

**CITY COUNCIL  
BUDGET WORK SESSION  
May 23, 2024  
6:00 p.m.**

|          |                |               |
|----------|----------------|---------------|
| PRESENT: | D.J. Bott      | Mayor         |
|          | Dave Hipp      | Councilmember |
|          | Matthew Jensen | Mayor Pro Tem |
|          | Ryan Smith     | Councilmember |
|          | Robin Troxell  | Councilmember |

|               |                   |                       |
|---------------|-------------------|-----------------------|
| ALSO PRESENT: | Mike Christiansen | City Attorney         |
|               | Tom Cooper        | Public Power Director |
|               | Tom Kotter        | Finance Director      |
|               | Derek Oyler       | City Administrator    |
|               | Tyler Pugsley     | Public Works Director |
|               | Chad Reyes        | Police Chief          |

ABSENT: Dave Jeffries Councilmember

Mayor Pro Tem Jensen called the meeting to order at 6:01 p.m. Mayor Bott gave the reverence period, and the Pledge of Allegiance was recited.

Mr. Kotter came forward to present capital project bond funding, utility rate increases, and executive municipal officer compensation.

## **Proposed Bond Funding**

- Penstock line – after Federal and State grants need \$4.5 million
- Staker Parson power line relocation – after grant need \$2 million
- 46 kV loop line completion – \$1 million

Mr. Kotter turned the time over to Laura Lewis, the City's financial advisor, to discuss bonding options.

- General Obligation Bonds
- Revenue Bonds (recommended)
- Special Revenue Bonds
- Annual Appropriation Lease Bond

Ms. Lewis estimated the funds would be available in two months if the City did not choose the GO bond option. She explained bonds can reimburse architect and engineering costs if the City expends the money before the bond is issued, and construction expenses could be reimbursed by resolution.

Mr. Oyler spoke about the 2017 \$10 million revenue bond which was issued to fund the West Forest substation and the two new culinary water lines that loop around Mantua Reservoir. The annual bond payment is approximately \$1.1 million, and the final payment will be in 2027. He suggested structuring the 2024 bond debt to pay interest only for two years until the 2017 bond is completed.

Mr. Pugsley came forward to discuss the importance of the Penstock line replacement in supplying the power grid and the water feed. He provided details on line failures and the costs of line breaks and repairs.

Mr. Oyler discussed the City's power line relocation and the 1970s agreement with Staker Parson stating the City would relocate the lines at the City's cost. He stated Rocky Mountain Power has a dual circuit on the line with the City. Their financial contribution has yet to be determined.

Mr. Oyler stated the 46 kV line ends west of I-15. The remaining portion of the 46 kV loop line will tie the future Reeder Ranch substation back to the West Forest substation. Once completed 100% of the substations will have redundancy. There was a brief discussion regarding the funding source for the Reeder Ranch substation. Mr. Oyler clarified it would be funded by the Public Infrastructure District and Utah Inland Port Authority.

Proposed additional utility projects to be included in the bond financing included:

- Substation on the west side of Watery Lane for future industrial growth
  - Estimated cost \$7-8 million
- Water line loop and redundancy
  - Proposed 12" line from Watery Lane down 800 North across I-15 to connection at Waukegan line
  - Estimated cost \$2.5 million

There was a discussion about refunding the bond when the interest rate drops.

### **Proposed Utility Rate Increases**

- Electric – follow 2022 rate study recommendation; reduce PPAC to \$.0125/KWh
- Waste collection - \$1 per black can due to increased fleet costs
- Water - \$3 increase on base rate for protection and development of water sources

| Utility               | Brigham City<br>Current | Brigham City<br>Proposed | Elwood           | Hyrum            | Logan            | Mantua           | Ogden            | Perry            | Tremonton        | Willard          |
|-----------------------|-------------------------|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Customer Service Fee* | \$ 7.50                 | \$ 8.75                  | \$ 10.00         | \$ 10.00         | \$ 6.50          | \$ 10.00         | \$ 10.00         | \$ 10.00         | \$ 10.00         | \$ 10.00         |
| Electric - 1000 kWh   | \$ 147.80               | \$ 139.70                | \$ 106.44        | \$ 135.00        | \$ 119.00        | \$ 106.44        | \$ 106.44        | \$ 106.44        | \$ 106.44        | \$ 106.44        |
| 3/4" Water            | \$ 20.00                | \$ 23.00                 | \$ 55.00         | \$ 15.00         | \$ 26.86         | \$ 31.00         | \$ 25.84         | \$ 20.09         | \$ 18.90         | \$ 25.00         |
| Garbage               | \$ 15.30                | \$ 16.30                 | \$ 20.00         | \$ 23.04         | \$ 15.53         | \$ 14.00         | \$ 24.71         | \$ 10.50         | \$ 14.90         | \$ 12.00         |
| Sewer                 | \$ 35.00                | \$ 35.00                 | \$ 88.83         | \$ 49.00         | \$ 36.51         | \$ 43.00         | \$ 37.56         | \$ 49.50         | \$ 33.80         | \$ 59.50         |
| <b>Total</b>          | <b>\$ 225.60</b>        | <b>\$ 222.75</b>         | <b>\$ 280.27</b> | <b>\$ 232.04</b> | <b>\$ 204.40</b> | <b>\$ 204.44</b> | <b>\$ 204.55</b> | <b>\$ 196.53</b> | <b>\$ 184.04</b> | <b>\$ 212.94</b> |

Brigham City, Hyrum, Logan - own/operate their own municipal power

Elwood, Mantua, Ogden, Perry, Tremonton, Willard - Rocky Mtn. Power (electric)

Elwood - increased water/sewer rates

Hyrum - Waste Management (garbage + recycling)

Perry - Republic Services (garbage)

Tremonton City - Econowaste (garbage)

Tremonton City - Water Tier 1: 0-10,000 gallons \$1.50 per thousand

Willard City - Republic Services (garbage)

\*Customer Fee - this fee is intended to cover our costs of maintaining and keeping customer account records active (data processing, meter reading, billing, etc). Also, this fee is for maintenance on the infrastructure for the electrical service.

### **Executive Municipal Officers Compensation**

- Senate Bill 91 requires a public hearing to be held on wage increases for elected officials and City directors
- Wages are \$35,000 higher than Mayor's budget
- Financing options will be discussed at June 20<sup>th</sup> meeting before final budget adoption

The meeting was adjourned at 10:00 p.m.

**MOTION:** Councilmember Smith made a motion to adjourn the meeting. The motion was seconded by Councilmember Hipp and carried unanimously. Councilmember Hipp; aye, Councilmember Troxell; aye, Councilmember Jensen; aye, Councilmember Smith; aye, Councilmember Jeffries, absent.

The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the May 23, 2024 City Council Work Session.

Dated this \_\_\_\_\_ day of June 2024.

\_\_\_\_\_  
Christina Boss, Recorder

Unapproved