings, Bank, Police Office, Planning Dept.	Admin/Planning	Dodge Journey	4 Door 4x4 Jeep	\$ 26,900.00	2015	13741.00	10 Year	2025	100000	1.67%
Public Crew Leader (All Departments)	Cory Lott	Dodge 2500	D 4x4 White Pickup Truck	\$ 41,600.00	2020	2379.00	10Year	2030	100000	1.67%
Public Technician (All Departments)	Darin Bunker	Dodge 5500	D 4x4 Service Truck	\$ 43,763.00	2018	10609.00	15Year	2028	150000	1.67%
			Boss V Plow 9.2	\$ 6,785.67						1.67%
			Service Body Crane, Welder and Air Compressor	\$ 50,162.15	2018					1.67%
Programming, Hauling Road Base, Landscaping	Darin Bunker	International	Bobtail	\$ 112,852.72	2016	3633.00	15 Year	2031	150000	1.67%
			Dump Body	\$ 47,439.00						1.67%
			Salter							
			12 ft plow							
Snowplowing, Hauling Road Base, Landscaping	Ty Van Wagoner	International	Bobtail	\$ 112,852.72	2016	5432.00	15 Year	2031	150000	1.67%
			Dump Body	\$ 47,439.00						1.67%
			Salter							
			12 ft plow							
Service Truck Buildings, Water, Parks, Cemetery, Sanitation	Ty Van Wagoner	Dodge 3500	3500 Truck Gas	\$ 27,989.00	2014	43000.00	10 Year	2024	100000	1.67%
			Service Body	\$ 9,100.00						1.67%
			Boss V Plow 9.2	\$ 6,785.67						1.67%
Snowplowing, Hauling Road Base, Landscaping	Preston Broadhead	Freightliner	Bobtail Freight Liner	\$ 77,569.00	2017	4322.80	15 Year	2032	150000	1.67%
			Dump Body	\$ 66,133.00						1.67%
			Salter							
			11 ft plow							
Service Truck with Bulk Diesel Fuel, Parks, Water, Sanitation	Preston Broadhead	Dodge 3500	Service Body	\$ 28,106.00	2018	8915.00	10 Year	2028	100000	1.67%
			Fuel Tank Combo	\$ 1,200.00						1.67%
Snowplowing, Hauling Road Base, Landscaping	Shane Owens	Freightliner	Bobtail Freight Liner	\$ 79,034.00	2018	4545.60	15 Year	2033	100000	1.67%
			Dump Body	\$ 66,133.00						1.67%
			Salter							
			11 ft plow							
Lametry: Buildings, Streets, Water, Parks, Parks	Shane Owens	Dodge 1500	1500 Pickup Truck 4x4	\$ 30,600.00	2016	46600.00	10 Year	2026	100000	1.67%
		Ram 2500	Upsize							1.67%
Service Truck Buildings, Water, Parks, Cemetery, Sanitation	Eric Mecham	Dodge 3500	3500 Truck Body	\$ 29,805.00	2017	18539.00	10 Year	2025	100000	1.67%
			Service Bed	\$ 10,009.65						1.67%
			Boss V Plow 9.2	\$ 6,785.67	2017					1.67%
Technician All Departments	Kelton Webb	Ford 1500	4x4 Pick Up Truck	\$ 31,000.00	2014	103000.00	10 Year	2024	200000	1.67%
Lump body Pickup, Water, Sanitation Dist, Streets Parks	Lane Taylor	Ford 3500	4x4 Pick Up Truck	\$ 27,959.00	2014	17255.00		2024	100000	1.67%
			Boss V Plow 9.2	\$ 6,785.67						1.67%
			Dump Body							
Lump body Pickup, Water, Sanitation Dist, Streets Parks	All Public Works Staff	Dodge 3500	4x4 Pick Up Truck	\$ 28,106.00	2018	3706.00		2024	100000	1.67%
			Boss V Plow 9.2	\$ 6,785.67						1.67%
			Dump Body	\$ 10,348.42						1.67%

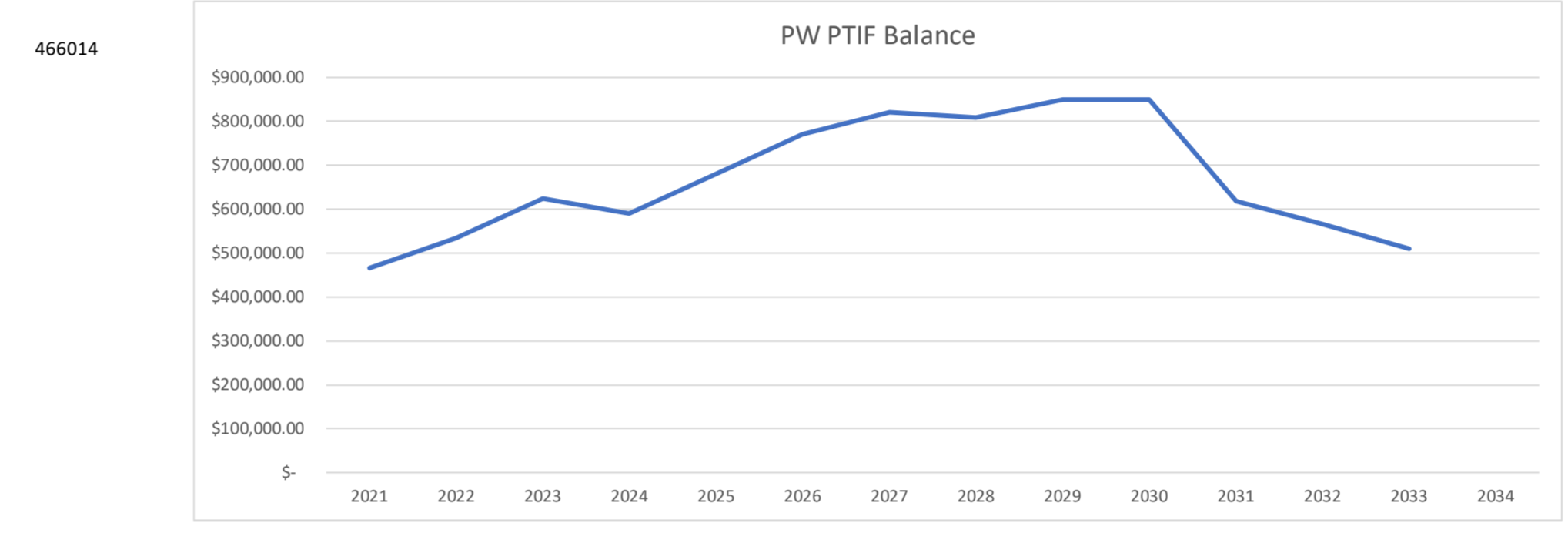
		1 year replacement budget
5500	Total Vehicle Purchase Price	\$ 595,938.12 \$ 59,593.81
	Total Implement Purchase Price	\$ 800,231.57 \$ 32,009.26
5500	Total Yearly Lease Costs	\$ 96,500.00 \$ 96,500.00
6000	PW Lease	\$ 40,500.00
	Other Lease	\$ 11,000.00

	2021 Department Replacement Contributions	PW Dept	PW Suggested Change	PW Lease Cost
PW PTIF	\$ 90,000.00	\$ -90,000.00	\$ 51,103.07	\$ 40,500.00
Other PTIF	\$ -	\$ -	\$ -	\$ -
Total	\$ 90,000.00	\$ -90,000.00	\$ 51,103.07	\$ 40,500.00

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Projected Expenditure	\$ -	\$ 22,114.33	\$ -	\$ 123,859.43	\$ -	\$ -	\$ 39,000.00	\$ 101,910.82	\$ 49,377.70	\$ 90,000.00	\$ 320,583.44	\$ 143,702.00	\$ 145,167.00	0

PW PTIF Running Balance as of Sept 22	466014	\$ 466,014.00	\$ 533,899.67	\$ 623,899.67	\$ 590,040.24	\$ 680,040.24	\$ 770,040.24	\$ 821,040.24	\$ 809,129.42	\$ 849,751.72	\$ 849,751.72	619168.28	565466.28	510299.28
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Other PTIF	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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6000

6000

5500

6000

5500

	Preston	Chevy 1500	\$ 45,000.00	2022										
		Box	\$ 2,200.00	Wont pay for this one										
Becky Johnson	GMC Canyon	Pickup Truck	\$ 22,400.00	2005	23952.00	2005	When it dies!!!!	1.67%						
Becky Johnson	Yamaha	4x4 Four Wheeler Flower Water Main St.	\$ 9,900.00	2000	Hour Meter No Work	20	2021	8000	1.67%					
MCPW STAFF	Polaris RTV	4x4 RTV	\$ 22,114.33	2018	2074 Miles	4	2022	4000	1.67%					
MCPW STAFF	Bobcat Tool/Cat 5600	4x4 RTV with Attachments	\$ 49,377.70	2019	156.00	10	2029	500 Hours	1.67%	Cost not analyzed	\$	296,266.20		
		This vehicle was purchased by the city, if we keep it under 500 hours the	\$ 7,900.00			Yearly UpGrade	2021		1.67%	Cost not analyzed	\$	47,400.00		
MCPW STAFF	Bobcat Tool/Cat 5600	4x4 RTV with Attachments	\$ 49,377.70	2019				500 Hours	1.67%					
Cemetery, Parks, Streets, Water		This vehicle was purchased by the city, if we keep it under 500 hours the	\$ 7,900.00			Yearly UpGrade	2021		1.67%	Cost not analyzed	\$	47,400.00		
Cemetery, Parks, Streets, Water	Ditch Witch Vacuum Trailer	300 Gallon Water and debris tank, Vacuum System with pressure	\$90,000.00	2010	27040.00	20 Years	2030	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Ditch Witch Vacuum Trailer	500 Gallon Water and Debris tank, 400 Gallon Fresh Water Tank, Pressure	\$119,000.00	2019	1560.00	20 Years	2039	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Air Compressor Self Contained	195 CMF Air Compressor	\$39,000.00	2007	692.00	30 Years	2027	50000	1.67%					
Streets and Parks	Vermeer 8" Wood Chipper	Wood Chipping Machine Self Contained	\$36,329.00	2019	600.00	30 Years	2039	40000	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Kaufman Utility Equipment Utility Trailer 24 Ft	\$6,975.00	2000	Estimated 800 Per Year	20 Years	2021	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Generic Utility Trailer 12 Ft	\$1,875.00	1990	Estimated 600 Hours Per Year	20 Years	2021	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Heavy Duty Equipment Trailer	\$5,000.00	85	Out Dated	35 Years	2021	As Needed do to use and Maintenance	1.67%					
Cemetery, Street, Water and Parks	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Pick up Broom Sweeper	\$10,600.00	2008	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Street, Water and Parks	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Angle Broom Sweeper	\$4,200.00	2018	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Street, Water and Parks	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Angle Broom Sweeper	\$4,100.00	2008	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Street, Water and Parks	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Angle Blade Attachment Bobcat	\$4,440.00	2018	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Street, Water and Parks	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Roller Attachment Cat	\$7,200.00	2003	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Street, Water and Parks	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Snow Blower Attachment Bobcat	\$10,600.00	2018	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Street, Water and Parks	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Snow Blower Attachment Bobcat	\$10,600.00	2019	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Street, Water and Parks	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Snow Blower Attachment Bobcat	\$4,600.00	2004	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Ice Rink and Sidewalks	Equipment has Wear Parts We Change Out	Bumble Bee Snow Blower Toro (New Pricing We Purchased Used)	\$48,000.00	2006	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Lifting Forks Attachment Bobcat	\$700.00	2018	NA	15 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Lifting Forks Attachment Cat	\$700.00	2008	NA	5 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Skid Loader / RTV: Lifting Forks Attachment Cat	\$700.00	2010	NA	5 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Backhoe Quick Release Rear Bucket (Transfers from Machine to	\$12,720.00	2007	NA	5 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Water	Equipment has Wear Parts We Change Out	Mini X Power Hydraulic Rock Breaker Cat	\$24,000.00	2011	NA	5 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Cat Back Hoe (Heavy Weight Roller Attachment)	\$4,300.00	2011	NA	5 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
Cemetery, Parks, Streets, Water	Equipment has Wear Parts We Change Out	Cat Hydraulic Compactor Attachment -Mini Excavator	\$10,500.00	2012	NA	10 Years	As Needed With Use	As Needed do to use and Maintenance	1.67%					
			Purchase Price		Leased Price	Lease Time								
Cemetery, Parks, Streets, Water	Wheeler Cat	420 Cat Backhoe and front end loader Leased Item	\$80,000.00		13000.00	Per Year								
Cemetery, Parks, Streets, Water	Wheeler Cat	420 Cat Backhoe and front end loader Leased Item	\$80,000.00		13000.00	Per Year								
Cemetery, Parks, Streets, Water	Wheeler Cat	279 E Skid Loader Leased Equipment	\$65,000.00		12000.00	Per Year								
Cemetery, Parks, Streets, Water	Wheeler Cat	305 C. Mini Excavator Leased Item	\$75,000.00		13000.00	Per Year								

5500

Cost not analyzed \$ 296,266.20

Cost not analyzed \$ 47,400.00

Cost not analyzed \$ 47,400.00



Memo

Date: 13 September 2022
To: Mayor, City Council and Staff
Cc: File
From: Brad Wilson, City Recorder
RE: Budget and Leasing Vehicles

Nancy Simons, Cory Lott, Shane Owens, and I met to determine the impact of leasing vehicles on the current and future budgets. We made the following determinations:

- The annual lease cost for a vehicle for the Administration Department and the Planning Departments is \$5,500. These departments currently budget a total of \$3,000 annually for vehicle replacement. This budget will need to be increase by \$1,500 for the lease.
- The annual lease cost for a vehicle for the Building Department is \$5,500. The Department currently budgets \$5,679 annually for vehicle replacement. This budget can be reduced by \$179.
- The annual lease cost for vehicles for the Public Works Department is \$46,000. The Department currently budgets \$90,000 annually for vehicle replacement. The difference of \$44,000 can continue to be transferred to the Capital Improvement Projects (CIP) Fund for the future replacement of vehicles not leased.
- The leasing company will purchase the existing vehicles, that will be replaced by the lease, for approximately \$190,000.
- The first year, equipment like utility beds will need to be purchased for the vehicles. The initial cost will be \$74,800. This equipment will be purchased with the money received from the leasing company for the existing vehicles. The remaining \$115,200 could be transferred to the CIP Fund for the future replacement of vehicles or this equipment when it wears out. Some of the equipment, which costs less than \$5,000, will need to be purchased from the General Fund.
- It is estimated that vehicle maintenance could be reduced by \$4,500 because most maintenance would be done by the leasing company.
- \$90,000 was budgeted in the CIP Fund to purchase two new public works vehicles. This is no longer needed and may be eliminated from the budget. This will require \$90,000 less to be transferred out of the vehicle replacement reserve account.

Please note that the City would have to purchase ten vehicles if the lease was discontinued. Future increases in the lease costs are unknown and may change from year to year.

Please contact me if you have any questions.



Memo

Date: 12 September 2022
To: Mayor, City Council and Staff
Cc: File
From: Brad Wilson, City Recorder
RE: CIP Fund and Leasing Vehicles

The Governmental Accounting Standards Board (GASB) requires that governments use specific groupings or funds for accounting and budgeting. One of the allowed funds is for capital projects. This fund can be used "...to track the financial resources that are used to acquire or construct a major capital asset." Midway City, its accountants, and its auditors define major capital assets as land, buildings, building improvements, vehicles, equipment, etc. that the City will own and cost \$5,000 or more.

For several years the City has transferred money from its General Fund to its Capital Improvement Projects Fund to purchase vehicles. This money has been used for such purchases or held in reserve for vehicle replacement. Currently, the City has almost \$500,000 in this reserve account. Unfortunately, money may not be transferred out of a capital projects fund and into another fund.

Currently, the City leases equipment such as backhoes, mini-excavators, etc. These are not lease-to-own agreements. The City has the right to use the equipment but does not own it and for accounting purposes they are not shown as capital assets. The leases are paid from the General Fund and not the Capital Improvement Projects Fund.

It has been proposed that the City also lease rather than purchase many of its vehicles. This is appropriate, but the lease would be paid from the General Fund, and not the Capital Improvement Project Fund, because the vehicles would not be considered capital assets. Unfortunately, the \$500,000 in reserve in the Capital Improvement Project Fund can only be used to purchase and not lease vehicles.

Please contact me if you have any questions.



RESOLUTION 2022-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIDWAY, COUNTY OF WASATCH, UTAH, AMENDING THE FISCAL YEAR 2023 BUDGET

WHEREAS, Section 10-6 et seq, of the UCA 1953 as amended, requires cities to hold a public hearing and by resolution amend the annual fiscal year city budget; and

WHEREAS, The City Council held a duly noticed public hearing on 16 August 2022;
and

WHEREAS, the City Council sees the need to amend the Fiscal Year 2023 Budget to lease rather than purchase certain vehicles.

**NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF
THE CITY OF MIDWAY, COUNTY OF WASATCH, UTAH:**

Section 1: The Fiscal Year 2023 Budget is amended as indicated in Exhibit “A”.

PASSED AND ADOPTED by the Midway City Council on the day of 2022.

MIDWAY CITY

Celeste Johnson, Mayor

ATTEST:

Brad Wilson, Recorder

(SEAL)

Exhibit A



Memo

Date: 13 September 2022
To: Mayor, City Council and Staff
Cc: File
From: Brad Wilson, City Recorder
RE: Budget and Leasing Vehicles

Nancy Simons, Cory Lott, Shane Owens, and I met to determine the impact of leasing vehicles on the current and future budgets. We made the following determinations:

- The annual lease cost for a vehicle for the Administration Department and the Planning Departments is \$5,500. These departments currently budget a total of \$3,000 annually for vehicle replacement. This budget will need to be increase by \$1,500 for the lease.
- The annual lease cost for a vehicle for the Building Department is \$5,500. The Department currently budgets \$5,679 annually for vehicle replacement. This budget can be reduced by \$179.
- The annual lease cost for vehicles for the Public Works Department is \$46,000. The Department currently budgets \$90,000 annually for vehicle replacement. The difference of \$44,000 can continue to be transferred to the Capital Improvement Projects (CIP) Fund for the future replacement of vehicles not leased.
- The leasing company will purchase the existing vehicles, that will be replaced by the lease, for approximately \$190,000.
- The first year, equipment like utility beds will need to be purchased for the vehicles. The initial cost will be \$74,800. This equipment will be purchased with the money received from the leasing company for the existing vehicles. The remaining \$115,200 could be transferred to the CIP Fund for the future replacement of vehicles or this equipment when it wears out. Some of the equipment, which costs less than \$5,000, will need to be purchased from the General Fund.
- It is estimated that vehicle maintenance could be reduced by \$4,500 because most maintenance would be done by the leasing company.
- \$90,000 was budgeted in the CIP Fund to purchase two new public works vehicles. This is no longer needed and may be eliminated from the budget. This will require \$90,000 less to be transferred out of the vehicle replacement reserve account.

Please note that the City would have to purchase ten vehicles if the lease was discontinued. Future increases in the lease costs are unknown and may change from year to year.

Please contact me if you have any questions.