

**BUDGET WORK SESSION  
BRIGHAM CITY COUNCIL  
June 2, 2022  
5:30 p.m.**

|          |                |                                           |
|----------|----------------|-------------------------------------------|
| PRESENT: | D.J. Bott      | Mayor                                     |
|          | Alden Farr     | Councilmember <i>arrived at 5:33 p.m.</i> |
|          | Matthew Jensen | Councilmember                             |
|          | Tom Peterson   | Councilmember                             |
|          | Ryan Smith     | Councilmember                             |
|          | Robin Troxell  | Councilmember                             |

|               |                    |                       |
|---------------|--------------------|-----------------------|
| ALSO PRESENT: | Dave Burnett       | Public Power Director |
|               | Mike Christiansen  | City Attorney         |
|               | Brett Jones        | City Engineer         |
|               | Tom Kotter         | Finance Director      |
|               | Derek Oyler        | City Administrator    |
|               | Tyler Pugsley      | Public Works Director |
|               | Kristina Rasmussen | Deputy City Recorder  |
|               | Chad Reyes         | Police Chief          |

Mayor Bott opened the meeting at 5:31 p.m. He stated the work session would adjourn to a City Council meeting at 7:00 p.m. and if there were remaining items, the work session would resume after the City Council meeting.

Electrical Rate Increase

Dave Berg, the City's electrical rate consultant, appeared via Zoom and went over a few items from the May 5<sup>th</sup> work session. He expanded on customer charges, fixed charges, and demand.

Councilmembers discussed and supported Mr. Berg's recommendation for a FY 2023 rate increase. as presented on May 5<sup>th</sup>.

|                                    |                        |  |  |  |  | Current   | Proposed<br>FY23 |
|------------------------------------|------------------------|--|--|--|--|-----------|------------------|
| <b>Residential Summer No.1</b>     |                        |  |  |  |  |           |                  |
|                                    | Customer Charge        |  |  |  |  | \$ 4.57   | \$ 6.50          |
|                                    | Energy Charge (\$/kWh) |  |  |  |  |           |                  |
|                                    | First 400 kWh          |  |  |  |  | \$ 0.1011 | \$ 0.1069        |
|                                    | 401-1000 kWh           |  |  |  |  | \$ 0.1155 | \$ 0.1221        |
|                                    | 1000+ kWh              |  |  |  |  | \$ 0.1315 | \$ 0.1390        |
| <b>Residential Non-Summer No.1</b> |                        |  |  |  |  |           |                  |
|                                    | Customer Charge        |  |  |  |  | \$ 4.57   | \$ 6.50          |
|                                    | Energy Charge (\$/kWh) |  |  |  |  |           |                  |
|                                    | All                    |  |  |  |  | \$ 0.1015 | \$ 0.1069        |

|                                    |  |           |           |
|------------------------------------|--|-----------|-----------|
| <b>General Service 6 No Demand</b> |  |           |           |
| Customer Charge                    |  | \$ 13.00  | \$ 16.00  |
| Energy Charge (\$/kWh)             |  |           |           |
| First 500 kWh                      |  | \$ 0.1200 | \$ 0.1210 |
| 501-8000 kWh                       |  | \$ 0.0880 | \$ 0.0970 |
| 8000+ kWh                          |  | \$ 0.0538 | \$ 0.0970 |
| <b>General Service 6 Demand</b>    |  |           |           |
| Customer Charge                    |  | \$ 13.00  | \$ 20.00  |
| Energy Charge (\$/kWh)             |  |           |           |
| First 500 kWh                      |  | \$ 0.1200 | \$ 0.1210 |
| 501-8000 kWh                       |  | \$ 0.0880 | \$ 0.0970 |
| 8000+ kWh                          |  | \$ 0.0538 | \$ 0.0550 |
| Demand Charge (\$/kW)              |  |           |           |
| 10 kW+                             |  | \$ 9.88   | \$ 10.00  |
| <b>General Industrial 8</b>        |  |           |           |
| Customer Charge                    |  | \$ -      | \$ -      |
| Energy Charge (\$/kWh)             |  |           |           |
| All                                |  | \$ 0.0445 | \$ 0.0485 |
| Demand Charge (\$/kW)              |  |           |           |
| All                                |  | \$ 11.00  | \$ 11.75  |
| <b>General Industrial HV 9</b>     |  |           |           |
| Customer Charge                    |  | \$ -      | \$ -      |
| Energy Charge (\$/kWh)             |  |           |           |
| All                                |  | \$ 0.0452 | \$ 0.0485 |
| Demand Charge (\$/kW)              |  |           |           |
| All                                |  | \$ 8.56   | \$ 10.00  |
| PPAC (all energy - \$/kWh)         |  | N/A       | \$ -      |

### Police Officer Wages

Chief Reyes came forward and presented a pay correction proposal for police officers. He talked about the regional, statewide, and national competition in recruiting officers. He listed current BCPD stats:

- One-half of officers have less than 8 years on the job
- Current staffing shortage of 23%
- 25% of department is currently eligible to retire
- Additional 39% eligible to retire in 5 years

He presented the current step plan and the proposed step plan. He explained the numbers were budget neutral due to rescinding the pay differential plan for vacancies and the temporary reduction of sworn officer full time equivalents (FTEs) from 30 to 28. He asked for the increase to be retro-active to May 1, 2022.

|     | T     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| LT  |       |       |       |       |       |       |       |       | 40.89 | 42.12 | 42.96 |
| SGT |       |       |       |       |       |       |       | 35.45 | 36.51 | 37.24 | 37.99 |
| MO  |       |       |       |       |       |       | 30.73 | 31.65 | 32.60 | 33.25 | 33.92 |
| PO3 |       |       |       |       | 25.86 | 26.64 | 27.44 | 28.26 | 28.82 | 29.40 | 29.99 |
| PO2 |       |       | 23.22 | 23.91 | 24.63 |       |       |       |       |       |       |
| PO1 | 19.13 | 21.26 | 22.11 |       |       |       |       |       |       |       |       |

|     | T     | 1     | 2     | 3     | 4     | 5     | 6     | 7     | 8     | 9     | 10    |
|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| LT  |       |       |       |       |       |       |       |       | 48.14 | 49.59 | 50.58 |
| SGT |       |       |       |       |       |       |       | 41.73 | 42.99 | 43.85 | 44.72 |
| MO  |       |       |       |       |       |       | 36.18 | 37.26 | 38.38 | 39.15 | 39.93 |
| PO3 |       |       |       |       | 30.45 | 31.36 | 32.30 | 33.27 | 33.94 | 34.61 | 35.31 |
| PO2 |       |       | 27.33 | 28.15 | 29.00 |       |       |       |       |       |       |
| PO1 | 23.77 | 25.03 | 26.03 |       |       |       |       |       |       |       |       |

Councilmembers discussed the number of FTEs and were not supportive of temporarily reducing the number to 28. They discussed increasing property taxes to keep the number at 30. They were supportive of the wage increase and the May 1<sup>st</sup> retro-active date.

#### Employee Wages

Mr. Kotter and Mr. Oyler explained how performance evaluations and the City's compa-ratio comparison could affect the proposed 7% wage increase. Employees could see a larger or smaller increase depending on those two factors. Mr. Kotter explained the Mayor's budget includes three current part-time employees going to full-time including the Human Resource assistant, the IT management analyst, and the Fire Department administrative assistant.

#### Blue Can

Mr. Kotter stated the Econo Waste contract, which is up for renewal in August, will contain a \$.40 increase due to inflation and gas prices. Council was supportive of passing on the increase to curbside recycle collection customers.

The work session adjourned at 6:57 p.m. in order to hold the City Council meeting. The work session continued at 8:13 p.m.

#### Water and Sewer Rates

Councilmembers discussed the rate study presented at the May 19<sup>th</sup> work session. They were not comfortable with the suggested water base rate of \$30.00 for residential and small commercial customers. Instead, they supported a \$20.00 base rate for ¾" and 1" meters with the suggested tier allocations.

| Base Fee           |                                        |        | \$20.00      |
|--------------------|----------------------------------------|--------|--------------|
|                    | Gallons                                |        | Cost         |
|                    | (Rounded to the nearest 1,000 Gallons) |        | \$/1,000 Gal |
| Tier #1 Allocation | 0                                      | 7,000  | \$0.00       |
| Tier #2 Allocation | 7,001                                  | 12,000 | \$1.50       |
| Tier #3 Allocation | 12,001                                 | 40,000 | \$2.00       |
| Tier #4 Allocation | 40,001                                 |        | \$2.50       |

Transfer to General Fund = 15%

Mr. Jones noted the \$20.00 base rate would leave system replacement and facilities maintenance about \$1 million short. He stated the system replacement costs have doubled over the past year. He agreed with Councilmember Peterson that although wages may stay the same, the costs of system replacement could decrease. Mr. Jones recommended reviewing the rates again next year.

Mr. Oyler noted larger commercial accounts (meter sizes 1.5" to 8") would have a capacity fee per the meter size and a charge per 1,000 gallons starting at gallon one. *(After the work session it was noted the rate study for 1.5" to 8" meters contained incorrect information. The red numbers above the proposed capacity fee are the current rates. The proposed capacity fees have been corrected.)*

| Average # of Connections Per Month |             |             |             |             |             |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| 303<br>(1.5")                      | 304<br>(2") | 305<br>(3") | 306<br>(4") | 307<br>(6") | 308<br>(8") |
| 115                                | 135         | 57          | 38          | 6           | 20          |

\$28.52      \$45.48      \$84.30      \$149.14      \$343.68      \$570.67

~~\$29.09~~      ~~\$46.39~~      ~~\$85.99~~      ~~\$152.13~~      ~~\$350.57~~      ~~\$582.11~~

Proposed capacity fee

\$30.00      \$46.39      \$85.99      \$152.13      \$350.57      \$582.11

| Base Fee is per Meter Size |                                        |        | \$0.00       |
|----------------------------|----------------------------------------|--------|--------------|
|                            | Gallons                                |        | Cost         |
|                            | (Rounded to the nearest 1,000 Gallons) |        | \$/1,000 Gal |
| Tier #1 Allocation         | 0                                      | 7,000  | \$1.50       |
| Tier #2 Allocation         | 7,001                                  | 12,000 | \$1.50       |
| Tier #3 Allocation         | 12,001                                 | 40,000 | \$1.50       |
| Tier #4 Allocation         | 40,001                                 |        | \$1.50       |

Transfer to General Fund = 15%

Councilmembers supported the proposed residential and small commercial sewer base rate at \$35.00.

| Base Fee:          |                                        |        | \$35.00      |
|--------------------|----------------------------------------|--------|--------------|
|                    | Gallons                                |        | Cost         |
|                    | (Rounded to the nearest 1,000 Gallons) |        | \$/1,000 Gal |
| Tier #1 Allocation | 0                                      | 7,000  | \$0.00       |
| Tier #2 Allocation | 7,001                                  | 12,000 | \$0.00       |
| Tier #3 Allocation | 12,001                                 | 40,000 | \$0.00       |
| Tier #4 Allocation | 40,001                                 |        | \$0.00       |

Transfer to General Fund = 15%

They were also supportive of including the base fee plus \$1.00 per 1,000 gallons for larger commercial customers. The intent was not to charge sewer fees on landscape meters, but it would be up to the customer to bring the matter to the attention of utility billing.

| Base Fee                   |                                        |        | \$35.00      |
|----------------------------|----------------------------------------|--------|--------------|
|                            | Gallons                                |        | Cost         |
|                            | (Rounded to the nearest 1,000 Gallons) |        | \$/1,000 Gal |
| Tier #1 Allocation         | 0                                      | 7,000  | \$1.00       |
| Tier #2 Allocation         | 7,001                                  | 12,000 | \$1.00       |
| Tier #3 Allocation         | 12,001                                 | 40,000 | \$1.00       |
| Tier #4 Allocation         | 40,001                                 |        | \$1.00       |
| Transfer to General Fund = |                                        |        | 15%          |

Mr. Kotter stated based on the proposed water, sewer, and electric rate increases there would be an additional \$480,000 with the upcoming 15% utility revenue transfer to the General Fund. He suggested Staff review the capital projects again to make sure the priority ratings have not changed. Mayor Bott clarified that the \$480,000 to be transferred would normally be \$1.8 million to \$2 million for capital projects.

For the Council's consideration, Mr. Kotter explained that the current Code Enforcement officer is a split position between Code Enforcement and Community Development. With the growth the City has experienced and the increase in the planning and zoning applications, the combined job duties have proven to be greater than one person can manage. The proposal was to hire a Code Enforcement officer under the Police Department who would potentially be POST certified and also cover Police Department shifts if needed. The starting wage for that position would be \$50,000 not including benefits. Council supported the proposal.

The Council adjourned at 8:57 p.m.

*The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the June 2, 2022 City Council Work Session.*

*Dated this 16th day of June 2022.*

*Christina Boss*

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Christina Boss, Recorder