

**REGULAR SESSION OF THE
BRIGHAM CITY COUNCIL
June 7, 2012**

PRESENT:	Dennis Fife Ruth Jensen Brian Rex Tyler Vincent	Mayor Councilmember Councilmember Councilmember
ALSO PRESENT:	Rick Bosworth Mary Kate Christensen Tyler Pugsley Jason Roberts Bruce Leonard Tyler Pugsley	Human Resource Coordinator City Recorder Public Works Director Finance Director City Administrator Public Works Director
EXCUSED:	Scott Ericson Mark Thompson	Councilmember Councilmember

Mayor Fife called the meeting to order. The Reverence Period was given by President John Ferry from the LDS West Stake.

Approval of Minutes: A motion to approve the minutes of the May 17, 2012 Council meeting was made by Councilmember Vincent, seconded by Councilmember Rex and unanimously approved as distributed.

PRESENTATIONS

Induction of Peach Days Car Show into the Hot Rod Hall of Fame

PUBLIC COMMENT

CONSENT

Appointments to the Advisory Council on Aging
Amendment to the Fulltime Employee Bereavement Leave Benefits Policy
Request to Accept Annexation Petition from Reeder Ranch, LLC

PUBLIC HEARING

Public Hearing on Brigham City's 2012-13 Budget, Which Includes a Transfer from the Public Utility Fund to the General Fund and a Transfer from the Utility Fund to the Capital Project Fund and a 2% Merit Increase for City Employees

SCHEDULED DELEGATION

"We Do It Right" Team Report on Activities Throughout the School Year (*removed*)
Request for a Perpetual View Easement
Report on Use of Olympian Legacy Grant Money

NEW BUSINESS

Request for Authorization to Purchase Property from Beecher Brothers Investment for Improved Access to Water Resources and for Watershed Protection

OTHER BUSINESS

PRESENTATIONS

Induction of Peach Days Car Show into the Hot Rod Hall of Fame

Ms. Monica Holdaway came forward and said the Chamber of Commerce received a call from the Bonneville Rod and Custom Club telling her that the City was being inducted into the Utah Hot Rod Hall of Fame. This is due to all the assistance the City gives to support this event. Without the support of the City, the Bonneville Club would have a difficult time putting on this event and they would probably have to start charging an entry fee. She said this is the largest free car show in Utah.

PUBLIC COMMENT

Karl Halling, 120 Ashe Circle – Mr. Howling said he understands that the Municipal Energy Tax (MET) is being raised from 2.25% to 5%. He was against such a big increase. He did not begrudge anything the City was trying to do, stating that the programs the Council is trying to do are probably great projects; however, the increase is too big. He felt it would be better to compromise and reduce the increase, rather than doubling it.

There were no further comments from the public.

CONSENT

Appointments to the Advisory Council on Aging

It was recommended Darwin Jensen be appointed as Chair of the Advisory Council on Aging, and Dennis Spence, Elaine Crockett and Francine Beecher be appointed as members of the same board.

Amendment to the Fulltime Employee Bereavement Leave Benefits Policy

An amendment to the bereavement policy was presented for approval. This amendment changes when bereavement leave can be used for immediate family, which is defined as in-laws, step-relatives, legal guardians or equivalent relations. Up to five days may be granted for the death of an employee's spouse or child; up to three days for employee's parent or parent-in-law, sibling, brother-in-law, sister-in-law, grandparent or grandchildren.

Request to Accept Annexation Petition from Reeder Ranch, LLC

The City Recorder received a petition for annexation from Reeder Ranch, LLC for property located west of the freeway along SR-13. This is the first step in the annexation process.

PUBLIC HEARING

Public Hearing on Brigham City's 2012-13 Budget, Which Includes a Transfer from the Public Utility Fund to the General Fund and a Transfer from the Utility Fund to the Capital Project Fund and a 2% Merit Increase for City Employees

Mr. Roberts said the budget includes an increase from 2.25% to 5% in the Municipal Energy Tax (MET). Prior to the MET, energy providers paid franchise taxes to municipalities for use of rights-of-way within their City. When the franchise tax was taken away, the MET was created. It replaces a revenue source with another revenue source.

Currently, the nation is experiencing a decrease in natural gas costs and an increase in electric costs, although Brigham City residents have not had an electric increase for two and a half years.

During the budget process, the City was looking at decreased revenue and increased costs in the General Fund. This left a deficit that was projected to continue in future years. The Mayor and Council discussed various options to cover this shortfall. These included raising electric rates, transferring from the Utility Fund to the General Fund and increasing the MET. This was after many cuts were already made. While these options were being evaluated, it was found that only two other cities near the size of Brigham City have a MET lower than 5%. One is Perry, and they are currently considering raising their rate to 6%, which is the maximum amount allowed by law.

The MET is budgeted to become effective January 2013. This is after a 90-day process is completed. The City is required to notify the Tax Commission in writing of the intent to increase the MET. After the Commission receives notice there is a 90 day waiting period before the tax can be enacted. The increase must be approved by ordinance.

Councilmember Jensen said during the budget process she also suggested raising property taxes, which would require a truth in taxation process. Mayor Fife said the other councilmembers were not in favor of raising property taxes because a general obligation bond will be paid off in a few years, which will lower

the overall property tax. With the current economic situation, the Council felt that a property tax increase was not the best option.

Mayor Fife explained that this might look like a 100% increase, but he pays approximately \$2.50 MET on his gas bill and electric is about the same. The increase is only an increase of \$2.50 on this bill. Electric would be about the same. The MET increase would increase his bills by \$3-5 per month. He added that gas bills have gone down for most people, which has resulted in lost revenue from the MET from previous years.

Mayor Fife continued that the vote to increase the MET was a 3-2 vote. Those in favor felt it was a better long-term issue to address the loss of revenue in other taxes. Sales tax has also decreased.

The Mayor explained that there are very few capital projects in the budget. These include water projects and infrastructure; for example, an intersection on 1100 South and 1100 West.

Councilmember Jensen said when the previous Council decided to revive the Christensen Building (Academy Building), they made the decision that no City money would be spent on this project. Any improvements to the property would be done through donations. There is not supposed to be any City money used for Academy Square. Purchasing property surrounding Academy Square is using City money to develop the area. She said that is why she is against purchasing property with the hope that someone will come into the City and develop it. There is a line item in the 2012-13 budget for purchasing property.

Mayor Fife said a foundation was formed to raise money, but they have been unable to do so. Just recently the City reached out to one of the foundations and they said if the City and the citizens could match what they contribute, they would be able to consider the project. However, it will take \$3,000,000-\$4,000,000 to revitalize the building. It is just a shell; there is no mechanical infrastructure and no restrooms.

Councilmember Rex said the City does not have any control over what Rocky Mountain Power charges the City for electricity. The City has not passed the increases onto the citizens for the last two and a half years. He felt that Brigham City is not in a position to shield citizens from the reality of these energy cost increases and should pass these increases onto the citizens, rather than increase the MET. He also felt the Council should look for other savings in the budget. Mayor Fife said the Council looked at every possible savings throughout the budget process. He agreed that the electric rate may be too low. The retail rate for commercial users has a declining rate and the lowest rate is actually lower than what the City pays for it. However, it would be a major increase for the businesses if the rates were increased.

Councilmember Vincent stated that if rates are not increased gradually, it could be catastrophic in the future when a large increase will have to be implemented.

Mayor Fife said the main benefit of increasing the MET rather than utility rates is that it goes directly into the General Fund, not the Utility Fund.

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

Bonnie Germer – Ms. Germer expressed concern about the City building a hotel and a restaurant and continuing to build the downtown center. If the City builds a hotel, it would be in direct competition with the hotels already in Brigham City. Mayor Fife replied that the City is not going to build a hotel; the developer would build it. Ms. Germer said she thought the Mayor said earlier that the City was interested in building a hotel and have someone come in and buy it. The Mayor said the City has been talking to a few hotel chains about building a hotel in Brigham City, but Brigham City is not building it. There has been a feasibility study done on this and Brigham City does need more hotels. The hotel in Perry west of I-15 on 1100 South has not done as well as expected, but they thought that was because it is not the quality hotel people are looking for. The hotelier that is interested has built some prominent hotels in Utah. Another hotelier has built some hotels in Salt Lake City. They are especially interested because they can develop the Academy Building. This would be a way that the City would not have to pay any money and would get

a return on the purchased property. Ms. Germer asked if it would be more beneficial to the developer if they purchased the property directly, rather than the City purchasing the property and the developer buying the property from the City. The Mayor said there are grants and no-interest loans available for developers, but it has to go through the municipality. These are the kind of incentives that allows the hotel to be competitive. There are several federal programs that make it attractive for developers to develop in a small community. Ms. Germer asked if the City has a contract with a hotel chain to guarantee that they will build in Brigham City, because the City is purchasing property, or is the City just hoping that will happen. Mayor Fife said the City is currently in negotiations with a hotelier. Ms. Germer asked if the City has a contract with a restaurant. The Mayor replied that there are no discussions with a restaurant.

There were no further comments from the public. A motion to close the public hearing was made by Councilmember Jensen, seconded by Councilmember Rex and unanimously carried.

SCHEDULED DELEGATION

Request for a Perpetual View Easement

Mr. Rick Eardley from Meadow Outdoor Advertising approached the Council. They are interested in purchasing a small sign on 1100 South. The current sign is a conforming sign as far as the Utah Department of Transportation is concerned, but not a conforming sign according to the City Code. The City owns a small strip of property next to the property they want to purchase. The property is currently being used as a retention pond. However, the Mayor indicated to them that this piece of property is too valuable to continue as a retention pond. They were concerned that if something was developed on this property it could obstruct their sign. Meadow Outdoor would like to purchase a view easement to allow their sign to continue to operate. They are willing to pay the City \$3,500. This could be in trade, with Meadow Outdoor advertising for the City. In addition they would provide all the engineering and legal work to create the easement.

There was a discussion on the terms of the easement.

MOTION: Councilmember Rex made a motion to provide an easement for Meadow Outdoor Advertising for \$500 for five years; Meadow Outdoor will have their attorney prepare the easement, reviewed by the City Attorney and brought back to the Council for approval. The motion was seconded by Councilmember Jensen, unanimously carried.

Report on Use of Olympian Legacy Grant Money

Ms. Susan Neidert from the Fine Arts Center came forward and reported on the projects they did with the Olympian Legacy grant money. They received \$1,000 from the grant and they used it for three programs.

- \$150 for advertisement for the ART-TELL program.
- \$750 to pay for a guest puppet performer, Freddie the Stringman Spencer
- \$100 for a bilingual puppet show at the library

Ms. Neidert expressed appreciation to the City for the grant.

NEW BUSINESS

Request for Authorization to Purchase Property from Beecher Brothers Investment for Improved Access to Water Resources and for Watershed Protection

Mr. Leonard said it was anticipated the purchase agreement would have been received from the family. They have agreed to sign it; however, it has not been received yet.

Mr. Pugsley explained that the City has two water sources in Flat Bottom Canyon, Beecher Springs and the Flat Bottom Canyon Well. One of the challenges in developing well sources is source and watershed protection. In order to provide this protection, the City has to enter into land use agreements with surrounding property agreements. Purchasing this property would provide the source protection without having to do this.

The property is just less than 400 acres and they are asking \$90,000. The appraised value is \$205,000. Funding would come from the Procter and Gable bond.

Councilmember Jensen said earlier she stated that she did not want the City to be in the land development business. However, that is different than this property purchase because it is a protection of the City's water resource. The other property competes with other businesses.

MOTION: Councilmember Jensen made a motion to approve the purchase of the property owned by Beecher Brothers Investment for improved access to water resources and watershed protection subject to the purchase contract being signed by the property owner. The motion was seconded by Councilmember Rex and unanimously carried.

The Council adjourned to a Redevelopment Agency meeting at 8:28 PM.