

**BUDGET WORK SESSION OF THE  
BRIGHAM CITY COUNCIL  
June 1, 2017**

PRESENT:	Tyler Vincent	Mayor
	Tom Peterson	Mayor Pro Tem
	DJ Bott	Councilmember
	Alden Farr	Councilmember
	Ruth Jensen	Councilmember
	Mark Thompson	Councilmember
ALSO PRESENT:	Joseph Bach	Fire Chief
	Dave Burnett	Public Power Director
	Mary Kate Christensen	City Recorder
	Paul Larsen	Community Development Director
	Kristy Law	Community Activities & Services Director
	Mike Nelsen	Police Chief
	Derek Oyler	Finance Manager
	Tyler Pugsley	Public Works Director
	Jason Roberts	City Administrator

Councilmember Peterson, as Mayor Pro Tem, conducted the meeting.

**Capital Facility Projects**

Mr. Oyler reviewed the prioritized facility projects in the proposed 2017-18 budget.

- 1) Save money for the Chamber building foundation.
- 2) Continue implementing access control to City facilities by getting rid of keys and using electronic badges and adding cameras.
- 3) Storage shed for sand road base and pit run. There was \$75,000 in the current budget for this project, but after putting it out to bid this was not enough money. This will be carried into the 2017-18 and an additional \$57,000 is being requested.
- 4) Fire alarm system at the upper and lower power plants.
- 5) Restroom remodel at the Waste Treatment Building.
- 6) New air conditioner at the swimming pool.
- 7) New sign at City Hall.
- 8) Window coverings for the west side of the EMS Building second floor.
- 9) New flooring at the Animal Control Building.
- 10) Air conditioner in the IT Department.
- 11) Paint the floors at the pump houses at the Waste Treatment Plant and Mantua.
- 12) Remodel men's restroom at the Fleet Building.
- 13) Replace skylights with a T-grid ceiling at the Library.

As previously discussed, the City's general fund balance is over the allowable 25%. The Mayor's budget includes a transfer of \$875,000 from the general fund to a capital project fund. This will be done with Council's approval at the June 15<sup>th</sup> Council meeting. The Council will determine what to do with this.

**Skateboard Parks**

Mayor Pro Tem Peterson expressed concern with the state of the skateboard park and that younger kids do not feel safe there. Some suggestions included lights and cameras, or move it to a location that is well traveled and surrounded by people continually. It was also suggested it needed to be more challenging. It was estimated a new skateboard park would cost \$40/square foot, approximately \$400,000.

Councilmember Jensen volunteered to talk to the skaters at the park and see what they want and do a survey.

The Council agreed that this is something they should look at long-term, but no changes to the proposed 2017-18 budget were made.

### **Parking at Pioneer Park**

Mayor Pro Tem Peterson noted that there is \$155,000 in the budget for pickleball courts and a parking lot. He suggested using a portion of the \$875,000 toward a base asphalt parking lot by the pickleball courts. Discussion was held on where to expand the parking. Mayor Pro Tem Peterson suggested a clean edged, striped, and red paint along the access way. Mr. Pugsley and Mr. Oyler will work on a cost estimate and present it to the Council on June 15<sup>th</sup>.

### **Museum-Gallery**

Councilmember Thompson suggested budgeting for banners for the Museum's events throughout the year. Mr. Oyler said any capital project could be cut by \$1,200 to accommodate this. Mr. Roberts suggested this come out of the general fund in the 2016-17 budget. Mr. Oyler will make the budget adjustment to bring that forward to the 2017-18 budget.

### **Ambulance Rates**

Chief Bach came forward and explained that when they submit bills, they only mark up their supplies 75%. After it goes through the collection process they are losing money on every call. Most departments are charging 300-400% markup on supplies so they don't lose money.

Mr. Oyler clarified that there is increased revenue in the proposed budget for a markup. If the Council agrees with this, a resolution will be brought to the Council on June 15<sup>th</sup>. He recommended going with at least a 150% markup. Mr. Roberts added that this is a moving number based on the demographics of the calls. The freeway has a demographic that can change and there are a lot of calls from the freeway. Staff figured a 300% mark-up would be enough to pay for the supplies and a slight amount for overhead.

### **Municipal Energy Tax (MET)**

Councilmember Thompson said a few years ago when budgets were tight, the City increased the MET. He asked how much the City gets from this tax and if it was something that could be reduced. Mr. Oyler reported that \$373,000 is generated from Questar Gas customers and \$921,207 from Brigham Power users. One hundred percent is received in the general fund, per Utah Code. Any decrease to the MET would be a significant revenue decrease in the general fund, which is tight. There are things staff would like to do from the general fund, which is not financially possible. If this was cut there would be a direct reflection on the general fund and would affect some type of service.

### **Utility Fees**

Councilmember Jensen said water revenue has been good and 15% was transferred to the general fund. When it gets to the point of leveling off, she wondered if the City has ever given money back.

Mr. Roberts said what he looks at for water rates is the amount of capital projects needed to maintain the infrastructure. In 2009 the City was spending \$2.5M a year. There were many years when costs increased and rates did not increase. The City paid into that approximately \$1M per year, which meant \$1M less toward capital projects. Due to some of the economic benefits in the last few years and the cost of power going down, this budget includes \$2.5M for projects.

Mr. Oyler added that Brigham City's water rates are very fair while still maintaining the infrastructure and they are not higher than surrounding communities. Mr. Pugsley added that there hasn't been a rate increase in the last ten years.

### **Electric Rates**

Councilmember Jensen asked about the 3-tiered rates and how it is fair.

Mr. Burnett explained that they tried to model the rates to the amount the City pays for power. When the City buys on the market, the more usage or the higher the peak, the more the City has to pay. Councilmember Jensen said I don't want to punish people because they use more, but I want to consider what time of day the power was used. She felt this would be more of a balance. Mr. Burnett said the new meters allow that and it is the direction they are trying to go.

Councilmember Jensen said there is a \$4.57 service fee on residential bills, but the proposed service fee for residential is \$13.00. She asked how this was formulated. Mr. Burnett said the \$13.00 fee was strictly based on the rate analysis done by the consultant, who recommended that rate to cover the cost of service for that class of customer.

Mr. Oyler added that the \$4.57 is spread over 6,500 customers; the \$13.00 is spread over 800 customers. In addition, the infrastructure for businesses cost more.

### **Merit Increase**

Councilmember Jensen said she understands the City is trying to stay within the 98+ percentile, but the Consumer Price Index is 2.1%. She said she realizes the City is trying to keep to a certain standards. When she talked to Mr. Oyler about this, he told her he and Mr. Roberts are looking into a new system.

Mr. Oyler said Mr. Roberts met with every City employee about the City's current Pay for Performance pay structure. He has taken this feedback and is looking at ways to fix the shortfalls within the current system and looking at it long-term. Mr. Roberts added that he is looking primarily at the employee evaluation process, how they are evaluated and how the communication goes from the supervisor to the employee and from the employee to the supervisor.

Councilmember Jensen said she was not sure the budgeted amount should be 3%, but when he explained what they are working on she thought it would be better to look at it next year when they are done revamping it.

### **Budget Cuts**

Councilmember Jensen said when the Mayor cuts the budget with staff, she got the impression that it's the administration against staff. She asked for clarification on what the Mayor's Office asks staff to do and how they make their cuts.

Mr. Oyler explained that the directors submit their budgets to him and the Mayor's Office. He then determines the dollar amount of controllable lines for each department. Then the Mayor gives him the priorities of what he wants in the budget. Based on the revenues, expenditures submitted by the department head, and the Mayor's prioritization, they determine how much more money is needed. He then sends a budget cut, based on the determined amount, to the directors. It is up to each department to determine what line(s) to cut. He and Mr. Roberts do not tell them what to cut. They may make suggestions, based on historical expenditures, but they do not tell directors what lines they should cut.

### **Splash Pad**

Councilmember Jensen said she is not against the splash pad, but she was not sure about the restroom and bowery, which depends on where it will be located. Last year the City asked the citizens to vote on an increase in sales tax for roads, streets, sidewalks and bridges, and when we have money in the general fund, it is not being put toward these items; we are more concerned about recreation. The sales tax proposition did not pass, so she felt the Council should put more money into what is really needed. She learned at the Utah League Conferences that if there is good traffic in your area, it means there are economic engines and money coming and going. She felt that the City should make sure the roads are good. She travels to some cities that have a lot of fun things going on in their City, but they have terrible roads. She would like to concentrate on what is really needed, not what is wanted.

Mayor Pro Tem Peterson asked what line items she would like to cut to accommodate this. Councilmember Jensen said she wanted the Council to be careful with general fund money. She did not think it should go toward recreation, but she understood that people want the splash pad. In the future, she felt that the Council needs to work toward what is needed.

### **Fire & Ambulance**

Councilmember Jensen added that Brigham City is a small town and it is not going to grow to a population of 150,000 people. It is projected Brigham City will grow 3,000-3,500 people. At some point the Council needs to look at the fire and ambulance. On several occasions Councilmember Peterson has brought up the idea of a county fire district. There has to be some creative ways, whether it's the county helping, or rethinking the organization of the department. When the Council first reorganized the department, it was a step, not a leap off the cliff, and it is now leaping off the cliff. The City needs to get creative. She likes having the paramedics, but is there a better mixture, or bring in volunteers to do certain things? She said she was confident Chief Bach and staff could come up with something more creative. She felt that it is getting out of control.

### **Projects for Consideration**

Councilmember Jensen spoke to Mr. Oyler and he told her the projects are not in any order. She would like Council to look at the projects and prioritize them.

### **Sewer Pipe Burst**

Councilmember Jensen asked Mr. Pugsley to further explain the need for this. Mr. Pugsley explained that sewer infrastructure lasts longer than water infrastructure. The lines that are in the budget to be replaced are in citizens' backyards with trees. The City has spent over \$15,000 every year on root control on this portion of the line. There are fractures in the line. There are older parts of the line, but they are not in worse shape.

The meeting adjourned at 7:05 p.m.