REGULAR SESSION OF THE
BRIGHAM CITY COUNCIL
December 20, 2018

PRESENT:	Tyler Vincent	Mayor
	DJ Bott	Councilmember
	Alden Farr	Councilmember
	Ruth Jensen	Councilmember
	Tom Peterson	Councilmember
	Mark Thompson	Councilmember
ALSO PRESENT:	Mark Bradley	City Planner
	Dave Burnett	Public Power Director
	Mary Kate Christensen	City Recorder
	Paul Larsen	Community Development Director
	Mike Nelsen	Police Chief
	Derek Oyler	Finance Director
	Tyler Pugsley	Public Works Director
	Jason Roberts	City Administrator
	Kristy Wolford	Community Activities & Services Director

Mayor Vincent called the meeting to order. The Reverence Period was given by Bishop Greer of the LDS 1st Ward. The Pledge of Allegiance was recited.

Approval of Minutes: A motion to approve the minutes of the December 6, 2018 Council meeting was made by Councilmember Bott, seconded by Councilmember Jensen and unanimously approved as distributed.

AGENDA

RECOGNITION OF EMPLOYEES
- New Hires and Promotion in Police Department

CONSENT
- Request for Approval of Annual Meeting Notice

PUBLIC HEARING
- Hear Input on an Ordinance to Annex Property Located at 209 West 1500 North

PUBLIC COMMENT

COUNCILMEMBER COMMENTS

ACTION ITEMS
- Consideration of Ordinance to Amend the City Zoning Map to Assign a Zone District Associated with an Annexation at 209 West 1500 North
- Consideration of Ordinance to Change Zoning from Agricultural and General Commercial to all General Commercial at the Northwest Corner of 1100 West and 1100 South
- Recommended Changes to the Employee Policy and Procedures Manual Regarding Employee Retirement
- Request for Approval of Property Purchase Agreement with F.R. Reeder Holdings

DISCUSSION ITEMS
- Presentation of 2017-18 Audit

ADJOURN TO CLOSED SESSION TO DISCUSS THE PURCHASE, EXCHANGE OR LEASE OF PROPERTY AND THE CHARACTER, PROFESSIONAL COMPETENECE OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL

RECOGNITION OF EMPLOYEES

New Hires and Promotion in Police Department
Natalie Wheeler and Chase Cosgrove were recognized as recently hired Police Officers. Chief Nelsen presented them with their badge. It was announced that Chris Howard was promoted as Assistant Police Chief and Emergency Manager. He received his Assistant Chief Badge from Chief Nelsen.

CONSENT

Request for Approval of Annual Meeting Notice
A public notification was presented for the City Council meeting schedule. This will be posted in the paper and on the Public Notice Website.

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

PUBLIC HEARING

Hear Input on an Ordinance to Annex Property Located at 209 West 1500 North
Mr. Bradley came to the table and explained that the Olsons filed a petition of annexation, which was presented to the Council in a previous meeting. The City Recorder has certified the request and posted a notice of annexation in the newspaper, giving the deadline of 30 days to protest the annexation. No protests were received.

Councilmember Bott moved to open the public hearing, seconded by Councilmember Jensen and unanimously carried. There were no comments from the public. A motion to close the public hearing was made by Councilmember Thompson, seconded by Councilmember Farr and unanimously carried.

> **MOTION:** Councilmember Bott made a motion to approve the ordinance annexing property located at 209 West 1500 North, seconded by Councilmember Jensen.
> **Roll Call:**
> Councilmember Bott – aye
> Councilmember Farr – aye
> Councilmember Jensen – aye
> Councilmember Peterson – aye
> Councilmember Thompson – aye
> The motion unanimously carried.

PUBLIC COMMENT

Ken Wanlass, Brigham City – Mr. Wanlass said Brigham City has the largest and nicest pickleball facility west of the Mississippi and north of St. George. A nice facility is not the only aspect of a strong pickleball following in the area. He has been to other places in the state and in the country where people play pickleball according to the rules, but do not know how the game is really played. Mr. Kyle Klein's dedication, with great support from Brigham City Corporation, has brought professional pickleball to Brigham City. Players who are willing to take advantage of the Tournament of Champions and the countless seminars and clinics, not only have wonderful facilities, but the exposure to and basis to know how the game is really played. He thanked Brigham City and Mr. Klein.

Larry Gill, Brigham City – Mr. Gill thanked the Council and City for all they have done for the pickleball community. It has been a great thing for him and for the community. It brings in people from all over the country.

Chelsea NeVille, Brigham City – Ms. NeVille said she started playing pickleball because of Kyle Klein. In November she had the opportunity to attend a national tournament in California. When people found out she was from Utah, everyone talked about Brigham City. They talked about the Tournament of Champions tournament and the Memorial Day Tournament. It brings a lot of people to Brigham City.

Troy Andreasen, Brigham City – Mr. Andreasen said he loves playing pickleball at the Brigham City facilities. Wherever he travels and people find out he's from Brigham City, they always comment how much they love our courts and how they like to come here and play.

Olivia Nichols, Brigham City – Ms. Nichols said they moved from Tooele County ten years ago and they had nothing like the pickleball courts here. She said she was grateful to live in Brigham City and she loves the pickleball courts.

DeAnna Hardy, County – Ms. Hardy said pickleball is a forced recreation where all citizens are forced to pay for it. It should be a private, free-market enterprise. It should not be through the government. She once again encouraged the Mayor and Council to bring local government back to its proper role.

COUNCILMEMBER COMMENTS

Councilmember Peterson met with Dan Black, the new Dean of USU Brigham. They talked about some of the things Dan Black envisions for USU. Councilmember Peterson gave him some suggestions on what he thought USU could work on.

ACTION ITEMS

Consideration of Ordinance to Amend the City Zoning Map to Assign a Zone District Associated with an Annexation at 209 West 1500 North

Mr. Bradley came forward and explained that this is the rezone of annexed property at 209 West 1500 North. The proposed zone is R-1-8.

> **MOTION:** Councilmember Peterson made a motion to approve the ordinance amending the zoning map to assign a zone district to the annexed property as presented. The motion was seconded by Councilmember Jensen.
> **Roll Call:**
> Councilmember Bott – aye
> Councilmember Farr – aye
> Councilmember Jensen – aye
> Councilmember Peterson – aye
> Councilmember Thompson - aye
> The motion unanimously carried.

Consideration of Ordinance to Change Zoning from Agricultural and General Commercial to all General Commercial at the Northwest Corner of 1100 West and 1100 South

Mr. Bradley stated that approximately 2/3 of the property is currently zoned General Commercial (GC). The request is to have the entire parcel zoned GC. This is consistent with the General Plan and the Planning Commission recommended approval.

> **MOTION:** Councilmember Peterson made a motion to approve the zoning change from Agricultural to General Commercial as discussed. The motion was seconded by Councilmember Thompson.
> **Roll Call:**

Councilmember Bott – aye
Councilmember Farr – aye
Councilmember Jensen – aye
Councilmember Peterson – aye
Councilmember Thompson - aye
The motion unanimously carried.

Recommended Changes to the Employee Policy and Procedures Manual Regarding Employee Retirement

Mr. Oyler came to the table and explained that in 2011 the Utah Legislature changed retirement for government employees. The change included designating Tier 1 and Tier 2 employees, depending on date of hire. The staff at that time interpreted the change to mean that elected officials were not eligible for retirement benefits.

Every two years the City is audited by an independent auditor from Utah Retirement System. In the most recent audit URS told staff that elected officials are eligible and the City's policy needed to reflect that.

Mr. Oyler continued that the prior two mayors were eligible. This policy change states that as an elected official, the mayor is eligible and councilmembers are ineligible. The amount would be 18.47% of the Mayor's wage and would be retroactive. The money would come out of the General Fund.

Councilmember Jensen felt that because Mayor Fife and Mayor Christensen were eligible for retirement benefits, Mayor Vincent should also.

Councilmember Thompson stated that he views the Mayor and Councilmembers as volunteer positions. He did not want to make it a career path.

MOTION: Councilmember Peterson made a motion to approve the changes to the employee Policy and Procedures Manual regarding employee retirement, seconded by Councilmember Jensen.
Roll Call:
Councilmember Bott – aye
Councilmember Farr – aye
Councilmember Jensen – aye
Councilmember Peterson – aye
Councilmember Thompson – nay
The motion carried with a 4-1 vote in favor.

Request for Approval of Property Purchase Agreement with F.R. Reeder Holdings

Mr. Roberts approached the Council and explained that this parcel of property is approximately 45.5 acres. It is close to where all the City storm water ends up. The City has purchased a lot of property in this area to accommodate storm drainage. At this point, it is debatable as to whether or not the storm water goes to this property, but there is potential to contain storm drain water in this area.

Mr. Roberts explained that when the storm drain was built out, it all ended in this area. The landowners complained that the City was flooding their property which lowered the value. Over time, the City purchased their property.

This property was appraised for $1,365,000. The purchase agreement is for $765,000. The funding would come from the Storm Drain Fund over the next two years.

MOTION: Councilmember Farr made a motion to approve the property purchase agreement with F.R. Reeder Holdings as outlined, seconded by Councilmember Thompson.
Roll Call:
Councilmember Bott – aye
Councilmember Farr – aye
Councilmember Jensen – aye
Councilmember Peterson – aye
Councilmember Thompson – aye
The agreement was unanimously approved.

DISCUSSION ITEMS

Presentation of 2017-18 Audit
Mr. Oyler came forward and stated that the City's days cash increased by 20 days from 2017. If the City had to use non-restricted cash on hand, the City could function operations for 168 days. This is due to unspent money in the Internal Service Funds.

Liabilities to net position decreased due to the $9.5M bond for the substation and waterline in Mantua.

General Fund revenues over expenditures were as follows:

- Revenue Higher (Lower than Budget
  - Sales Taxes $132,000
  - Property Taxes ..... $(25,000)
  - Class C Road Funds ..... $ 64,000
  - Ambulance/Fire Fees ..... $ 32,000
  - Interest Income $168,000

- Expenditures Lower (Higher) than Budget
  - Recreation ..... $ 73,000
  - Police ..... $ 38,000
  - Streets $265,000

Mr. Oyler noted that Brigham City's General Fund operates on only $691,000 from property taxes. The highest revenue is sales tax (30%). This year sales tax was $241,000 higher than 2017.

Public Safety continues to be the biggest General Fund expenditure at 37%. The Police Department accounts for 56% of that total. The net cost of public safety increased 1.9%. The Fire and Ambulance Departments combined decreased in net cost from the prior year. This is due to increased revenues from ambulance services and wildland fires.

The Golf Fund balance was in the negative this year. This was due mostly to a decrease in revenues of approximately $48,000 from the prior year. This excludes the $40,000 transfer from the General Fund the Council approved at year end. This means the total revenues with transfers were only $8,000 less than the prior year.

The Library Fund decreased by approximately $100,000.

The RDA and EDA Funds and the Municipal Building Authority have negative fund balances until internal loans are paid.

The Airport Fund increased $30,000.

In Business Type Funds, net profit after transfer, the biggest change was in the Water Department with higher revenue due to higher water sales. Another reason for the overall increase is capital projects that were not completed during the reporting period. The City's ability to fund capital projects to replace aging infrastructure is also a great measurement of financial health. The City is spending more money on capital projects compared to years past.

The following budgets were over budget:

- Administration Department was over $20,170. The City's building utility fees come out of this department and they were approximately $30,000 more than budgeted.
- Economic Development was over $6,200 because of funds spent for consultants on economic development projects.
- Fire was over $54,367 and Ambulance was over $14,474. Mr. Oyler explained that when he came to the Council with a budget revision to move unspent money in this department, he moved more than he should have. This was due to the new floating pay period.

As planned, there were RDA, EDA and the MBA funds that are currently in a deficit balance.

- Deficit Fund Balance
  - RDA – West Forest.....$ (219,652)
  - RDA #1.....$ (1,003,459)
  - EDA – Northwest.....$ (2,563,713)
  - Municipal Building Authority.....$ (39,216)
  - Debit Service – SAA 2009-01 .....$ (238,420)
  - Golf Fund.....$ (15,483)

Some of these have underlying assets, others have intercompany loans that will be paid of over time. It will take several years to eliminate the deficits in some of the RDA and EDA Funds.

Mr. Oyler continued that the City's financial condition is very good. However, the City should continue to conserve cash and increase the City's cash reserves to prepare for any possible future economic downturns. All new projects should be evaluated and consider the financial health of each fund. Revenues should be evaluated carefully while looking at ongoing expenditures in each individual fund.

The City has been awarded the Government Finance Officers Association's financial reporting certificate for the 32nd consecutive year.

Mr. Oyler thanked the Administrative staff. With a new auditing firm this year, it has been more stressful than usual.

Mr. Marcus Arbuckle from Kennington & Christensen came forward and explained that they audited cash receipting, cash disbursements, payroll, and the general overall monthly and year end closing process. There were no findings on these internal controls.

They also audited compliance with major federal programs. The major program Brigham City had was a grant for the airport. Brigham City complied in all material respects with the compliance requirements.

While auditing this program, it was found that there were instances of noncompliance when the reimbursement came to the City before the City paid the contractor. The City should pay the contractor, then get reimbursed. In addition, the City's procurement policy does not include the requirements for this type of grant. This does not mean the City didn't follow the proper guidelines, just that it needs to be written in the policy.

Another portion of this report is state compliance. They audited budgetary compliance, Utah Retirement Systems, the Open and Public Meetings Act, fund balance, restricted taxes and Treasurer's bond.

The state requires that approved meeting minutes be posted on the Utah Public Notice Website within three business days. The few they tested were not posted within that time limit.

The amount of the Treasurer's bond is based on the amount of budgeted revenue. The bond is a little short of that. This should be increased approximately $205,000.

ADJOURN TO CLOSED SESSION

A motion to adjourn to a closed session to discuss the purchase, exchange or lease of property and the character, professional competence or physical or mental health of an individual was made by Councilmember Bott, seconded by Councilmember Peterson. A roll call vote was taken with all councilmembers voting aye. The meeting adjourned to a closed session at 8:14 p.m.

The Council returned to an open meeting at 9:35 p.m. and adjourned.

The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the December 20, 2018 City Council Meeting.

Dated this17th day of January 2019.

Mary Kate Christensen

Mary Kate Christensen, Recorder