WORK SESSION OF THE
BRIGHAM CITY COUNCIL
May 22, 2025
6:00 p.m.

PRESENT:	D.J Bott	Mayor
	Dave Hipp	Councilmember
	Dave Jeffries	Councilmember
	Matt Jensen	Councilmember
	Ryan Smith	Councilmember
	Robin Troxell	Councilmember
ALSO PRESENT:	Tom Cooper	Power Director
	Tom Kotter	Finance Director
	Derek Oyler	City Administrator
	Tyler Pugsley	Assistant City Administrator
	Chad Reyes	Police Chief
	Brandon Thueson	Fire Chief

Mayor Pro Tem Smith called the meeting to order at 6:00 PM and welcomed attendees and noted the session's purpose: to review proposed budget items for FY2025-26, focusing on the Fleet Fund, capital equipment planning, and a joint-building inspector proposal with Perry City.

II. Fleet Fund Presentation – Tom Kotter, Finance Director

A. Purpose & Structure of the Fleet Fund

Mr. Kotter began by explaining that the Fleet Fund is an internal service fund that functions like a business within the city. Departments lease their vehicles from this fund, allowing centralized management of vehicle purchases, maintenance, and replacement. This system promotes accountability, reduces maintenance delays, and ensures long-term financial planning.

The fund is staffed by a Fleet Manager, Shop Supervisor, and two Automotive Mechanics. These personnel handle all city-owned vehicles, including emergency and sanitation fleets.

B. Financial Mechanics of the Fund

Departments are charged lease payments for vehicle usage, calculated based on each vehicle's anticipated useful life. Payments include a 5% administrative fee to help cover staffing and operating costs.

However, due to inflation, especially in the public safety sector, replacement costs have far exceeded what the fund recovers via lease payments—creating a gap referred to as "fleet creep."

Examples cited:

- Garbage truck in 2017: $240,000 → now $450,000
- Police vehicle with full upfit: ~$80,000
- Ambulance (2017: $184,000 → 2024: $385,000)

C. Addressing Fleet Creep

To combat this, staff proposed:

1. Adding a 2% annual inflation adjustment to all lease payments.
2. Retaining the 5% admin fee for operational support.

These adjustments would increase annual lease revenue from $1.575 million to $2.3 million citywide. This is expected to better match the rising costs of replacement vehicles and reduce reliance on fleet fund reserves.

Staff emphasized that funds recouped from vehicle sales go back into the fleet fund as a whole, not earmarked for individual departments.

D. Long-Term Concerns

Some of the city's emergency vehicles are beyond their useful life, resulting in excessive maintenance costs and downtime. A fire truck, for example, had $95,000 in repairs over an 18-month period.

Council expressed concern about keeping vehicles on the road too long, which increases repair costs and poses operational risks—especially for public safety departments.

III. Property Tax Discussion

To sustainably fund these fleet needs, city staff proposed a 15% property tax increase in the Mayor's draft budget, equivalent to roughly $450,000 in new revenue.

Council had an extended discussion about the implications:

- The average Brigham City household would pay approximately $30–$50 more per year.
- Concerns were raised about the cumulative effect of recent tax increases, affordability for fixed-income households, and optics of increasing taxes to replace city vehicles.

Alternate proposals included:

- Reducing the tax increase to 7.5%, or another midpoint figure.
- Using utility fund transfers (restoring a previous 15% transfer from current 12%).
- Increasing ambulance service fees, building permit fees, or being more aggressive in sales tax forecasts.

Staff agreed to model a range of scenarios for further discussion, including options to balance the budget without the full 15% increase.

IV. Lease Payment Adjustments & Planning

Tom Kotter provided examples of how adjusted lease payments would look under the proposed changes:

- A police F-150 with full equipment ($80,000 total) would now cost $1,466/month, up from ~$1,300.
- A totally destroyed ambulance was cited as a case study: it had been insured for less than replacement value and required a $385,000 replacement.

Council discussed the philosophy of gradual tax increases as opposed to large jumps, citing the 2019 public safety tax increase of 50% as a painful example. Some members favored adopting small annual increases (5–6%) tied to inflation.

Council also stressed the need for better public education around the purpose and structure of the fleet fund.

V. Public Safety Capital Projects & Future Planning

Councilmember Jeffries raised the need for future capital projects, particularly the need for a new police station. He suggested that, if a tax increase were to be implemented, a portion could also be allocated toward future facility needs.

Staff noted that impact fees had been recently adopted to begin saving for this purpose, and that future bonding may be necessary.

VI. Joint Building Inspector Proposal

Presented by: Derek Oyler, Assistant City Administrator
Topic: Interlocal Agreement with Perry City for Shared Building Inspection Services

Background & Need

Mr. Oyler began by explaining that Brigham City currently employs a single**,** full-time building official who also serves as the city's only certified building inspector. This individual has worked extensive overtime for several years — an estimated 8 to 10 hours every pay period, equating to $12,000–$15,000 in annual overtime.

The city has long anticipated the need to bolster this department. In response, they began training a second inspector approximately four years ago. This trainee is nearing full certification, with only a commercial electrical certification pending. However, budget constraints have prevented the city from adding another full-time building inspector — until now.

Opportunity with Perry City

Perry City recently approached Brigham City with a proposal: enter into a joint agreement to share a building inspector. Perry had been contracting with Box Elder County for inspections but transitioned 18 months ago to a third-party contractor. That contractor has since left, creating a gap in Perry’s inspection services.

Rather than returning to the county, Perry City sought a more reliable and integrated solution. Their proposal was simple: Brigham City and Perry City would share the cost of a single full-time inspector, with each city contributing 50% of the employee's fully burdened wage (salary + benefits).

Budget & Financial Details

The proposed total cost of the new full-time inspector, including wages, benefits, and vehicle use, is approximately $135,000 annually. Under the interlocal agreement:

- Brigham City would pay $67,500 (50% of cost)
- Perry City would pay the other $67,500

- Brigham City would eliminate or drastically reduce the current $12,000–$15,000 in overtime expenses
- A vehicle from the Fleet Fund would be allocated for the inspector's use, with fuel and maintenance built into fleet planning

Brigham's share would be funded through existing building permit revenue, which is expected to increase alongside new development.

Benefits to Brigham City

1. Immediate workload relief for the current inspector, who is nearing burnout and has expressed a desire to reduce hours.
2. Succession planning: The trainee inspector is nearing full certification and could be promoted, while a new entry-level position would be created in Public Works to backfill.
3. Long-term continuity: With the building official likely to retire in 4–5 years, this arrangement ensures there is already a fully trained inspector in place.
4. Cost-sharing efficiency: Instead of hiring a second inspector at full cost, Brigham only pays half while gaining a full-time resource.

Vehicle, Insurance, and Legal Questions

Several council members inquired about:

- Fleet vehicle usage: Why not reimburse mileage instead of assigning a city vehicle?
    - Staff explained that a city-branded vehicle adds credibility and professionalism, and is standard for inspectors conducting official business in multiple jurisdictions.
- Liability: What if an accident occurs in Perry while in a Brigham vehicle?
    - Staff stated an indemnification clause would be written into the interlocal agreement to cover such issues. Similar agreements exist, such as the fire marshal's shared services.
- Overtime implications: Would the new hire still incur overtime costs?
    - Staff said clear agreements would be established about scheduling and overtime limits. A simple rotation (e.g., Brigham M/W/F, Perry T/Th) could minimize confusion and limit excess hours.

Council Discussion & Consensus

Councilmember Jensen and others supported the idea in principle but requested:

- A written draft agreement
- Clear budget line-item adjustments
- Analysis of potential future obligations if Perry's demand grows

There was broad agreement that this approach is both fiscally responsible and a good neighborly partnership. Most importantly, it addresses an urgent internal need without burdening the city with 100% of the cost.

Mr. Oyler confirmed that a detailed budget amendment, formal agreement, and vehicle allocation plan would be prepared for the May 29, 2025 work session.

VII. Scheduling & Next Steps

Tentative Timeline:

- May 29, 2025 – Work session to finalize tax proposal and budget scenarios.
- June 5, 2025 – Public hearing on tentative budget and property tax increase (with a proposed 5:00 PM start).
- August 2025 – Truth in Taxation public hearing and final budget adoption.

Council directed staff to prepare:

- Scenarios for reduced tax increases
- Impact estimates on households
- Funding alternatives via other revenue streams

VIII. Adjournment

A motion to adjourn was made by Councilmember Jeffries and seconded by Councilmember Troxell. The motion passed unanimously. The meeting adjourned at 8:11 PM.

The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the May 22, 2025 City Council Work Session.

Dated this 6th day of June, 2025.

Kristina Rasmussen
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Kristina Rasmussen, City Recorder

** These meeting minutes were generated with the assistance of artificial intelligence and have been reviewed, edited and approved by Brigham City Staff.