

**REGULAR SESSION OF THE
BRIGHAM CITY COUNCIL
November 17, 2011**

PRESENT:	Bob Marabella Bruce Christensen Scott Ericson Ruth Jensen Tyler Vincent	Mayor Pro Tem Councilmember Councilmember Councilmember Councilmember
ALSO PRESENT:	Jim Buchanan Mary Kate Christensen Paul Larsen Bruce Leonard Kirk Morgan Mike Nelsen Jason Roberts Brian Rex Mark Thompson	Emergency Services Director City Recorder Economic Development Director City Administrator City Attorney Police Lieutenant Finance Director Councilmember Elect Councilmember Elect
EXCUSED:	Dennis Fife	Mayor

Mayor Pro Tem Marabella called the meeting to order and excused Mayor Fife, who was out of town. The Reverence Period was given by Bishop Mike Adamson of the Brigham City 15th LDS Ward.

Approval of Minutes: The minutes of the November 3, 2011 Council meeting and October 20, 2011 Work Session were unanimously approved as distributed.

**PUBLIC COMMENT
CONSENT**

- Appointment to the Recreation and Parks Commission
- Request to Write-off Accounts Due to Bankruptcy or Being Sent to Collections
- New Hires, Ambulance Department
- Reappointments to the Museum-Gallery Board
- Cancellation of December 29, 2011 Council Meeting
- Canvass of 2011 General Election
- Reappointments to the Advisory Council on Aging

PUBLIC HEARING

- Draft Proposal by Utah State University for a Brownfields Cleanup Grant under the EPA Brownfields Law

SCHEDULED DELEGATION

- Proposed Reorganization of the Citizen Corps Council Structure

NEW BUSINESS

- Purchase of Property Located at 30 East 100 North
- Resolution Authorizing a Second Amended and Restated Pledge and Loan Agreement for UTOPIA to Facilitate the Restructuring of the Original Pledge and Establishing a Lower Overall Cost

OTHER BUSINESS

PUBLIC COMMENT

Brian Rex – Mr. Rex said the refinancing of the UTOPIA bonds and the purchase of property are two very important issues and were the heart of election. He read the UTOPIA contract, which is over 30 pages of very detailed legal language. He understands that the bank wants to finish this transaction before the end of the year. This happens to be the same bank, the Bank of America, that received \$1.34 trillion from the Federal Reserve, and they are the ones pushing UTOPIA to do this. Brigham City has paid their obligation to UTOPIA; it is UTOPIA that has not. When he refinanced his home, he did so to pay a lower

monthly premium. The amount the City will pay is unchanged even with the lower interest rate. He felt the Council needs more time to delve into the details of this very complicated contract.

Mr. Rex said the property issue is part of a multi-year plan that he really has an interest in reviewing and understanding. He added that he can understand why the seller wants to get rid of property before November 30, since he will not have to pay property taxes. Councilmember Christensen stated that the seller will have to pay the pro-rated taxes. Mr. Rex asked the Council to table these two issues until the first of the year for further consideration.

Councilmember Jensen – Councilmember Jensen said she would like to revisit what she wasn't allowed to visit before the election, which is health insurance for Councilmembers. She would like this put on the agenda at some point.

Bonnie Germer – Ms. Germer stated that due to the discontent and the trouble with UTOPIA, citizens should have the right to be involved in this decision. It should be given to the citizens to at least look over. It is too complicated and the City does not have contract experts to go over this. She did not think it was offered to the citizens to look at and she thought there would be a lot of citizens who would like to understand it. The citizens pay it; they should be involved and have the right to look at it. She recommended the Council table this item.

Todd Jensen – Mr. Jensen asked if everyone has read the contract. Councilmember Jensen said she has read the contract between UTOPIA and the City, but not the contract between UTOPIA and the bank. This is where the mistake was made three years ago. Mr. Jensen said he did not know how the Council can vote on it until they have seen the contract. It affects the citizens because the success or failure of UTOPIA affects them. Councilmember Christensen explained that this is a savings to the City and also a savings to the citizens. Mr. Jensen said every time the City has dealt with UTOPIA the City has come up short. He asked the Council to take it slow and be careful.

CONSENT

Appointment to the Recreation and Parks Commission

It was recommended the Council approve the appointment of Clyde Wohlgenuth to the Recreation and Parks Commission.

Request to Write-off Accounts Due to Bankruptcy or Being Sent to Collection

A list of accounts totaling \$6,937.46 was presented to be removed from the City's billing system due to customer being sent to collections or taking out bankruptcy.

New Hires, Ambulance Department

It was recommended Jessica Elsbury, Vicki Nelson and Austin Taylor serve as paid-on-call EMTs.

Reappointments to the Museum-Gallery Board

DeAnn Lester, Steve Hansen, JoAnn Penrod and Jean Hawrylo were recommended for reappointment to the Museum-Gallery Board.

Cancellation of December 29, 2011 Council Meeting

It was recommended the December 29 City Council be cancelled due to the holidays.

Canvass of 2011 General Election

The final election results, including valid provisional votes and absentee votes, were presented to the City Council as the Canvassing Board.

Reappointments to the Advisory Council on Aging

Reappointment of Darwin Jensen and Jim Madsen to the Advisory Council on Aging was recommended.

MOTION: Councilmember Ericson made a motion to approve the Consent Agenda, seconded by Councilmember Vincent and unanimously carried.

PUBLIC HEARING

Draft Proposal by Utah State University for a Brownfields Cleanup Grant under the EPA Brownfields Law

Mr. Larsen came forward and explained that USU is applying for this grant to assist in cleaning up some of the properties they recently purchased at the old Intermountain School. The properties can then be demolished.

Mr. Andy Shinkle stated that some of the buildings have already been removed. There has been more hazardous material than expected, so it is hoped they can get this grant to help with some of the expense.

A motion to open the public hearing was made by Councilmember Jensen, seconded and carried.

Brian Rex – Mr. Rex asked where the hazardous waste is going. Mr. Shinkle replied that the litigation contractors are disposing of it at an appropriate disposal site per state and federal law. Mr. Rex also asked what support they are asking for from the City. Mr. Shinkle explained that they are only asking for a statement from the City that they support the project. No money is being requested.

Brett Reeder – Mr. Reeder expressed concern that USU is not giving anything back to the community in the construction phase. Construction contractors are from Idaho Falls, which means all the money being spent on the project is going out of state. He would like to see USU support the local economy.

Tom Manncheck – Mr. Manncheck said his company is involved in the overall supervision of this project. With the demolition that has occurred to date, there have been 7-14 employees on site. Only three of them are from Idaho Falls. The others have been hired from Northern Utah. All the fuel, all the materials, and hazardous material suits have all been purchased in Northern Utah. Significantly more than 50% of the money expended is being sourced locally. Mr. Shinkle added that USU will be assuming responsibility for the remaining demolition and they are currently seeking bids from four Utah contractors to remove the asbestos. As soon as that is completed, they will seek bids from any licensed contractors in Utah. They hope some of the local contractors will bid on the project.

Jeff Packer – Mr. Packer stated that he is in support of this grant application.

There were no further comments from the public. Councilmember Ericson made a motion to close the public hearing, seconded and carried.

MOTION: Councilmember Christensen made a motion to approve the proposal by USU and show support for the Brownfields Cleanup Grant and authorize the Mayor to send a letter supporting the grant. He added that he felt it is the right thing to do for many reasons, one of which is that the federal government is the one that put the asbestos there, so they should help clean it up. The motion was seconded by Councilmember Ericson and unanimous carried.

SCHEDULED DELEGATION

Proposed Reorganization of the Citizen Corps Council Structure

Mr. Reese Jensen, Chair of the Citizen Corps Council, gave a presentation (see attached) on a concept to change the structure of the Citizen Corps Council. If the Council agrees with the structure, Mr. Jensen will return with an ordinance for consideration.

MOTION: Councilmember Ericson made a motion to have the Citizen Corps Council return to the City Council with an ordinance that coincides with the new structure as presented. The motion was seconded by Councilmember Vincent and carried unanimously.

NEW BUSINESS

Purchase of Property Located at 30 East 100 North

Mr. Leonard explained that the Council has discussed this purchase in several closed sessions and has negotiated amicable terms.

Councilmember Jensen made a motion to table this item until the new Council is seated because they will be the Council that has to find the money. The motion died for lack of a second.

A motion to proceed with the purchase of the property as outlined was made by Councilmember Christensen, seconded by Councilmember Ericson. The motion carried 4-1 with the following vote:

AYE: Councilmember Christensen NAY: Councilmember Jensen
Councilmember Ericson
Councilmember Marabella
Councilmember Vincent

Resolution Authorizing a Second Amended and Restated Pledge and Loan Agreement for UTOPIA to Facilitate the Restructuring of the Original Pledge and Establishing a Lower Overall Cost

Mr. Roberts came forward and explained that this is a restructuring of the sales pledge tax bonds for UTOPIA. The bonds are at a variable rate debt that was supposed to be hedged by a swap to make it a hybrid fixed rate. However, it was structured incorrectly and UTOPIA has been losing money. The banks have agreed to refinance the debt at a fixed rate. As part of this financing, the sales tax pledges coming from the member cities will be sufficient to pay the debt coming in. If this does not happen, default on the bonds become a possibility for UTOPIA. If the refinancing occurs, the sales tax pledges will be sufficient to pay all the debt.

Mr. Roberts said UTOPIA has been losing 15-35 basis points on the \$185,000,000 bond. Calculated at 25 points, this equates to \$462,000 per year.

Mr. Morgan said there are no other changes in the resolution and it does not extend any additional liability to the City.

Mr. Leonard added that this process will also eliminate the letter of credit on the bonds being held by Key Bank, which was at 1.25%.

MOTION: Councilmember Ericson made a motion to approve the resolution authorizing a second amended and restated pledge and loan agreement for UTOPIA, seconded by Councilmember Christensen. Councilmember Jensen stated that even though City staff has been able to go over the resolution between the City and UTOPIA, we have not been able to go over the contract with the bank and UTOPIA. The people who wrote up this loan are the same people who wrote the original loan. She said she had no confidence that there could be something we are missing, just like three years ago.

AYE: Councilmember Christensen NAY: Councilmember Jensen
Councilmember Ericson Councilmember Vincent
Councilmember Marabella

The motion carried 3-2.

OTHER BUSINESS

Mayor Pro Tem Marabella distributed a public meeting training DVD provided by the Utah League of Cities and Towns. The state requires this training every year.

The meeting adjourned at 8:07 pm.