

**REGULAR SESSION OF THE
BRIGHAM CITY COUNCIL
January 5, 2017**

PRESENT:	Tyler Vincent	Mayor
	DJ Bott	Councilmember
	Alden Farr	Councilmember
	Ruth Jensen	Councilmember
	Tom Peterson	Councilmember
	Mark Thompson	Councilmember
ALSO PRESENT:	Mark Bradley	City Planner
	Dave Burnett	Public Power Director
	Mary Kate Christensen	City Recorder
	Paul Larsen	Community Development Director
	Kristy Law	Community Activities & Services Director
	Derek Oyler	Finance Manager
	Jason Roberts	City Administrator
	Dennis Vincent	Assistant Police Chief

Mayor Vincent called the meeting to order. The Reverence Period was given by Councilmember Peterson. The Pledge of Allegiance was recited.

Approval of Minutes: A motion to approve the minutes of the December 15, 2016 Council meeting was made by Councilmember Bott, seconded by Councilmember Jensen and unanimously approved as distributed.

AGENDA

CONSENT

- Request to Write-off Accounts Due to Bankruptcy or Being Sent to Collections
- Reappointment to the Economic Development Board
- Reappointments to the Advisory Council on Aging
- Appointments to the Planning Commission and Appointment of Vice-Chair
- Approval of 2017 Councilmember Assignments

PUBLIC HEARING

- Community Development Block Grant 1st Public Hearing to Receive Input on Potential CDBG Applications

PUBLIC COMMENTS

COUNCILMEMBER COMMENTS

SCHEDULED DELEGATION

NEW BUSINESS

- Consideration of Land Lease Agreement with Verizon Wireless at Pioneer Park
- Presentation of 2015-16 Audit

ADJOURN TO CLOSED SESSION TO DISCUSS THE PURCHASE, EXCHANGE OR LEASE OF REAL PROPERTY

CONSENT

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

A list of accounts totaling \$6,965.91 was presented to be removed from the City's system due to customer taking out bankruptcy or being sent to collections.

Reappointment to the Economic Development Board

It was recommended Corbet Austin be reappointed to the Economic Development Board.

Reappointments to the Advisory Council on Aging

It was also recommended Betty Bywater and Stan Leslie be reappointed to the Advisory Council on Aging.

Appointments to the Planning Commission and Appointment of Vice-Chair

Cindy McConkie and Brian Owens were recommended to be appointed as alternates to the Planning Commission and Eve Jones was recommended to be appointed as Vice-Chair.

Approval of 2017 Councilmember Assignments

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

PUBLIC HEARING

Community Development Block Grant (CDBG) 1st Public Hearing to Receive Input on Potential CDBG Applications

Mr. Larsen came forward and stated that the purpose of this first public hearing is to receive input from citizens on projects they want considered for application for funding through the CDBG. In 2017 approximately \$400,000 is expected to be available in the Bear River Region for CDBG projects; \$350,000 of which will be available for projects to be rated and ranked. All funds allocated must meet a HUD national objective and benefit low to moderate income individuals. Projects displacing low to moderate income persons are not likely to receive funding. The range of projects that are eligible include affordable housing, community infrastructure projects, durable equipment purchases and other projects, such as public service projects for seniors, youth and battered spouses and housing rehabilitation projects. Some past projects funded in Brigham City through CDBG were a senior center parking lot overlay, ADA curb ramps throughout the City, housing rehabilitation, and building improvements at the Box Elder County Family Support Center. This first public hearing is a requirement for the City to apply for, or sponsor, non-profit organizations' applications for the grant. This grant does not require a match. The Council must respond to comments during the hearing, or provide responses in writing after the hearing.

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

Susie Witt, Habitat for Humanity – Ms. Witt said they plan to apply for a grant for low income housing.

Paul Larsen, Representing Brigham City – Mr. Larsen said Brigham City intends to apply for a CDBG for electrical system upgrades at the senior center. This has been an ongoing concern.

DeAnna Hardy, County – Ms. Hardy opposed this because in order to do this, money is taken from the citizens to fulfill these projects. She asked the City to return the money back to the citizens so they can choose how and when to spend their own money.

A motion to close the public hearing was made by Councilmember Bott, seconded by Councilmember Thompson and unanimously carried.

PUBLIC COMMENT

Juliana Larsen, Brigham City – Ms. Larsen thanked the Council for the things they are doing and especially for taking the time to read the general plan and look at it chapter by chapter. She encouraged those in attendance to encourage their friends to attend the City work sessions and occasionally raise their hand to give a comment. That is the only way the Council will know what is in the document is if people come and talk about it. She said it felt like on the housing section that it is talking about the same kind of channel that the City is looking for ways to get funding and syphon it through the City to do projects. She said maybe this is the accepted norm, but she felt the City should not compete with the private sector. If there are developers that want to come in and ask to do things, that is when the City Council steps in with their City plan, after they've read it and examined it, and make sure the ordinances and zoning match what is in the document. That is how it should be done, not the City going after developers. She cautioned the Council in doing this, because though federal dollars may have a place, she did not believe Brigham City being used as a sieve to syphon money to the public is the right way to do that.

DeAnna Hardy, County – Ms. Hardy played a video on the sovereignty of the state by KrisAnne Hall.

COUNCILMEMBER COMMENTS

Councilmember Bott said he has been impressed with everyone helping others moving snow. He agreed with Ms. Larsen's comments on attending Council meetings. He hears too many things in the community because people do not attend the meetings and succumb to innuendos and gossip, then write it in the newspaper or spread it, instead of asking questions or coming to the meetings.

Councilmember Jensen said the Sesquicentennial Ball will be held January 28. The Basin Street West Orchestra and the USU Swing Dance Performers will be there. Food will also be provided. She said she was looking at her electric bill and saw the municipal energy tax (MET). She didn't want to increase it up to 6%, but the Council did it. She found out that this tax is going to the general fund. When she reads "municipal energy tax" she automatically assumes that it is going to go toward energy, such as capital improvement projects, infrastructure, something to do with energy. It is not doing that; it is going to the general fund. She didn't agree with that and felt that the Council should change it. She would like to look at this further during the budget process.

Councilmember Farr complimented City staff for the good things they do for Brigham City residents. He watched a waste collection employee pick up a garbage can that had fallen over and loaded it. A snowplow employee stopped and told a citizen that he appreciated their patience. These are just a few examples of the little things employees do for the citizens. Brigham City has a great group of employees that step up when it's time.

Mayor Vincent agreed with Councilmember Farr's comments. He drove by the driveways of two snowplow drivers and their driveways were still full of snow. They do a great job and expressed appreciation for all they do. He also expressed appreciation to the citizens for helping their neighbors.

NEW BUSINESS

Consideration of Land Lease Agreement with Verizon Wireless at Pioneer Park

Mr. Bradley came to the table and introduced Mr. Garcia, representing Verizon Wireless. Mr. Bradley explained that Verizon requested a lease agreement with the City for their cell facility tower located at Pioneer Park. Primary access would come off of Forest Street to access the site. The site would be 22' X 55'. The proposed lease is for 25 years, with a five year incremental period. The rental rate would be \$1,100 per month with a 10% increase each five year period. The Planning Commission approved the site be the height of its initial service height (60'). The maximum height would have been 80'. The tower would be designed for Verizon and two additional.

Councilmember Peterson asked about doing privacy slats. Mr. Garcia said they have done slats in some areas. The concern with slats is security issues because they can't see what is going on behind the fence.

Councilmember Jensen asked if Verizon or the City will do the maintenance and snow removal around the fence. Mr. Garcia said the Public Works Director told him the City will maintain the road going to the structure, Verizon will maintain the rest and the gate. Mr. Bradley added that Verizon has agreed to run a conduit for future fiber optics. The City would have the ability to work with Verizon to have a camera for security, or a WiFi system to service the residents in that area.

Councilmember Peterson said the agreement states that after the 25 years, it is Verizon's responsibility to remove the entire facility with the exception of the footing. He asked why they would not be responsible for that. Mr. Garcia said although it says Verizon will remove the entire facility, what typically happens is the facility is given to the municipality.

Councilmember Peterson said if the City is going to abandon the facility it would be better to have a usable piece of property left. Somebody is going to have to pay to remove it. If the facility is removed at the end of the contract, he recommended the property go back to a flat usable property. If the City chooses to keep it, this would be a moot point. Mr. Garcia said language can be added to the agreement stating that Verizon will remove the entire footing if requested by Brigham City.

MOTION: Councilmember Peterson made a motion to approve the land lease agreement with Verizon at Rees Pioneer Park as amended, seconded by

Councilmember Bott. Councilmember Jensen clarified that it should state that there will be no cost to the City if it is removed. The motion unanimously carried.

Presentation of 2015-16 Audit

Mr. Oyler said the City-wide days cash decreased 25 days from the FY15.

There was an increase in governmental days cash from 113 to 120, mainly because of the increase in the general fund balance due to the inability to fill positions in the Public Safety Department.

Days cash in business type activities decreased significantly, from 182 to 124. Part of this is due to a timing issue. The City received the cash from the County for the Wakegan bonds after the fiscal year end. Another reason is because the 1100 South 1100 West intersection project came from fund balance out of the business-type funds.

The largest change in the distribution of revenue sources compared to 2015 was the increase in sales taxes from 18% to 23%. This is due to the addition of the UTA sales tax. Property taxes decreased from 20% to 18% due to decreased tax increment being received in the RDAs.

The net cost of services of all governmental activities was \$18.6 million. The general government subsidy was \$2.8 million, public safety subsidy was \$3.8 million, public works was \$2.3 million, Community and Economic Development was \$2.2 million, and Culture, Parks & Recreation subsidy was \$2.3 million. These are all very similar to prior year. However, general government subsidy increased by \$1.3 million due to the accounting of the UTA sales tax.

Total net cost of public safety increased 2.8% from the prior year. Police services continue to be the highest net departmental cost of public safety. As anticipated, Fire and Ambulance Departments combined showed a much higher net cost of service from the prior year due to staffing changes. The Ambulance Department is a negative number because they collected more revenue than they have in the past.

Net profit after transfers includes two negative numbers – in the Water Department and Waste Collection Department. This is due to the City budgeting to pay for the construction of 1100 South 1100 West out of fund balance. Electric revenue after transfers is up \$1.3 million from the prior year.

Normally, transfers are the largest source of revenue, but due to the addition of the UTA sales tax levy, sales taxes were the largest source of revenue in the general fund. Sales taxes were up \$137,000 from prior year. However, this amount is still \$20,000 less than 2008, which was Brigham City's highest year for collection of taxes.

General fund expenditures and transfers out include 5% transfers out; 20% for Public Works; 21% for parks, recreation and public property; 24%, general government; 40%, public safety.

Mr. Oyler reviewed over expended budgets. The City Council's budget was over because the sales tax numbers for UTA came in after year end and was approximately \$100,000 over the expected amount. The Mayor's Office was over budget due to the higher health insurance premiums with the staffing changes. Human Resources was over due to the increased cost for

workers compensation premiums. Economic Development was over because of the funds spent on consultants for the Niagara Project. Fire and Ambulance Departments were over because charges to the ambulance billing company was much higher than expected and also because too much money was moved in the year end revision to fund projects. The Municipal Building Authority was over budget because an extra bond payment was made during this fiscal year. The deficit in the Debt Service SAA 2009-01 fund is due to customers paying off liens faster than expected. There is a debt service reserve account that has sufficient funds to cover this overage.

Unassigned and assigned fund balances are one measure of the financial health of a fund. Mr. Oyler explained that this does not represent cash available because it is restricted for certain purposes. This fund balance increased by \$849,000. This is due to sales and property taxes being higher than expected, building permits were significantly higher than budgeted, and sale of assets were not budgeted. Parks Department, Recreation, Police Department, and Streets Department were all under budget.

The City has had a goal to keep the fund balances in the general fund slightly lower than the state limit (25%). It is currently at 33%. Before fiscal year 2016-17 ends there will need to be a discussion on what to do with this additional fund balance.

Mr. Oyler stated that the City's financial condition is still very good. The City should continue to conserve cash and increase the City's cash reserves to prepare for any possible future economic downturns. All new projects should be evaluated to determine the effect on the City's cash and the health of the fund for which the project is being considered.

Mr. Oyler thanked the Administrative Staff for all their dedication and hard work. Preparing the audit is a very big job.

Mr. David Rodgers from Davis & Bott came to the table and reported that in all material respects, the financial statements of Brigham City are correct. There were no material weaknesses or significant deficiencies.

The Independent Auditor's Report looks at cash management, retirement impact fees, and internal controls over state compliance. Mr. Rodgers reported that Brigham City complied in all material respects with the compliance requirements that could have a direct and material effect on the City or on each of its major state programs.

There were no new material weaknesses or significant deficiency findings in this fiscal year. In addition, there were no new compliance findings, but there were outstanding issues from previous years. The first was budgetary compliance, with some funds still over budget. There were two funds for the year ending June 30, 2016 that were over budget - the debit service 2012 GO Bond and the MBA fund.

Another outstanding issue was the general fund balance over the allowed 25%, as explained by Mr. Oyler. This has been ongoing for a few years and needs to be addressed.

Another finding is from 2012, which is deficit fund balances. These are RDA and EDA funds that will be in a deficit fund balance until the increment starts coming in.

ADJOURN TO CLOSED SESSION

A motion to adjourn to a closed session to discuss the purchase, exchange or lease of property was made by Councilmember Bott, and seconded by Councilmember Jensen. A roll call vote was taken with all councilmembers voting aye. The meeting adjourned to a closed session at 8:15 p.m.

The Council returned to an open meeting at 9:55 p.m. and adjourned.

The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the January 5, 2017 City Council Meeting.

Dated this 19th day of January 2017.

Mary Kate Christensen
Mary Kate Christensen, Recorder