

**BUDGET WORK SESSION OF THE  
BRIGHAM CITY COUNCIL  
May 18, 2016  
6:00 PM**

PRESENT: Tyler Vincent Mayor  
 DJ Bott Mayor Pro Tem  
 Alden Farr Councilmember  
 Ruth Jensen Councilmember  
 Tom Peterson Councilmember  
 Mark Thompson Councilmember

ALSO PRESENT: Joseph Bach Fire Chief  
 Dave Burnett Director of Public Power  
 Chris Howard Police Lieutenant  
 Derek Oyler Finance Manager  
 Jason Roberts City Administrator

The invocation was offered by Councilmember Thompson. The Pledge of Allegiance was recited.

**Fire Department**

Chief Bach gave a history of calls, response times and the issue with overlapping calls (*see attached presentation*).

According to the State Rules, two paramedics have to arrive at a scene on a paramedic level call. This is why he asked for more full-time paramedics. This is not in this budget, and he understands it is not feasible this year. However, he will be asking for them again next year so they can comply with this rule. He asked the State for a staffing waiver for what Brigham City has now, running with one paramedic or no paramedic and still retain their paramedic license until they can get staffing where it needs to be. The state granted them an 18-24 months waiver.

Chief Bach stated that since the City has had paramedics, they have increased the number of services below.

INCREASE IN QUALITY OF CARE			
Procedure	Jan-April 2015	Jan-April 2016	Percent Increase
ET	0	6	
Oral Airway	1	12	1100%
CPAP	0	2	
BVM	5	6	80%
CPR	5	8	60%
IO	2	9	350%
12 Lead	16	48	200%
Monitor	39	117	200%
IV	126	156	23.81%

Councilmember Farr said the 2014-15 total Fire Department budget was \$528,000 and in 2015-16 it was \$842,000. In the proposed budget there is over one million dollars. He asked how many

paramedics the Chief feels they need, adding that each employee would be over approximately \$100,000 with benefits. Chief Bach said he would like six more employees. These employees would replace the part-time positions. Mr. Oyler added that he did a cost analysis and for three full-time employees in the Fire Department it would cost \$189,000. Three full-time employees in the Ambulance Department would be \$142,000.

Mr. Oyler explained that some of the major changes in personnel in the Fire and Ambulance Departments. One of the biggest changes was budgeting 2,920 hours for full-time employees vs. 2,736. The 2,920 is based on their 48/96 schedule.

Another big increase is due to overtime. The 48/96 schedule creates overtime. Out of three consecutive weekly shifts there are 12-16 hours at time and a half. Also, the on-call pay was not included in the previous budget. There are also market adjustments to try and attract and keep employees.

Councilmember Peterson asked staff to prepare an end target of where they see the Fire and Ambulance Departments being and the estimated cost over the years. This will give the Council a picture of what to expect in future budgets. Chief Bach will prepare this.

Mr. Oyler added that there was a decrease in the 2011-12 budget due to a reorganization and some personnel policy changes. There was a significant health insurance decrease along with other savings. In 2014-15 there were major organizational changes to comply with the Affordable Care Act and the FLSA compliance. In the 2015-16 budget the full-time employees and paramedics were hired. The revenue numbers in the 2016-17 are significant; expenditures were also significant, but revenues were as well.

### **Power Sources**

In a previous meeting, the Council discussed looking into baseload of power vs. peaking power and emergency power. The two best sources were also discussed. The best source for baseload power is the Small Modular Reactors (SMRs). Mr. Roberts said if the City were to replace the current baseload product received from the market with the projected cost for the nuclear it would be almost a 13% increase. Staff also looked at Member Internal General (MIG), which would be the peakers at the canyon. This would be an 8.36% increase. This would be for peak use.

Mr. Roberts asked the Council if they want to do both and, if so, should one be a priority over the other, and how can the City pay for both in the long run.

Mr. Burnett stated that if the City went with nuclear it would be a first, so there will be fatal flaws. They will not ramp it up until it is compared with combined cycle natural gas new plants.

Councilmember Peterson asked what the City's cost would be for small modular reactors over the next ten years. Mr. Roberts said it would be millions of dollars. Mr. Burnett added that there would be funding requirements for the SMRs, but not the big one.

Councilmember Peterson said if the City does not do the natural gas plant and waits for ten years for the SMR to come to fruition, and if it doesn't happen for twelve year, the City has wasted twelve years when the natural gas plant could have been up and running and paid for.

Mr. Roberts said if the Council wants to finish the whole thing, the City would have to put \$500,000 into the budget at the expense of other infrastructure, or raise rates to pay for a bond. Historically, the City has tried to keep electric rates below or equal to Rocky Mountain Power. He said if the City increased rates 4.26% per year the City would have enough money to do both SMRs and gas generation. He added that this is probably an aggressive estimate because only 2/3 of the rate is for the cost of power and 1/3 is for other things. If the Council chooses to bond it would not affect capital projects, but the rate increases would still have to be passed onto the citizens.

The Council discussed the philosophy of keeping Brigham City rates comparable to Rocky Mountain Power, or keeping rates as low as possible. Mr. Burnett added that there are other UAMPS cities that are also compared to each other. Mr. Roberts added that having low electric rates helps with economic development.

Councilmember Bott felt it is better to do a small incremental increases rather than a big increase when the City is ready to build. He also felt that if the City raised fees for a project it would be a better sale to the citizens.

Councilmember Peterson said he would like the MIG built next year. Mr. Roberts said this is possible if the Council is willing to increase electric rates. If the City does a 2.5% increase every year it the MIG could be done in 4-6 years and probably nine years to do both. The Council could choose not do the bond until the money is available through the increases. If the Council wants it done next year, capital projects would have to be cut and a bond issued. The money from the bond would then be used for capital projects. Another option is that the storm drain bond will be paid in 2018. This is a \$390,000 bond payment. When this is paid the City could take out another bond without having to cut into capital projects.

Mr. Roberts will prepare a bond schedule and what the bond payment would be for both of these projects based on a 10, 15 or 20 year bond.

Councilmember Peterson said the main reason to do this is for emergency backup power to the City's grid.

Councilmember Jensen asked about increasing the service fee rather than the electric rates. Mr. Roberts said the service fee is to cover fixed electric costs. Councilmember Jensen suggested earmarking a portion of it for these projects. Mr. Roberts said this could be done, but it would go against the theory of how the service charge is calculated and charged. The service charge is to cover the cost to have a connection. If it is increased, the citizens would be charged more than what it costs to have a connection.

Councilmember Peterson suggested creating an electric emergency preparedness fund and add it to the bill as a separate line item and charge 50¢. Councilmember Thompson said this way everyone would pay the same, no matter what the electric usage is.

Councilmember Bott recommended increasing rates 2.5% yearly. Councilmember Peterson said he would like to see what RMP's rates are compared to Brigham City rates. Councilmember Bott felt that the stigma of a rate increase wouldn't be as bad if the citizens were aware of the reason.

Mayor Pro Tem Bott asked Mr. Roberts to calculate what a 2.5% rate increase would bring in.

Mr. Oyler and Mr. Roberts will get the requested information and the Council will continue this discussion in a work session on June 2.

### **GO Bond**

Councilmember Thompson said there have been discussions on asking Perry City to join with Brigham City on the GO Bond for the Senior Center and Recreation Center, since they use both. There was discussion on how the votes would be combined. The Council agreed to pursue this further.

### **Council Budget**

Councilmember Peterson asked about the \$1,000 cut in the Council's training line item, and what the usage was in the mileage line item. He was concerned if Councilmember Farr and Councilmember Jensen decide to go to the St. George conference if there would be money available. Mr. Oyler explained that mileage is usually used outside of travel. Mr. Roberts said that sometimes mileage and travel overlap. He also said if other councilmembers decide they want to go, the funds could come from other line items, such as mileage.

### **Curbside Recycling**

Councilmember Jensen was concerned that \$500,000 for this project is coming from the Water Department infrastructure line. Water rates were increased last year to pay for the aging infrastructure. Mr. Roberts said this is to purchase the cans. Councilmember Jensen felt that the citizens need to be aware of this. Mr. Roberts said in the long term the money from the increase will go back to the water infrastructure line. Councilmember Peterson said \$500,000 is not going to fix the City's aging infrastructure. Councilmember Jensen agreed, but still felt the citizens need to know about this change. Mr. Roberts added that the \$500,000 is from the utility fund, which includes water, sewer and electric. He added that the \$500,000 can be unappropriated until the survey comes back, then revise the budget to appropriate it to projects.

Councilmember Farr said he was in favor of contracting it out to see out it works. This would let the City know how many citizens want to participate. Councilmember Jensen agreed, adding that then the City would not have the risk of purchasing 5,300 cans and only a percentage of citizens wanting them. Mayor Vincent said the citizens would not get the service they would if the City did it.

Councilmember Peterson suggested sending out a certified letter that says if they do not respond by a certain date it will be assumed they want to opt out. This should be done before any money is expended.

Mr. Oyler added that if the Council decides not to do recycling, the \$500,000 should be appropriated to another project. If the Council wants further information, it should be left in the budget unappropriated.

This will be discussed further in the June 2, 2016 budget work session.

*The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the May 18, 2016 City Council Meeting.*

*Dated this 2<sup>nd</sup> day of June 2016.*

*Mary Kate Christensen*  
*Mary Kate Christensen, Recorder*