

**REGULAR SESSION OF THE
BRIGHAM CITY COUNCIL
June 19, 2014**

PRESENT:	Tyler Vincent	Mayor
	DJ Bott	Councilmember
	Ruth Jensen	Councilmember
	Tom Peterson	Councilmember (<i>via teleconference</i>)
	Brian Rex	Councilmember
	Mark Thompson	Councilmember
ALSO PRESENT:	Rick Bosworth	Human Resource Manager
	Mary Kate Christensen	City Recorder
	Paul Larsen	Economic Development Director
	Kirk Morgan	City Attorney
	Tyler Pugsley	Public Works Director
	Jason Roberts	Finance Director
	Dennis Vincent	Police Lieutenant

Mayor Vincent called the meeting to order. The Reverence Period was given by President Gregg Kotter from the Brigham City LDS Stake. The Pledge of Allegiance was recited.

Approval of Minutes: A motion to approve the minutes of the June 5, 2014 Council meeting and May 29, 2014 Budget Work Session was made by Councilmember Jensen. Councilmember Bott seconded the motion, noting that the gentlemen's name from the Sons of the Utah Pioneers is Mr. Pond rather than Bond. The motion was unanimously approved with the correction noted.

AGENDA

PUBLIC COMMENT

RECOGNITION OF EMPLOYEES

New Hires in Emergency Services

CONSENT

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

PUBLIC HEARING

Ordinance Increasing the Municipal Energy Sales and Use Tax from 4% to 6%

SCHEDULED DELEGATION

Request for \$10,000 from New Hope Crisis Center (*tabled*)

Eagle Mountain Golf Course 25th Anniversary Celebration

NEW BUSINESS

Request for Approval of Resolution Adopting the 2014-15 Budget Which Includes a Transfer of 15% of Fee Revenue, or \$2,864,191, from the Public Utility Fund to the General Fund and an Additional \$50,000 Transfer from the Utility Fund to the Emergency Disaster-Capital Project Fund

Consideration of Resolution Increasing Electric Rates by 5%

Consideration of Resolution Increasing Storm Drain Rates by 10%

Request for Approval of Ordinance Repealing the "Neighborhood Pride Council" Ordinance and Amending the "Shade Tree Commission" Code to Incorporate Duties of the Neighborhood Pride Council and Request to Approve the Urban Beautification Commission Bylaws

Request for Approval of Resolution Adjusting Fire and Ambulance Rates

UNFINISHED BUSINESS

Consideration to Move Forward with Macquarie Capital Milestone II Related to the UTOPIA Project

PUBLIC COMMENT

Don Dunbar, Brigham City - Mr. Dunbar said 101 years ago Paul Warburg, J.P. Morgan and John D. Rockefeller created the Federal Reserve Act. This brought about Amendment 16 which created the federal income tax. He said the Macquarie proposal resembles this - it is a tax and can create all kinds of problems. The good news is that both Lindon and Payson threw this thing out. Brigham City should do the same. He added that he understands limiting public comments to three minutes each; however, in order to get fair time the Council will see a court order from the First District Court for their First Amendment rights.

Lee Johnson, Brigham City - Mr. Johnson told the story of the gingerbread man who came alive and the fox who helped him cross the river and tricked him into getting closer and closer to his mouth and ate him. He said most of the things he has seen in the Macquarie proposal are demand side controls. This controls what other people do. It is a messed up system.

Faye Christensen, Brigham City - Ms. Christensen said she is a widow and is on a fixed income. Her utility bills keep rising and there are more increases to be voted on later in this meeting. She cannot afford another fee. A fiber optic network is not the same as a public utility. It is definitely not the proper role of government. The City has no right competing with the private sector. Investors have spent a trillion dollars nationwide on broadband facilities and delivery systems and it was their own money - not taxpayers' money. She questioned where Brigham City gets the authority to levy this. If the City does not get out now, things will only get more complicated. She said the key issues are troubling - a mandatory cost for every resident and a 30 year timetable. This all needs to go to a vote of the people.

Don Egelund, Brigham City - Mr. Egelund reminded the Council that they have taken an oath and covenant with the Lord and some of them renew their covenants often, and others not very often. They will be held accountable for the covenants they have made. The Council also gave an oath with the citizens that they would do City business within the Constitution. He asked what gives the Council the power to have a man who drives a new Ford ask him, who drives an old Ford, to subsidize the cost of his new Ford. This is basically what the Council is considering. Some of the Council wear an article of clothing, some a ring, some a belt buckle, some a necklace, some a cord in their pocket to remind them of the covenants they made. The Council will be held accountable for their actions if they are contrary to the Constitution of the United States.

Steve Child, Brigham City - Mr. Child said he has UTOPIA in his home but he does not think it should be forced on anyone. He asked his mother, who is on a fixed income, how paying an additional \$25-\$50 per month for the next 30 years would affect her. She told him she could not afford it and cannot afford the internet or a home phone, which is why she does not have it. If she was forced to pay this fee she would lose her home. Mr. Child said he was recently declared as a disabled vet and is on a fixed income. He can just barely pay for what he has now. People will be losing their homes over this. He added that his brother works for a competitor of UTOPIA and he said the company he works for, as well as other companies, are getting prepared for a lawsuit. They will push it to the full extent and it will cost the cities a lot of money.

DeLoy Mecham, County - Mr. Mecham said whether UTOPIA is good or bad does not make any difference to him, other than people need to have their choice. That is what God introduced to us and it is the way it should be.

Bob Marabella, Brigham City - Mr. Marabella is the Chair of the Fiber Optics Task Force. He was excited to see so many people in the audience talking about the Macquarie proposal. The Task Force has been meeting for a number of weeks and will be making a presentation later in the meeting. He asked those in the audience to contact him with any ideas on fiber optics and UTOPIA that would benefit the community. It's easy to be critical of it, but the City needs solutions.

Pete Ashdown, Salt Lake City - Mr. Ashdown said he is the owner of xmission and is a provider on the network. The number one piece of misinformation on UTOPIA is the mandated fee. He said Macquarie has no ability to structure a fee on Brigham City residents any more than a garbage company does. They have calculated a fee for each UTOPIA City and it is up to the individual cities to determine how to collect it. Macquarie is coming in with \$300 million of their own money and they will fight any lawsuits; they are going to build the system. They are going to go up against Qwest and Comcast who are seeing their duopoly destroyed because they are not willing to use public infrastructure. Mr. Ashdown said he competes with twelve other providers on the UTOPIA network. If his service goes down, if his employees do not answer the phone, if he does not deliver, people can switch to another company. If his prices go up and someone doesn't want to pay it, they can switch to another company and they won't have to wait from the hours of 12:00 PM to 6:00 PM for someone to show up and do it, it can be switched instantly.

Becky Maddox, Brigham City - Ms. Maddox asked the Council to grant her and the rest of the citizens of Brigham City their inalienable rights given to them by God and reiterated in the Constitution. The people have rights, not just government bodies. This is about one of the people's rights. They have the right to decide how their money is spent, when and where. She uses water and does not expect her water bill to reflect the average of the water usage on her block; she expects it to reflect what she uses and she will pay for what she uses. If she doesn't use it, she doesn't pay for it. She has not seen the agreement with UTOPIA and she does not trust others who think it is a good thing. From what she's heard, there are many things that are not set in concrete. Signing a contract for 30 years for internet and computer use which changes over night is ridiculous. To have a built in 2% increase in utterly ridiculous.

Dale Smith, Brigham City - Mr. Smith said several years ago he commented on bringing in fiber optics to Brigham City. There are people at this meeting that are as confident that Macquarie is the right choice as they were when they made the first agreement. There was no convincing anyone then that the original agreement was nothing but good, nothing could go wrong, no unexpected consequences were going to come along. There are people tonight who are just as confident. We all know there will be lawsuits filed. Although someone said Macquarie will fight these, Mr. Smith did not think they would. He has read their plan and he did not see anything in the contract that they will be pay 100% of the liability. The possibility exists that after this goes through it will be found unconstitutional. If it does, the City will still owe Macquarie money. If Brigham City loses court cases, the City will still owe Macquarie the money, plus tens of thousands of dollars of legal fees. Cities and governments should never do anything that private companies can and should do. It causes a lot trouble. He said the City Council does not have his permission to use his money to double or nothing down on this deal.

Juliana Larsen, Brigham City - Ms. Larsen reported that two small cities have opted out of this option. She asked how this could happen. She stated that a fee is nothing more than a way of raising tax revenue to support a project without having to ask the general population how they feel about it. She asked if the report from the Task Force Committee could be shared with all constituents. Macquarie is a business about making money and acquiring assets. They do not care what assets they acquire and they brag about acquiring many, many assets in foreign countries. How much of our country is already tied in potential possibility for being taken because of revenue the country has over expended that we cannot pay. As far as the fiber optic technology, Ms. Larsen said in future years this could be obsolete technology. Why would the City want to tie something up for 30 years? She asked the Council not to give the citizens taxation without representation.

RECOGNITION OF EMPLOYEES

New Hires in Emergency Services

Brad Aven and Thomas "Woody" Smith were recently hired as Firefighter EMTs (part-time).

CONSENT

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

A list of accounts totaling \$2,549.61 was presented to be removed from the City's system due to customer taking out bankruptcy or being sent to collections.

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

PUBLIC HEARING

Ordinance Increasing the Municipal Energy Sales and Use Tax (MET) from 4% to 6%

Mr. Roberts came forward and explained that while going through the budget process, there were some major concerns with the Fire and Ambulance Departments. Due to the recent Health Care Act, the employees in these departments had to be changed from a paid-on-call status to part-time. This resulted in a substantial increase in cost for salaries. During the budget process the Council voted to increase the MET to cover these expenses. They discussed other options, but because this is a General Fund expense, they felt it was best to be covered by this increase.

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

Don Dunbar, Brigham City - Mr. Dunbar commented on taxes in general, stating that just because it has been 30 years since Brigham City has raised taxes, is no excuse for raising a tax. If there is any increase in any taxes, it should probably be for police and fire protection.

Bob Marabella, Brigham City - Mr. Marbella said when he was on the Council in 2002, Mayor Lou Ann Christensen presented this potential increase in the MET. If the City needs to generate more money, don't hide it, just raise taxes. That way the citizens know what is happening because most citizens don't know that their Questar bill is being raised and they get mad at Questar.

Becky Maddox, Brigham City - Ms. Maddox said the City needs to be honest and tax what is being taxed and what the tax is being used for. It is not being honest.

Dale Smith, Brigham City - Mr. Smith said a few years ago he was on a task force about the utility transfer. He presented a 250 page report and received a letter stating they liked it the way it was. His research showed that if tomorrow Brigham City did not have an electric company or any other utility like so many other cities in the state, citizens could not be taxed enough to recoup that money. The state sets a limit on how much municipalities can tax and the City could not recoup the money if they charged the maximum tax. He asked what Brigham City is doing that cities that do not have this large amount of money from utilities doing? Is Brigham City spending more than these other cities? To say the Council has not raised property tax in over 20 years should be something to be ashamed of, not something to be proud of. It is like saying he has not raised his price for fixing a person's plumbing for 25 years - he would go out of business. Prices go up. When he goes to the store next week he expects milk to be three cents higher. He expects the price of sewer pipe to go up; he expects the price of tar and cement to go up. Where is that money coming from over the past ten years? It's from utilities, from enterprise systems and it really does not work out in the end. Someday, the City is going to have to raise property taxes to make up a big difference because they have not been raised incrementally to go along with the cost of living. He felt it should be recouped through property taxes. It is time to stop feeding the general fund through taxes on necessities.

DeAnna Hardy, County - Ms. Hardy felt that the Council should restructure what is done in the general fund by getting rid of some of the City's programs. For example, the City gave \$10,000 to the New Hope Crisis Center. This is forcing citizens to be charitable, which should be handled by private and religious organizations. The City is transferring almost \$3M from the Public Utility Fund to the General Fund, and then making increases. She asked the Council to look at the budget and take out all the unconstitutional programs.

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

Councilmember Bott explained that the Council considered increasing property taxes; however, there was concern with the timing. Councilmember Jensen added that the legislature is considering capping this, so if the Council did not increase it to 6% they would have to keep it at 4%.

Councilmember Thompson took offense with the insinuations that the Council is trying to hide something from the citizens. This has been very open. The Council is trying to do what they can to keep the Emergency Services Department running.

Councilmember Rex added that since 2005, the City's budget has been completely flat and has not increased. Any suggestion that it is growing wild is not true. A tax is a tax and no one likes to pay them. However, with the MET at least residents have some portion of control over their usage of energy and paying that tax. There is no control with property taxes. He felt that a MET increase is superior to a property tax increase.

Councilmember Bott added that it is a fairer tax because everyone pays it, not just property owners. He felt this was more fair and brings a broader assessment.

Councilmember Jensen felt that the Council should raise property taxes so truth in taxation procedures have to be followed and prove that there needs to be more money for the Fire and Ambulance.

MOTION: Councilmember Thompson made a motion to approve the ordinance increasing the Municipal Energy Sales and Use Tax from 4% to 6%, seconded by Councilmember Bott. A roll call vote was taken with Councilmember Bott, Councilmember Peterson and Councilmember Thompson voting aye and Councilmember Rex and Councilmember Jensen voting nay. The motion carried with a 3-2 vote.

SCHEDULED DELEGATION

Eagle Mountain Golf Course 25th Anniversary Celebration

Mr. Chris Marx, Eagle Mountain Golf Pro, came forward and reported that the golf course is celebrating its 25th anniversary. The golf course has had just less than 1.2M rounds of golf played since it started. The golf course brings people to Brigham City, brings businesses to Brigham City and is a great place for charities to raise money. It is a great place for kids to become great citizens. It is a great asset to the community.

On Saturday, June 21, the course will celebrate this milestone by having various activities. From 9:00 to noon there will be a "Clubs for Kids" with activities for families and kids with contests and competitions. They will have the opportunity to win golf clubs and balls. There will also be a trick shot show. From 12:00-6:00 there will be free golf for all Brigham City residents with a chance to win \$25,000.

NEW BUSINESS

Request for Approval of Resolution Adopting the 2014-15 Budget Which Includes a Transfer of 15% of Fee Revenue, or \$2,864,191, from the Public Utility Fund to the General Fund and an Additional \$50,000 Transfer from the Utility Fund to the Emergency Disaster-Capital Project Fund

Mr. Roberts said the Certified Tax Rate (CTR) was recently received from the County and there was significant less in the amount budgeted and what came through on the CTR. In order to keep property taxes at the current rate, receipts would need to be decreased by \$57,000 and the Library Fund by \$41,000. He recommended these be budgeted out of fund balance and as receipts come in look for areas where there is additional revenue to cover this.

There was discussion on the possibility of cutting the budget to cover these expenses. This would have to be done by the State's deadline of Sunday, June 29. Councilmember Jensen suggested cutting the amount budgeted for Discovery Park (\$50,000).

MOTION: Councilmember Jensen made a motion to approve the resolution adopting the 2014-15 budget as presented, with the exception that the funding for the Discovery Park project in the Capital Project Fund be removed from the budget with any remaining amount needed to cover the CTR differential coming from Fund Balance. The motion was seconded by Councilmember Thompson. The Mayor asked for a roll call vote with all councilmembers voting aye, motion unanimously carried.

Consideration of Resolution Increasing Electric Rates by 5%

Mr. Roberts explained that Brigham City has absorbed about \$1M per year in electric rate increases that have not been passed on to residents. Because of this, there has been a decrease of \$1M available for capital projects. During the budget process, the Council recommended that the anticipated increase of 3.6% from Rocky Mountain Power (RMP) be passed through to residents. This ends up being 2.4%. It was also approved that 2.36% be added to this increase for capital projects. On a \$100 utility bill this increase would be \$5/month; on a \$40 bill it would be a \$2 increase. This is still below neighboring cities that have power through RMP.

MOTION: A motion to approve the resolution to increase electric rates was made by Councilmember Thompson, seconded by Councilmember Jensen. All councilmembers voted aye with a roll call vote.

Consideration of Resolution Increasing Storm Drain Rates by 10%

Mr. Roberts explained that Brigham City, Willard and Perry were recently reclassified as urban areas. With this reclassification, there are additional requirements to test storm water and run some tests more often. Staff estimates this testing will require half of a full-time employee. Approximately \$22,000 in materials will also be required. To cover these ongoing costs, the 2014-15 budget includes a 10% rate increase. This would be an additional 68¢ per month on a residential storm drain bill.

MOTION: Councilmember Rex made a motion to approve the resolution increasing storm drain rates by 10%, seconded by Councilmember Bott. Councilmember Peterson asked if the City has tried to challenge this. Typically this classification does not apply until the population is 50,000. Mr. Pugsley said the City has not. He was not sure there was an option.

AMENDED MOTION: Councilmember Rex amended his motion to include instruction to staff to challenge the classification of Brigham City as an urban area. The amended motion was seconded by Councilmember Bott. A roll call vote was taken with all councilmembers voting aye.

Request for Approval of Ordinance Repealing the "Neighborhood Pride Council" Ordinance and Amending the "Shade Tree Commission" Code to Incorporate Duties of the Neighborhood Pride Council and Request to Approve the Urban Beautification Commission Bylaws

Mr. Pugsley explained that in order to be more efficient, staff felt that the duties of the Neighborhood Pride Council could be combined with the Shade Tree Commission. This ordinance repeals the ordinance creating the Neighborhood Pride Council and adds some of their responsibilities to the Shade Tree Commission bylaws. The ordinance also changes the name of this Commission to the Urban Beautification Commission.

MOTION: Councilmember Rex moved to approve the ordinance repealing the Neighborhood Pride Council and amending the Shade Tree Commission to incorporate the duties of the Pride Council and to approve the Urban Beautification Commission bylaws. The motion was seconded by Councilmember Jensen. The Mayor asked for a roll call vote with all councilmembers voting aye.

Request for Approval of Resolution Adjusting Fire and Ambulance Rates

Mr. Oyler came to the table and explained that this resolution allows the Emergency Services Department to adopt the state allowable rates for ambulance fees.

MOTION: Councilmember Bott made a motion to approve the resolution adjusting fire and ambulance rates, seconded by Councilmember Thompson. A roll call vote was taken with all councilmembers voting aye.

UNFINISHED BUSINESS

Consideration to Move Forward with Macquarie Capital Milestone II Related to the UTOPIA Project

Mr. Roberts introduced Bob Marabella, Chair of the Fiber Optic Task Force. Members of the Task Force included Mike Phillips, Karen Nisonger, Doug Wight, John Bunderson, Corbit Austin, Alan Shakespeare, Brandon Broadhead, Jeremy Hunsaker, and Joan Hammer. Staff members included Jason Roberts and Paul Larsen with Councilmember Jensen and Councilmember Peterson also involved.

Mr. Marabella explained that they discussed the seven options presented to the Committee by Mr. Roberts.

- 1) Let the System Go Dark. The City would still be responsible for the bond payment, but no services would be provided. The Task Force voted 7-1 against this option. They felt this would be very expensive to the City and there would be potential litigation from UTOPIA cities as well as citizens, especially from those who paid the \$3,000 for the service.
- 2) Maintain the System, Slowly, Grow the System to Profitability or Do Nothing. This combines Mr. Roberts' options No. 2, 4 and 7. The Task Force felt that the current program is not working due in large part to a lack of advertising. There are some new programs and new providers that citizens are not even aware of. On a vote of 6-2 the Task Force did not believe any of these options were the answer.
- 3) Sell the System. The Task Force discussed in length the Google/Provo model. They found that there was a lot of bad information out about this, such as every Provo citizen has free internet. As the Task Force researched this further, they found out that every citizen in Provo is getting a utility fee. Google owns the network and there is no competition on their network. The Task Force all agreed that having someone buy the network was a great idea, but the issues were how to find someone that wants to buy it and how to go about doing it. With a 6-4 vote, the Task Force felt this option should be considered. They did not feel they had enough accurate information to research this further. Such as what the other UTOPIA cities would charge if Brigham City left the network. The majority of the Task Force felt this would be a great option if someone would buy it.
- 4) Review of the Public/Private Partnership (PPP) with Macquarie - The Task Force believed, with a 6-4 vote, that the City should move forward with a further review of Macquarie. However, with a 5-5 deadlock vote there was not a consensus to move forward with Milestone II at a cost of \$29,400. There are a lot of unanswered questions, particularly with how citizens will get reimbursed the \$3,000 they paid for a connection.
- 5) The City Buys and Takes Over the System - This was the option with the least information available. They could not find out how much it would cost, how it would be run, how would the City opt out of UTOPIA, and whether providers would be

interested in a small sampling. With a vote of 5 nays and one yes, it was determined that the City buying the system is not a practical solution.

- 6) Charles Jones Letter - Mr. Marabella continued that the Task Force also address the Charles Jones utility fee suggestion. Again they did not feel they had enough information, such as whether the City could legally charge a utility fee without providing a service. By a vote of 8-2 the Task Force believed that this should be considered further.

In summary, Mr. Marabella said the Task Force recommended the City move forward with Milestone II, more information is needed on selling the system, and the Charles Jones proposal needs further review. If the City moves forward with Milestone II, the Task Force felt an independent consultant should be hired to evaluate all of Brigham City's systems and the financial obligations. The Task Force realized this could be costly, but they felt it would be worth it in the long run.

The Task Force also briefly discussed the monthly utility fee. This seems to be a big hurdle. Mr. Roberts had told the Task Force that this is the Macquarie recommendation, but the City could choose another option as long as they pay the amount to Macquarie. One citizen suggested increasing property tax to cover it. Mr. Roberts clarified that if the Council chooses another option, there has to be a guarantee that the revenue will be available, something similar to the tax pledge the City has done with UTOPIA in the past.

Mr. Roberts added that if other cities opt out of the Macquarie proposal, he felt the Council's decision should be based on the facts the City was presented with. If the facts change materially, UTOPIA should ask Macquarie to come back with another proposal.

Councilmember Thompson asked if the Council votes to not go through with Phase II and waits for Macquarie to build out, with the system up and running, what disincentive is there for the City hooking up the 1300 paying customers. This way the other 7,000 households do not have to pay for it. Mr. Roberts expressed concern with the critical mass issue. This is a complicated issue and will have to be looked at. There is still a lot of negotiation that has to be done and a lot of information the UTOPIA cities do not have. If the Council votes not to go with Phase II, the City will continue with UTOPIA as is, losing \$2M per year. If nothing changes, they will have to ask the cities for more money to keep operations going. Without any changes, UTOPIA will only be able to keep up and running until September. All options will cost more money.

Councilmember Peterson said both the Council and the Task Force are struggling with this decision because there is no perfect choice. He felt the Council needs more information. The City has a \$16M debt. The \$29,000 for Phase II could potentially provide an option for a small percentage of this debt. He did not feel comfortable going with the Macquarie proposal, but felt strongly that the City needs to at least get the information needed by moving forward with Phase II.

Councilmember Jensen agreed with Councilmember Peterson's comments, adding that she would also like information from First Digital as well. She would like UTOPIA to send out a request for proposal saying the network is for sale. Mayor Vincent agreed, adding that if the City proceeded with Phase II, there would be time to research other options.

Councilmember Peterson agreed that the UTOPIA cities need to look at other options, but did not think this option should be disregarded. He felt the Macquarie proposal is the best option at this point. Phase II does not commit the City to Macquarie, it would commit a very small

percentage of the \$16M debt to find out the details. Councilmember Peterson felt that people have been waiting for UTOPIA to hit rock bottom. At that point, companies that have been waiting for it to get down to pennies on the dollar to come in and buy it out, if they see the Macquarie deal is going to be a lucrative deal, he felt companies will come forward and it may increase UTOPIA's options.

Councilmember Thompson asked if it was possible to eliminate the utility charge. Mr. Roberts replied that the Council will be voting on whether to impose a utility charge or pledge revenue source if some residents want to opt out. He added that every household is currently paying approximately \$5.50 per month through property tax and not getting anything for it. Or look for another option to build it out and make the operations work. Councilmember Bott added that Macquarie's financial person said the utility fee is the only way their model will work.

Councilmember Bott said the member cities do not know anything about the network and what is going on. The proposal with Macquarie states that all the information they gather will belong to the member cities at the completion of the study. If Brigham City opts out at Phase II, or III, the City will have ownership of the information. He felt it was worth \$29,000 to find out the answer to all these questions so the Council can make an educated decision. The vote is only to move forward.

Councilmember Jensen disagreed, adding that Macquarie told her they are holding the cards. The bottom line is whether the Council wants to impose a utility fee or do another bond.

MOTION: Councilmember Jensen made a motion to not move forward with the Macquarie proposal. Councilmember Thompson seconded the motion. Councilmember Rex asked what the other options are if the City does not move forward with Macquarie. Councilmember Jensen explained that the City could look into the Charles Jones letter, listen to First Digital's offer and ask for an RFP from UTOPIA and any other options available. Mr. Roberts said this means the City will continue with the current slow growth plan until another option becomes available, if it does. Councilmember Peterson added that if the Council does not approve moving forward with Macquarie, UTOPIA will come back to the member cities and ask for more money. Councilmember Jensen said at that point the City will ask the users to pay for day-to-day operations as discussed in April. The Mayor asked for a roll call vote on the motion.

Councilmember Thompson - aye
Councilmember Jensen - aye
Councilmember Bott - nay, stating he wanted more information
Councilmember Peterson - nay
Councilmember Rex - nay

The motion failed 3-2.

MOTION: Councilmember Peterson motioned to move forward with Milestone II to gather more information with the understanding that Macquarie understands that Brigham City is moving forward because more information is needed, not because the Council supports every aspect of what they are moving forward with, and to make it clear to Macquarie that the Brigham City Council does not support fees and wants them to look at other ways to collect the funding.

Mr. Roberts asked Councilmember Peterson to include Milestone II as it has been presented.

AMENDED MOTION: Councilmember Peterson added to the previous motion that the motion is for Milestone II as it was presented with the Milestone I information and if it changes it will come back to the Council. The motion was seconded by Councilmember Rex.

Councilmember Jensen asked Councilmember Peterson to add that the motion include looking into First Digital, the Charles Jones letter and an RFP first. Council-member Peterson said everyone is interested at looking at other avenues, adding that he is not sold on Macquarie, but he does not want to take it off the table either. He agreed that UTOPIA needs to look at other options and aggressively pursue other options, but leave this option available. Mr. Roberts explained that the UTOPIA Board stated that other proposals will be considered if Macquarie allows it and if the Board will allow it. Mr. Peterson did not feel it needed to be in the motion but the Council needs to understand that the Council as a whole is not sold on this idea.

The motion stands as amended.

Councilmember Rex clarified his second by explaining that the City is already committed under UTOIPA for existing bonds. This is not a black and white decision. It is not going from not being committed to committed; the City is already committed with a \$16M bond and has been for six years.

A roll call vote was taken.

Councilmember Bott - aye
Councilmember Peterson - aye
Councilmember Rex -aye
Councilmember Thompson - nay
Councilmember Jensen - nay

The motion carried 3-2.

The meeting adjourned to a Redevelopment Agency at 10:22 PM.