

**BUDGET WORK SESSION OF THE
BRIGHAM CITY COUNCIL
June 2, 2016
5:00 PM**

PRESENT:	Tyler Vincent	Mayor
	DJ Bott	Mayor Pro Tem
	Alden Farr	Councilmember
	Ruth Jensen	Councilmember
	Tom Peterson	Councilmember
	Mark Thompson	Councilmember (<i>via teleconference</i>)
ALSO PRESENT:	Joseph Bach	Fire Chief
	Rick Bosworth	Human Resource Coordinator
	Dave Burnett	Director of Public Power
	Mary Kate Christensen	City Recorder
	Chris Howard	Police Lieutenant
	Mike Nelsen	Police Nelsen
	Derek Oyler	Finance Manager
	Jason Roberts	City Administrator

Mayor Pro Tem Bott conducted the meeting. The invocation was offered by Councilmember Peterson.

Public Power Department

Mr. Oyler said he compared Brigham City's rate structure with Rocky Mountain Power's (RMP) rates. Brigham City currently has a 3-tiered rate during the summer months and one rate for winter months. Mr. Burnett is currently going through a rate structure analysis. This should be completed by August 18, 2016.

A comparison was made with RMP on a mid-level user and a higher level user. A mid-level user's RMP bill is approximately 3.1% higher than Brigham City's rates. The RMP rate for the higher level user is 4.1% higher. The main difference in these two percentages is that the higher level user hit the second tiered rate in the winter. This comparison includes all RMP charges, not just the electric usage. RMP has four additional charges that are not on City bills.

Mr. Oyler continued that a gas generation plant will cost approximately \$9.3M. He calculated the City would have to impose a 4.5% fee increase to pay for a 25-year revenue bond to pay for the plant.

Staff has expressed concern that capital project money should be used on older infrastructure rather than on a new project. Mr. Pugsley is very concerned about the culinary waterline under the Mantua Reservoir. This line is over 60 years old.

Councilmember Farr agreed that there are probably more important projects.

Mr. Oyler said another concern is if rates are increased now, there would be little room to increase them again for the SMRs without being higher than RMP's rates.

The Council discussed a gas generation plant versus nuclear. Councilmember Peterson thought the Council should be forward thinking and not just responding to staff's requests. Councilmember Farr said nuclear is also forward thinking. Councilmember Peterson agreed, adding that he did not think the City would spend any money on nuclear for at least 12 years.

Mr. Oyler said the money could be earmarked, but it could be earmarked for another project by another Council at any time. Councilmember Thompson liked this idea because no one knows in 8-12 years what will be happening and the City's concept may be changed by that time, but then the money would still be there.

Mayor Pro Tem Bott did not think the citizens would agree to a \$7.00/month fee if nothing is being done with it. A smaller fee was discussed, saving it until the City is ready to move forward, then bond for the remaining amount needed.

Mayor Pro Tem Bott said the only thing the Council can do in this budget is impose a fee, which can be used for any project if future councils decide to do so. He felt that other capital concerns should maybe take priority over this. Councilmember Jensen agreed.

Mr. Oyler added that there is a good possibility staff will be coming to the Council in September to discuss rates. This could be discussed again then.

Councilmember Thompson said if the City is going to propose a GO bond, he did not think the timing was right for a revenue bond as well.

Mayor Pro Tem Bott felt this should be tabled for a later discussion. The Council agreed.

Police Department

Chief Nelsen presented Police Department stats and activities in the last ten years (*see attached*).

Mr. Oyler said he reviewed the eight year history of Police Department wages. In this time period there have been enough open positions or turnover to pay for at least one full-time officer. The 2016-17 budget has one less officer in the Police Department budget. This does not mean the Chief is being asked not to hire that employee. Mr. Oyler explained that due to the eight year history, there is reasoning behind not budgeting for one of the positions. He further explained that there are larger agencies that will have 15-18% open positions in their police force. They know this and are not budgeting for every open position because they know they cannot fill them.

Mr. Roberts added that if the Police Chief fills all the open positions, the City will find a way to pay for them. But it is very unlikely this will happen.

Another concern is retaining officers. Hopefully the 5% pay increase will take care of this issue.

Councilmember Farr expressed concern with keeping the Police Department fully staffed. He recommended looking at the compensation. The City is spending a lot of money training officers and then they leave. A lot of overtime is also being paid while positions are not filled.

Mr. Oyler said he and the Mayor's Office are hopeful that the 5% increase will help to retain officers. Two years ago the Police Department had an individual increase. Mr. Roberts added that there is a state-wide problem that is bigger than Brigham City.

Councilmember Peterson said in addition, there are some agencies that are doing some extreme pay raises. This will affect Brigham City.

Mayor Vincent said Brigham City officers can see there are positions where they can move up, where there are not as many opportunities in larger communities.

Councilmember Peterson agreed that there are issues in keeping employees; this is true throughout the City. He wondered if there were ways, beside wages, to attract employees and incentivize them to stay. Some cities will pay out vacation 50¢ on the dollar at the end of the year.

Chief Nelsen said when candidates are considering Brigham City, they are looking at the pay per hour. They haven't yet looked at the benefits the City offers.

Councilmember Farr suggested HR prepare packets for prospective employees which includes all the benefits available.

Councilmember Peterson suggested the City work with local gyms for reduced membership fees for employees.

Mr. Roberts said there is a supply and demand issue with police officers. People do not want to be police officers for what the City is paying now. Salaries are increasing faster for police officers than other occupations. As this happens, Brigham City police officer comp-ratio will go down which will result in a bigger raise. He felt that over time, it will naturally take care of itself. Trying to have something that no other City can offer will not be money; it has to be something else. Cities with deeper pockets will always pay more.

Mr. Roberts continued that he felt the City can put more into recruiting, as suggested.

Councilmember Peterson said if the City paid gym memberships for employees it would only cost \$45,000. That figure is if everyone participated. Some of this could come back through a wellness incentive through the insurance company. There would be a requirement that the employee attend a certain number of times per month. Mr. Oyler said if the Council wants to provide this, he will talk to the insurance company and see if they would participate. He recommended the Employee Coordination Committee look into this further.

Curbside Recycling

Mr. Oyler said Mr. Pugsley talked to neighboring cities regarding their curbside recycling.

	Citizens Who Opted Out	Fee/ month	Length of contract
Tremonton	51%	\$4.65	10 years
Perry	40.7%	\$4.80	4 years

Mr. Oyler stated that these municipalities are being charged almost as much as it costs Brigham City to go to the landfill. This is due to the recycling market at this time.

If 50% of residents opt out of the recycling can, Brigham City would have to charge \$8.44/month to do it in-house and break even.

Mayor Pro Tem Bott said he did not want to put this kind of capital investment into this at this time. If recycling market comes back up, this could be readdressed again.

The Council discussed contracting the service. It was suggested cans be delivered to all citizens. If they want to opt out they would have to go to City Hall and do so. The City would not have the worry of the extra cans if it was contracted out. The City would probably still lose the revenue from second black cans.

The Council agreed to discuss this over the next year. The money in the 2016-17 budget for this project will be used on other prioritized capital projects and put in the utility fund.

The Council authorized staff to go out to bid on curbside recycling.

The meeting adjourned at 6:55 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 19, 2016 City Council Meeting.

Dated this 16th day of June, 2016.

Mary Kate Christensen
Mary Kate Christensen, Recorder