

**BUDGET WORK SESSION OF THE
BRIGHAM CITY COUNCIL
APRIL 7, 2011, 5:30 PM**

PRESENT:	Dennis Fife	Mayor
	Bruce Christensen	Councilmember
	Scott Ericson	Councilmember
	Ruth Jensen	Councilmember
	Bob Marabella	Councilmember
	Tyler Vincent	Councilmember
ALSO PRESENT:	Jim Buchanan	Emergency Services Director
	Dave Burnett	Public Power Director
	Mary Kate Christensen	City Recorder
	Kristy Law	Recreation Manager
	Bruce Leonard	City Administrator
	Tyler Pugsley	Assistant Public Works Director
	Paul Tittensor	Police Chief

Northwest Economic Development Area (EDA) Loans Proposed Payback

Mayor Fife explained that the loan from Brigham City Corporation to the Northwest EDA actually took place in 2006-2008. The agreement should have been written up at that time, but there was never anything formally done.

Mr. Roberts explained that when Nucor Building Systems was thinking about building in Brigham City, the City agreed to buy property, loan them money and do some work for them. However, the terms were never agreed upon. It was anticipated that it would be done for an interest rate of up to 6%. Mr. Roberts proposed an interest of 4% which is the same rate as the bond at the time. The total amount was \$4,277,736. This equates to \$582,260.73 for the General Fund, Utility Fund, Storm Drain Fund and Fleet Fund for FY 2006-2010.

Mr. Roberts proposed that the Fleet Fund be paid back in the first four years, with the General Fund being the last fund to be paid back. This is because the departments are paying into the Fleet Fund, so it would benefit all of them as well.

Fleet Program

There is \$836,280 in the proposed 2011-12 budget for vehicles. Lease payments could be subsidized from the Fleet Fund by \$758,581. Over \$300,000 of this would come from the NW EDA loan repayment. This means the departments would have lower lease payments.

The Council discussed the committee that was formed to determine the cost effectiveness of the use of personal vehicles versus the purchase of City vehicles for management. This was initially planned to be done over a 5-year period. It was felt with the rising cost of gas prices there may be a need to purchase more City vehicles rather than paying mileage for the use of personal vehicles. This will be discussed further.

Revenues

There are no tax increases in this budget. The cemetery fees were increased last year so there is an increase in cemetery revenue in this year's budget. There has been a large increase in impact fees and building permits, some as much as 200%. However, the ambulance revenue is down and sales taxes are projected to be \$50,000 lower. Other future revenue will be the sale of the east portion of the Christensen property, the sale of Fred & Kitty's Antique Shop, and EDA and RDA payment allocations.

Expenses

There will be a continued savings in expenses due to the reduction in staff levels. Mayor Fife felt that the City is now at the right staffing level. Employees have stepped up and have been working extremely hard.

The proposed budget includes a combined full-time position for the Youth Empowerment Team and Youth Volunteer Council.

Employee Benefits

The Mayor is recommending a 1.6% merit increase for employees, market adjustments and career progressions. Over the last five years the employee comp ratio average has gone from 96.7% to 92%. He felt the employees need to be rewarded because they have all stepped up and have been doing a tremendous job.

The budget also includes:

- 15% increase in health insurance rates, but hopefully this is too high.
- Workers compensation savings. Claims went from 24 last year to 11 this year.
- Short-term disability savings but better service.
- Educational assistance enhancements. The use of this program has increased.
- Continuation of computer purchase program.

Utility Rates

The budget includes another 10% increase from Rocky Mountain Power. There is no proposed increase in utility rates to the customers.

Brigham City is one of the very few cities in the state that has a Municipal Energy Tax less than the maximum rate of 6%. He recommended this be looked at during the budget process.

The budget also includes upgrades to hydro production as a capital project and funds to evaluate the impact of the Horse Butte Wind Project.

Transfer to General Fund

The Mayor is proposing a 15% transfer from the Utility Fund to the General Fund. If the Council chooses to remove any of the capital projects, the transfer would be reduced by 1% for every \$175,000.

Capital Projects

- General Fund
 - All the street construction; most bids have been coming in lower than budgeted.
 - Online paystubs - \$4,500 to buy software
 - Rees Pioneer Park expansion
 - John Adams bowery and restroom
 - Discovery Grove Park development
 - Sports Complex development
 - Pool fence painting
 - Pool floor refinish

Mayor Fife explained that when the Cottonwood Grove Subdivision was approved, the City agreed to put in a retention pond. This will also be a fishery. The pond will be enough to feed all of the future Sports Complex plus a pressurized system into the two subdivisions. The City may be able to get grant money from the Division of Natural Resources for this project. The Mayor explained that \$420,000 will come out of the current year. He proposed that it come out of the Storm Drain Fund and Water Department, and put the \$420,000 into a capital line for additional work in the area.

There is \$141,000 in the budget for the Pioneer Park expansion, but it won't be ready for two years. The Mayor suggested the money be used to get ball fields in the area of the proposed sports complex. The Council agreed.

- Golf Fund
 - \$35,000 for a water system upgrade
- Cemetery Fund
 - \$41,000 for 600 East sidewalk, landscaping and irrigation
 - \$36,000 for columbarium
- Airport Fund
 - Airport Master Plan update

- Airport asphalt maintenance
- Water Fund
 - 100 East from 100 South to 200 South
 - Detention base (Sports Complex)
 - Water system emergency shutdown
 - Forebay building replacement
 - Pressure irrigation preliminary design
- Sewer Fund
 - Sewer main replacement
- Electric Fund
 - Pole inspection and treatment
 - 46 kV loop line west
 - Relay testing
 - Acquisition of RMP infrastructure – SR-13
 - DOW grant match
 - SCADA installation
- Storm Drain
 - 700 South from 300 West to Main Street
 - 700 South from 100 East to Main
 - 700 South from 100 to 200 East

Emergency Funds

There is \$50,000 proposed in the budget for the Electrical Emergency Fund Balance. There is also \$100,000 in the Disaster Fund.

UTOPIA

- Approximately \$33,500/month for sales tax pledges
- The City is still trying to reconcile other expenses and reimbursements with UTOPIA
- UIA is looking at issuing bonds in the next month – no commitment on interest
- UTOPIA funded connection boxes in the Cottonwood Grove Subdivision – contractor paid for conduit

The Council scheduled additional Budget Work Sessions for May 4, May 11 and May 18 at 12:00.

The meeting adjourned at 6:68 PM.