

The Regular Meeting of the
Brian Head Town Council
Brian Head Town Hall – Council Chambers
56 North Highway 143 – Brian Head, UT 84719
www.Zoom.us ([Click Here](#))
Via Zoom Meeting ID# 889 9804 0873
TUESDAY, JUNE 28, 2022 @ 1:00 PM

AGENDA

- A. **CALL TO ORDER**
- B. **PLEDGE ALLEGIANCE**
- C. **EMPLOYEE RECOGNITION: MARSHALL DANNY ABBOTT**, for the promotion to Assistant Fire Chief for the Brian Head Fire Department.
- D. **DISCLOSURES**
- E. **APPROVAL OF THE MINUTES:** May 24, 2022 Town Council Meeting
- F. **REPORTS / PUBLIC INPUT ON NON-AGENDA ITEMS.** Public input is limited to three (3) minutes on non-agenda items.
- G. **AGENDA ITEMS:**
 - 1. **PUBLIC HEARING FOR THE AMENDED FISCAL YEAR 2022 TOWN BUDGET.** Shane Williamson, Town Treasurer. The Council will hold a public hearing to receive comments on the proposed amendments to the FY 2022 Town Budget ending June 30, 2022.
 - 2. **ORDINANCE AMENDING THE FISCAL YEAR 2022 TOWN BUDGET.** Shane Williamson, Town Treasurer. The Council will consider an ordinance amending the FY2022 Town Budget ending June 30, 2022.
 - 3. **SOUTH CENTRAL BROADBAND LEASE AGREEMENT.** Bret Howser, Town Manager. The Council will consider a lease agreement with South Central Broadband (SCB) for the lease of Town owned property located at 164 Gurr Well Road.
 - 4. **TRAIL ROAD REALIGNMENT IMPACT FEE FORGIVENESS.** Bret Howser, Town Manager. The Council will consider waiving fees for properties on Trail Road.
 - 5. **FY 2023 CONSOLIDATED FEE SCHEDULE ADOPTION.** Nancy Leigh, Town Clerk. The Council will consider a resolution adopting the FY2023 Consolidated Fee Schedule.
 - 6. **A RESOLUTION AUTHORIZING THE \$ TOWN OF BRIAN HEAD, UTAH SPECIAL ASSESSMENT BONDS, SERIES 2022 (SPECIAL ASSESSMENT AREA NOS. 2021-02 FALCON COURT, 2021-03 TRAIL ROAD, 2021-04 SCENIC DRIVE) (THE “BONDS”), PROVIDING FOR THE CONTINUANCE FOR A RESERVE FUND AS PROVIDED BY STATUTE; AND RELATED MATTERS.** Bret Howser, Town Manager. The Council will consider a resolution to issue bonds for the Special Assessment Areas of Falcon Court, Trail Road and Scenic Drive.
 - 7. **FUTURE AGENDA ITEMS.** The Council will discuss potential items for future agendas.
- H. **CLOSED SESSION OF THE TOWN COUNCIL.** A strategy session to discuss the purchase, sale, lease of real property and/or water rights.
- I. **ADJOURNMENT**

Date: June 24, 2022



Available to Board Members as per Ordinance No. 11-003 authorizes public bodies, including the Town, to establish written procedures governing the calling and holding of electronic meetings at which one or more members of the public board may participate by means of electronic communications. In compliance with the Americans with Disabilities Act, persons needing auxiliary communications aids and services for this meeting should call Brian Head Town Hall @ (435) 677-2029 at least three days in advance of the meeting.

CERTIFICATE OF POSTING

I hereby certify that I have posted copies of this agenda in three conspicuous locations: Post Office, and the Brian Head Town Hall and have posted copies on the Utah Meeting Notice Website and the Brian Head Town website and have caused a copy of this notice to be delivered to the Daily Spectrum, a newspaper of general circulation.

Nancy Leigh, Town Clerk





STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Ordinance Amending FY 2022 Brian Head Town Budget(s)
AUTHOR: Shane Williamson, Town Treasurer
DEPARTMENT: Administration Department
DATE: June 28, 2022
TYPE OF ITEM: Legislative Action

SUMMARY:

The Council will hold a public hearing to receive comments on the Fiscal Year 2022 Amended Budget for the Town. Once the public hearing is closed, the Council will consider an ordinance (22-006) amending the FY2022 Brian Head Town Budget ending June 30, 2022.

BACKGROUND:

As per state requirements, a public hearing to receive comments must be held before the Council can amend the budget. Staff has noticed public hearing according to state requirements and has prepared the amended budget for FY2022 for Council's consideration.

ANALYSIS:

Please note, Brian Head Town amended its FY 2022 budget three times prior to June 28, 2022. The dates were September 14, 2021, January 11, 2022, and February 22, 2022. The differences between the original budget and the revised budget that are not addressed below were amended on that date. The following adjustments are proposed for the FY 2022 budget:

General Fund – 10

Revenue

- 10.3151 – Resort Tax: Increase by \$102,700. The budget is still well below the actual collection of Resort Tax this year.
- 10.3422 – Retail Fuel: Increased by \$5,000 to account for increased revenue from fuel sales and cover the expenses of buy the additional fuel in the Retail Fuel Department.

Expense

- 10.4140.255 – Admin - Fuel: Increased by \$1,200 to account for inflated fuel costs.
- 10.4660.612 – Marketing & Events – Advertising: Increased by \$22k to account for additional marketing coop-payment, we paid for an extra one from the prior year because of the proximity to the year-end.
- 10.4640.260 – Retail Fuel – Retail Fuel: Increased by \$20k to account for additional fuel purchased to meet the demand.

- 10.4210.255 – Police – Fuel: Increased by \$12k to account for inflated fuel costs.
- 10.4220.255 – Fire – Fuel: Increased by \$2,500 to account for inflated fuel costs.
- 10.4410.420 – Streets – Road Maintenance/Improvements: Increased by \$15k to account for power conduit on Trail Road project.
- 10.4440.255 – Shop – Fuel: Increased by \$35k to account for inflated fuel costs.

CBME SAA Fund – 16

This a new fund created to manage the finances for the Cedar Breaks Mountain Estates Special Assessment Areas (SAA) projects: Falcon Court, Trail Road, & Scenic Drive. See the attached report for the details

SEM SID Fund – 18

Revenue

- 18.3685 – SEM SID Assessment Revenue: Increased by \$75k to account for assessments received this year for the SEM Phase 1C SAA project area.
- 18.3610 – Interest Revenue: Increased by \$1,400.
- 18.3890 – Fund Balance Appropriated: Increased by \$181,600 to bring forward assessments received last year needed to pay from project area construction costs.

Expense

- 18.4400.310 – Professional & Technical Services: Increased to \$94k to account for SEM Phase 1C SAA project area legal and engineering costs.
- 18.4400.421 – Road Construction: Increased to \$157k to account for SEM Phase 1C SAA project area construction costs.
- 18.4400.610 – Miscellaneous Expense: Increased to \$7k to account for SEM Phase 1C SAA project area expenses.

Sewer Fund – 52

Operating Expense

- 52.4752.310 – Professional & Technical Services: Increased by \$14,800 to account for additional sewer line camera inspections in preparation for Canyon Trunk Line Project.

FINANCIAL IMPLICATIONS:

The amended FY 2022 budget needs to allow for invoices coming in for the month of June. Staff feels that there are enough funds in the budgets to cover these expenses. The Town will also be receiving tax revenue for June in July.

BOARD/COMMISSION RECOMMENDATION:

The Redevelopment Agency, Municipal Building Authority and Special Service District do not need to be amended for FY2022.

STAFF RECOMMENDATION:

Staff recommends the budget(s) be adopted as amended.

PROPOSED MOTION:

Town Budget:

I move to adopt Ordinance No. 22-005 amending the FY2022 Brian Head Town Budget ending June 30, 2022 as presented.

ATTACHMENTS:

Attachment A – Ordinance amending the FY2022 Town Budget

Attachment B - Budget Report



Brian Head Town

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET OF FUNDS AND ACCOUNTS ENDING JUNE 30, 2022, FOR THE TOWN OF BRIAN HEAD, UTAH.

WHEREAS, in accordance with the Uniform Fiscal Procedures Act for Utah Towns, Brian Head Town, Utah, has adopted its budget for the fiscal year ending June 30, 2022; and

WHEREAS, in accordance with Utah State law, a public hearing was held on June 28, 2022 giving at least seven (7) days' notice on the amended budget and allowing the public to comment on the proposed amended budget relating thereto, and;

WHEREAS, the Town Council determined an amendment was needed for the purpose of identifying unanticipated revenues and expenditures to close out the fiscal year 2022 Town budget.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF BRIAN HEAD, STATE OF UTAH:

ADOPTION: The Fiscal Year 2022 budget is hereby be amended, including all funds and accounts as listed below:

Brian Head Town: General Fund – 10

Revenue

- **10.3151** – Resort Tax: Increase by \$102,700. The budget is still well below the actual collection of Resort Tax this year.
- **10.3422** – Retail Fuel: Increased by \$5,000 to account for increased revenue from fuel sales and cover the expenses of buy the additional fuel in the Retail Fuel Department.

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- **10.4640.260** – Retail Fuel – Retail Fuel: Increased by \$20k to account for additional fuel purchased to meet the demand.
- **10.4210.255** – Police – Fuel: Increased by \$12k to account for inflated fuel costs.
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- **18.3685** – SEM SID Assessment Revenue: Increased by \$75k to account for assessments received this year for the SEM Phase 1C SAA project area.
- **18.3610** – Interest Revenue: Increased by \$1,400.
- **18.3890** – Fund Balance Appropriated: Increased by \$181,600 to bring forward assessments received last year needed to pay from project area construction costs.

Expense

- **18.4400.310** – Professional & Technical Services: Increased to \$94k to account for SEM Phase 1C SAA project area legal and engineering costs.
- **18.4400.421** – Road Construction: Increased to \$157k to account for SEM Phase 1C SAA project area construction costs.
- **18.4400.610** – Miscellaneous Expense: Increased to \$7k to account for SEM Phase 1C SAA project area expenses.

Sewer Fund – 52

Operating Expense

- **52.4752.310** – Professional & Technical Services: Increased by \$14,800 to account for additional sewer line camera inspections in preparation for Canyon Trunk Line Project.

PASSED AND ADOPTED BY THE TOWN COUNCIL OF BRIAN HEAD on this _____ day of June 2022

DRAFT

TOWN COUNCIL VOTE:

Mayor Clayton Calloway	Aye_____	Nay_____
Council Member Larry Freeberg	Aye_____	Nay_____
Council Member Kelly Marshall	Aye_____	Nay_____
Council Member Dennis VanNostran	Aye_____	Nay_____
Council Member Martin Tidwell	Aye_____	Nay_____

BRIAN HEAD TOWN

By: _____
Mayor Clayton Calloway

ATTEST:

Nancy Leigh, Town Clerk

(SEAL)

CERTIFICATE OF PASSAGE AND POSTING

I hereby certify that the above Ordinance is a true and accurate copy, including all attachments, of the Ordinance passed by the Town Council on the ____ day of June 2022, and have posted a complete copy of the ordinance in three conspicuous places within the Town of Brian Head, to-wit: Town Hall, Post Office and the Mall.

Nancy Leigh, Town Clerk

Ordinance No ____



Brian Head Town
Operational Budget Report

General Fund - 10

	Current YTD	FY 2022 Annual Budget	Proposed Adjustment Amount	Proposed Amended Budget
Revenue:				
Taxes				
3110 General Property Tax (Current Year)	865,012	894,250		894,250
3120 General Property Tax (Delinquent)	60,344	89,000		89,000
3130 Sales and Use Taxes	255,336	156,300		156,300
3135 PAR Tax	46,307	29,300		29,300
3140 Franchise Tax	2,297	3,600		3,600
3145 Telecommunication Tax	3,310	4,500		4,500
3151 Resort Tax	736,967	467,400	102,700	570,100
3152 Highway Tax	138,906	88,000		88,000
3153 Municipal Energy Tax	107,767	119,900		119,900
3154 Municipal Transient Room Tax	171,713	86,000		86,000
3170 Fee in Lieu	8,117	5,500		5,500
3190 Penalties on Delinquent Taxes	1,413	3,700		3,700
3200 Personal Property Taxes	52,898	27,800		27,800
Total Taxes	2,450,387	1,975,250	102,700	2,077,950
Licenses and permits				
3210 Business Licenses	36,359	19,500		19,500
3215 Alcohol Licenses	250	600		600
3220 Enhanced Services Business License Fee	579,223	355,000		355,000
3221.1 Building Permit Fees	25,493	15,836		15,836
3221.3 Tree and Grading Permit Fee	18,423	-		-
3222 Land Use Permit Fees	8,566	4,500		4,500
3223 Disproportionate Service STR Fee	42,050	51,000		51,000
3230 Other Permits	8	5,100		5,100
Total Licenses and permits	710,372	451,536	-	451,536
Intergovernmental revenue				
3314 Public Safety State Grant	9,963	-		-
3341 General gov't state grant	38,616	78,500		78,500
3356 Class C Road Funds	72,301	64,900		64,900
3358 State Liquor Fund Allotment	3,179	4,000		4,000
3373 County - fire agreements	40,000	40,000		40,000
Total Intergovernmental revenue	164,059	187,400	-	187,400
Charges for services				
3419 Administrative Charges	61,138	61,138		61,138
3422 Retail Fuel	93,266	90,400	5,000	95,400
3426 Fire Department Revenue	6,451	9,600		9,600
3428 Misc Police Revenue (Police Reports)	15	-		-
3435 Shop Charges	112,301	112,300		112,300
Total Charges for services	273,171	273,438	5,000	278,438
Fines and forfeitures				
3510 Court Fines	-	600		600
3520 Administrative Fines (Code Violations)	4,700	-		-
Total Fines and forfeitures	4,700	600	-	600
Interest				
3610 Interest	8,989	18,600		18,600
Total Interest	8,989	18,600	-	18,600
Special Events				
3570 Other Revenue	6	-		-
Total Special Events	6	-	-	-

Miscellaneous revenue				
3640 Sale of Fixed Assets/Materials	-	-	-	-
3650 Sales of materials and supplies	346	300		300
3680 Building/Pavilion Rentals	3,765	6,200		6,200
3690 Sundry (Miscellaneous)	16	3,100		3,100
3691 Health Insurance reimbursement (to be cleared)	4,202	-		-
Total Miscellaneous revenue	8,329	9,600	-	9,600
Contributions				
3801 Contribution from Private Sources	153	-		-
3802.2 Public Safety Impact Fee/3059	7,035	2,200		2,200
Total Contributions	7,188	2,200	-	2,200
Transfers from other funds				
3825 Transfer from RDA	8,667	8,667		8,667
3890 Fund Balance Appropriated	-	648,004		648,004
Total Transfers from other funds	8,667	656,671	-	656,671
Total Revenue:	3,635,862	3,575,295	107,700	3,682,995

Expenditures:**General government****Council**

4111.110 Council - Salaries	14,962	16,000		16,000
4111.130 Council - Benefits	1,466	1,224		1,224
4111.230 Council - Travel, Conferences & Training	1,846	3,750		3,750
4111.240 Council - Office Supplies & Expense	345	250		250
4111.290 Council - Telephone/Data Plans	405	600		600
4111.610 Council - Miscellaneous Expense	140	250		250

Total Council	19,164	22,074	-	22,074
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Administrative

4140.110 Admin - Salaries & Wages	106,288	110,615		110,615
4140.111 Admin - Overtime Wages (Administrative)	919	-		-
4140.130 Admin - Employee Benefits	55,514	54,582		54,582
4140.210 Admin - Books/Subscriptions/Memberships	28,567	27,635		27,635
4140.220 Admin - Publishing/Legal Notices	2,041	1,200		1,200
4140.230 Admin - Travel, Conferences & Training	3,626	4,050		4,050
4140.240 Admin - Office Supplies/Reimb Expenses	7,553	4,600		4,600
4140.245 Admin - Bank Charges	1,527	1,500		1,500
4140.250 Admin - Equipment Supplies/Maintenance	4,595	2,250		2,250
4140.254 Admin - Vehicle Repair & Maintenance	2,881	1,000		1,000

4140.255 Admin - Fuel & Oil	1,973	1,000	1,200	2,200
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4140.270 Admin - Bldgs/Grounds - Supplies/Maint	9,831	19,740		19,740
4140.280 Admin - Utilities	4,654	5,000		5,000
4140.290 Admin - Telephone	5,576	5,600		5,600
4140.310 Admin - Professional & Technical Services	9,786	12,750		12,750
4140.312 Admin - Audit & Accounting	15,500	15,000		15,000
4140.450 Admin - Elections	321	500		500
4140.470 Admin - Uniforms	312	-		-
4140.510 Admin - Insurance Expense	12,052	42,400		42,400
4140.540 Admin - Promotions/Incentives	3,794	5,850		5,850
4140.610 Admin - Miscellaneous Expense	315	350		350

Total Administrative	277,625	315,622	1,200	316,822
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Legal

4145.310 Legal - Professional & Technical Services	4,592	7,000		7,000
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Total Legal	4,592	7,000	-	7,000
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Building department

4160.110 BldgDept - Salaries & Wages	23,351	25,709		25,709
4160.111 BldgDept - Overtime Wages (Building)	181	-		-
4160.130 BldgDept - Employee Benefits	19,217	17,698		17,698
4160.240 BldgDept - Office Supplies & Expenses	251	300		300

Total Building department	43,000	43,707	-	43,707
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Planning and zoning

4180.110 P&Z - Salaries & Wages	38,524	43,051		43,051
4180.111 P&Z - Overtime Wages (P & Z)	121	-		-
4180.130 P&Z - Employee Benefits	35,598	30,042		30,042
4180.230 P&Z - Travel, Conferences & Training	1,475	2,035		2,035
4180.240 P&Z - Office Supplies & Expense	1,468	2,350		2,350
4180.290 P&Z - Telephone	168	-		-
4180.310 P&Z - Professional & Technical Services	16,456	82,100		82,100

Total Planning and zoning	93,809	159,578	-	159,578
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Marketing & Events

4660.230 Marketing & Events - Travel and Training	63	-		-
4660.250 Marketing & Events - Equip Supplies/Maint	2,500	1,400		1,400
4660.310 Marketing & Events - Prof & Technical Services	415	1,450		1,450

4660.612 Marketing & Events - Advertising/Marketing	127,000	127,550	22,000	149,550
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4660.615 Marketing & Events - Entertainment	5,425	16,900		16,900
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Total Marketing & Events	135,403	147,300	22,000	169,300
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Retail Fuel				
4640.245 Retail Fuel - Bank Charges	5,169	7,420		7,420
4640.250 Retail Fuel - Supplies & Maintenance	-	1,500		1,500
4640.260 Retail Fuel - Retail Fuel (Town Pump)	91,696	71,900	20,000	91,900
4640.310 Retail Fuel - Professional & Technical Services	2,452	650		650
4640.510 Retail Fuel - Insurance Expense	-	560		560
Total Retail Fuel	99,318	82,030	20,000	102,030
Transit				
4650.250 Transit - Supplies & Maintenance	1,123	1,000		1,000
4650.310 Transit - Professional & Technical Services	5,500	10,500		10,500
4650.485 Transit - Transportation Service	129,379	139,000		139,000
Total Transit	136,002	150,500	-	150,500
Total General government	808,913	927,811	43,200	971,011
Public safety				
Police				
4210.110 Police - Salaries & Wages	321,502	324,205		324,205
4210.111 Police - Overtime Wages (Police)	28,758	20,880		20,880
4210.120 Police - Part-time Officers	21,885	37,230		37,230
4210.130 Police - Employee Benefits	281,949	271,183		271,183
4210.210 Police - Books/Subscriptions/Memberships	761	610		610
4210.230 Police - Travel, Conferences & Training	880	5,450		5,450
4210.240 Police - Office Supplies & Expense	1,120	650		650
4210.250 Police - Equipment Supplies & Maintenance	40,014	76,750		76,750
4210.254 Police - Vehicle Repair & Maintenance	6,289	5,900		5,900
4210.255 Police - Fuel	21,625	13,000	12,000	25,000
4210.270 Police - Bldg/Grounds Supplies & Maintenance	5,180	5,930		5,930
4210.275 Police - Public Safety Building Payment (MBA)	60,598	60,598		60,598
4210.280 Police - Utilities	4,185	4,500		4,500
4210.290.1 Police - Telephone	5,395	4,350		4,350
4210.290.2 Police - Communications	27,140	34,225		34,225
4210.310 Police - Professional & Technical Services	1,037	4,675		4,675
4210.450 Police - Uniforms	1,454	2,000		2,000
4210.451 Police - EMT Supplies	1,880	1,250		1,250
4210.452 Police - EMT Training & Travel	2,368	3,150		3,150
4210.453 Police - Search & Rescue	-	500		500
4210.610 Police - Miscellaneous Expense	585	400		400
Total Police	834,606	877,436	12,000	889,436
Fire				
4220.110 Fire - Salaries & Wages	105,018	112,568		112,568
4220.111 Fire - Overtime Wages (Fire)	9,586	6,960		6,960
4220.120 Fire - Part Time Wages	2,535	4,800		4,800
4220.130 Fire - Employee Benefits	93,236	91,385		91,385
4220.210 Fire - Books/Subscriptions/Memberships	496	100		100
4220.230 Fire - Travel, Conferences & Training	1,168	1,875		1,875
4220.240 Fire - Office Supplies & Expense	986	350		350
4220.250 Fire - Equipment - Supplies & Maintenance	8,946	14,400		14,400
4220.254 Fire - Vehicle Repair & Maintenance	5,444	7,070		7,070
4220.255 Fire - Fuel	2,826	1,200	2,500	3,700
4220.270 Fire - Bldgs/Grounds - Supplies & Maintenance	5,099	5,730		5,730
4220.275 Fire - Public Safety Building Payment (MBA)	60,598	60,598		60,598
4220.280 Fire - Utilities	3,863	4,500		4,500
4220.290 Fire - Telephone	4,661	4,350		4,350
4220.310 Fire - Professional & Technical Services	7,560	10,200		10,200
4220.450 Fire - Uniforms	-	750		750
4220.610 Fire - Miscellaneous Expense	577	2,000		2,000
Total Fire	312,596	328,836	2,500	331,336
Total Public safety	1,147,201	1,206,272	14,500	1,220,772

Highways and public improvements**Highways**

4410.110 Streets - Salaries & Wages	88,381	91,973		91,973
4410.111 Streets - Overtime Wages (Streets)	4,616	5,000		5,000
4410.130 Streets - Employee Benefits	60,981	60,910		60,910
4410.230 Streets - Travel, Conferences & Training	4,420	3,760		3,760
4410.240 Streets - Office Supplies & Expense	132	150		150
4410.250 Streets - Equipment - Supplies & Maintenance	1,460	950		950
4410.253 Streets - Snow Removal	36,374	33,650		33,650
4410.269 Streets - Equipment Rental	19,600	21,100		21,100
4410.280 Streets - Utilities (Area Lights)	11,940	15,000		15,000
4410.310 Streets - Professional & Technical Services	2,670	3,800		3,800
4410.411 Streets - Street Signs & Signals	5,423	2,500		2,500
4410.415 Streets - Skier bridge O&M	-	1,500		1,500
4410.420 Streets - Road Maintenance/Improvements	26,038	49,580	15,000	64,580
Total Highways	262,036	289,873	15,000	304,873

Shop & garage

4440.230 Shop - Travel, Conferences & Training	1,231	500		500
4440.240 Shop - Office Supplies & Expenses	493	500		500
4440.250 Shop - Equipment - Supplies & Maintenance	8,284	6,950		6,950
4440.252 Shop - Heavy Equipment Maintenance	19,435	34,700		34,700
4440.254 Shop - Vehicle Repair & Maintenance	14,307	6,000		6,000
4440.255 Shop - Fuel	82,546	60,000	35,000	95,000
4440.261 Shop - Equipment Lease (operating)	98,984	90,190		90,190
4440.270 Shop - Bldgs/Grounds - Supplies & Maint	4,778	4,520		4,520
4440.280 Shop - Utilities	10,182	10,000		10,000
4440.290 Shop - Telephone	4,928	5,800		5,800
4440.310 Shop - Professional & Technical Services	1,116	1,320		1,320
4440.450 Shop - Uniforms	7,346	7,200		7,200
Total Shop & garage	253,630	227,680	35,000	262,680

Total Highways and public improvements	515,667	517,553	50,000	567,553
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Parks, recreation, and public property**Recreation**

4560.110 Recreation - Salaries & Wages	8,028	8,990		8,990
4560.111 Recreation - Overtime Wages (Recreation)	278	-		-
4560.130 Recreation - Employee Benefits	2,778	2,457		2,457
4560.230 Recreation - Travel, Conferences & Training	-	160		160
4560.240 Recreation - Office Supplies & Expense	132	150		150
4560.250 Recreation - Supplies & Maintenance	843	1,000		1,000
4560.254 Recreation - Vehicle Repair & Maintenance	53	800		800
4560.265 Recreation - Fuel	-	-		-
4560.269 Recreation - Equipment Rental	702	1,200		1,200
4560.270 Recreation - Bldgs/Grounds - Supplies & Maint	1,769	2,300		2,300
4560.310 Recreation - Professional & Technical Services	-	200		200
4560.450 Recreation - Uniforms	50	200		200
4560.621 Recreation - Beautification	1,225	5,000		5,000
4560.631 Recreation - Walking Trails	482	-		-
4560.633 Recreation - ATV/Snowmobile Trails	6,735	5,000		5,000
4560.634 Recreation - Trail Signs	279	500		500
Total Recreation	23,354	27,957	-	27,957

Total Parks, recreation, and public property	23,354	27,957	-	27,957
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Miscellaneous

4900 Operating Contingency	18,171	25,000		25,000
Total Miscellaneous	18,171	25,000	-	25,000

Transfers

4846 Transfer to Capital Projects	719,000	719,000		719,000
4847 Transfer to Asset Replacement	150,000	150,000		150,000
4890 Budgeted Increase in Fund Balance	-	1,702		1,702
Total Transfers	869,000	870,702	-	870,702

Total Expenditures:	3,382,306	3,575,295	107,700	3,682,995
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Total Change In Net Position	253,556	-	-	-
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**Brian Head Town
Operational Budget Report**

CBME SAA Fund - 16

	Current YTD	Annual Budget	Proposed Adjustment Amount	Proposed Amended Budget
Revenue:				
Charges for services				
3685 CBME SAA Assessment Revenue	160,143	-	160,143	160,143
Total Charges for services	160,143	-	160,143	160,143
Interest				
3610 Interest Revenue	-	-	-	-
Total Interest Revenue	-	-	-	-
Miscellaneous Revenue				
3670 SAA Bond Proceeds	-	-	-	-
3690 Miscellaneous Revenue	-	-	-	-
Total Miscellaneous Revenue	-	-	-	-
Total Revenue:	160,143	-	160,143	160,143
Expenditures:				
Highways and public improvements				
Special improvements				
4400.240 Office Supplies/Software	58	-	58	58
4400.310 Professional & Technical Services	77,536	-	77,536	77,536
4400.420 Public Improvements - Utilities	-	-	-	-
Total Special improvements	77,594	-	77,594	77,594
Total Highways and public improvements	77,594	-	77,594	77,594
Debt Service				
4400.810 Bond Payment - Principal	-	-	-	-
4400.820 Bond Payment - Interest	-	-	-	-
4400.830 Trustee Fees/Bank Charges	-	-	-	-
4400.850 Debt Issue Costs	-	-	-	-
Total Debt Service	-	-	-	-
Transfers				
4810 Transfer to General Fund	-	-	-	-
4852 Transfer to Sewer Fund	-	-	-	-
4890 Budgeted Increase in Fund Balance	-	-	82,549	82,549
Total Transfers	-	-	82,549	82,549
Total Expenditures:	77,594	-	160,143	160,143
Total Change In Net Position	82,549	-	-	-



**Brian Head Town
Operational Budget Report**

Steam Engine Meadows SID - 18

	Current YTD	Annual Budget	Proposed Adjustment Amount	Proposed Amended Budget
Revenue:				
Charges for services				
3685 SEM SID Assessment Revenue	75,000	-	75,000	75,000
Total Charges for services	75,000	-	75,000	75,000
Interest				
3610 Interest Revenue	1,411	-	1,400	1,400
Total Interest	1,411	-	1,400	1,400
Contributions				
3810 Transfer from General Fund	-	-	-	-
3890 Fund Balance Appropriated	-	-	181,600	181,600
Total Contributions	-	-	181,600	181,600
Total Revenue:	76,411	-	258,000	258,000
Expenditures:				
Highways and public improvements				
Special improvements				
4400.310 Professional & Technical Services	93,615	-	94,000	94,000
4400.421 Road Construction	3,997	-	157,000	157,000
4400.610 Miscellaneous Expense	6,662	-	7,000	7,000
Total Special improvements	104,274	-	258,000	258,000
Total Highways and public improvements	104,274	-	258,000	258,000
Total Expenditures:	104,274	-	258,000	258,000
Total Change In Net Position	(27,863)	-	-	-



**Brian Head Town
Operational Budget Report**

Sewer - 52

	Current YTD	Annual Budget	Proposed Adjustment Amount	Proposed Amended Budget
Income From Operations:				
Operating income				
3731 Sewer Fees	584,326	679,000		679,000
3733 Sewer Connection Fees	8,050	3,100		3,100
Total Operating income	592,376	682,100	-	682,100
Operating expense				
4752.110 Salaries & Wages	120,178	127,124		127,124
4752.111 Overtime Wages - Utilities	4,033	4,000		4,000
4752.130 Employee Benefits	74,727	76,141		76,141
4752.230 Travel, Conferences & Training	2,939	1,360		1,360
4752.240 Office Supplies/ Reimbursement Expenses	840	1,250		1,250
4752.245 Bank Charges - Utilities	2,475	1,800		1,800
4752.250 Equipment - Supplies & Maintenance	1,524	5,000		5,000
4752.254 Vehicle Repair & Maintenance	2,013	1,500		1,500
4752.256 Shop Charges	42,113	42,113		42,113
4752.265 System Repairs	2,433	10,000		10,000
4752.268 Wastewater Treatment Fee (to Parowan City)	89,712	89,712		89,712
4752.269 Sewer Bond Payment (to Parowan City)	99,122	100,000		100,000
4752.280 Utilities	862	1,000		1,000
4752.310 Professional & Technical Services	46,080	31,325	14,800	46,125
4752.550 Administrative Charges	19,902	19,902		19,902
4752.620 Bad debt expense	-	-		-
4752.690 Depreciation	50,112	60,276		60,276
Total Operating expense	559,063	572,503	14,800	587,303
Total Income From Operations:	33,313	109,597	(14,800)	94,797
Non-Operating Items:				
Non-operating income				
3794 Interest Earnings	3,998	1,500		1,500
3795 Sewer Impact Fees	39,489	-		-
Total Non-operating income	43,487	1,500	-	1,500
Total Non-Operating Items:	43,487	1,500	-	1,500
Total Income or Expense	76,799	111,097	(14,800)	96,297



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Gurr Well Lease Agreement with SC Broadband
AUTHOR: Bret Howser
DEPARTMENT: Admin
DATE: June 28, 2022
TYPE OF ITEM: Administrative Direction

SUMMARY:

The Council will consider approval of a lease agreement with SC Broadband for a 30x40 space on the Gurr Well property in which they will operate a “central office”

BACKGROUND:

South Central Communications is a provider of high-speed internet and broadband solutions. The company approached Brian Head Town looking for a small piece of land on which they could potentially store their equipment. They desire to locate, install, construct, and maintain a “central office” (effectively a small building housing equipment necessary for the operation of the fiber network) to aid in the expansion of South Central Communication’s fiber optic system. The Town owns 164 Gurr Well Road, a small piece of land that sits vacant except for an old well (pictured below). After discussions with staff from the Town and South Central Communications, a potential deal was struck where the Town offered to lease a 30 x 40 foot space on said property to South Central Communications for their expansion Small Data Center.

Following public notice, the Planning Commission approved a CUP for the use on property on June 7, 2022.

ANALYSIS:

The site plan for the proposed project is attached, along with initial elevations showing the proposed building. The Council is not approving the site plan or the building design today – that is an administrative procedure granted to the Planning Commission. However, staff has provided this information for context and welcomes any input from the Council at this stage.

Also attached is the proposed Lease Agreement. The basic terms are consistent with direction previously given to staff by the Council, and are as follows:

- SC Broadband will have the right to a 30’x40’ space on the property next to the old well house. Their building will not be that large, but they require some space around the building for a propane tank and other implements.
- The lease is good for 50 years and the rent is \$1 – basically the remuneration to the Town is receiving broadband internet infrastructure and service in Town much earlier than would otherwise be feasible.
- Either party can terminate the agreement with 5 years’ written notice

Following approval of this lease agreement, SC Broadband will move forward with a design review and building permit. It is anticipated that they will build the structure this summer. Staff also proposes formally/legally separating the Gurr Well property on Gurr Well Rd from

the larger parcel of property accessed off of Sandstone Dr. (where the Manzanita Trail is) and may bring that before the Planning Commission later this summer.

STAFF RECOMMENDATION:

Staff recommends approval of the attached lease agreement

PROPOSED MOTION:

I move to approve the lease agreement between Brian Head Town and SC Broadband for the property at 164 Gurr Well Road as presented.

ATTACHMENTS:

- A – Gurr Well broadband central office site plan
- B – Draft Design of Central Office Building
- C – Lease Agreement



March 30, 2022

Dear Property Owner:

An application has been received by Brian Head Town requesting a Zone Amendment of 164 Gurr Well Rd. The proposed Zone Amendment would change the current zoning from LDR- Light Density Residential to LI- Light Industrial as referenced in Brian Head Land Management Code 9-7-1 and 9-7-6. This may or may not affect your property. Brian Head Town is sending out this notice as per Utah Code Title 10, Chapter 9a, Part 2 and Brian Head Land Management Code 9-1-8.

- A. Anyone wishing to review the information on the proposed Zone Amendment may do so at the Brian Head Town Hall during normal business hours of 9:00 a.m. to 4:30 p.m. Monday through Friday.
- B. Anyone wishing to make comments about the proposed Zone Amendment may submit written comments to the Brian Head Town Clerk @ nleigh@bhtown.utah.gov no later than April 14, 2022 by 4:30 p.m.
- C. The Brian Head Planning Commission will hold a Public Hearing at the BRIAN HEAD TOWN HALL COUNCIL CHAMBERS, 56 North Hwy 143, Brian Head, UT on April 19, 2022 at 1:00 p.m. to receive comments from the public on this application. The Town Council will also hold a Public Hearing on April 26, 2022 at 1:00 p.m.

In accordance with Brian Head Land Management Code 9-5-3, this zone amendment warrants a change in Brian Head Town's General Plan. This is a public notice that if the Zone Amendment is adopted, the General Plan will be amended to reflect the change in zone from LDR to L-I (LMC 9-7-1 and LMC 9-7-6).

- A. Anyone wishing to review the information on the amended General Plan may do so at the Brian Head Town Hall during normal business hours of 9:00 a.m. to 4:30 p.m. Monday through Friday.
- B. Anyone wishing to make comments about the proposed General Plan Amendment may submit written comments to the Brian Head Town Clerk @ nleigh@bhtown.utah.gov no later than April 14, 2022 by 4:30 p.m.
- C. The Brian Head Planning Commission will hold a Public Hearing at the BRIAN HEAD TOWN HALL COUNCIL CHAMBERS, 56 North Hwy 143, Brian Head, UT on April

19, 2022 at 1:00 p.m. to receive comments from the public on this General Plan Amendment. The Town Council will also hold a Public Hearing on April 26, 2022 at 1:00 p.m.

If you have any questions or should need additional information, please do not hesitate to contact our offices during normal business hours.

Respectfully,
Brian Head Town

Becky Bennett
Town Planner
rbennett@bhtown.utah.gov
Enclosure



Site Plan & Existing Conditions
Applicant: Brian Head Town
56 N Hwy 143
435-677-2029

Parcel ID: A-1115-0003-0064
Approx. 0.41 Acres
Proposed Bldg Coverage: 9%
Undisturbed Area: 81%
No spring or wetlands protections

Existing 8 in
Water Main

Proposed
Fiber Conduit

Gurr Well Rd

Disturbed Area

Proposed
Storage Bldg Co
(1,200 ft²)
40 ft
25 ft
25 ft

194 ft

Existing
Drainage to
remain
unaltered

336 ft

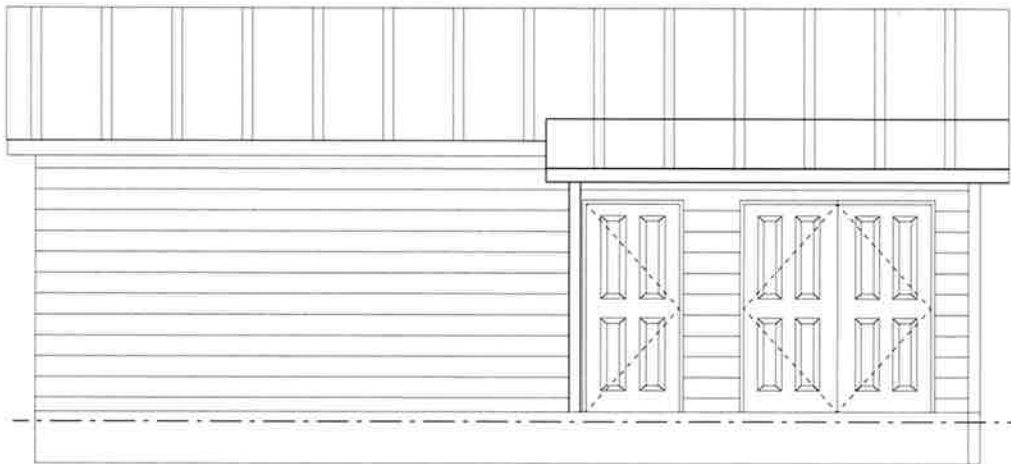
>20%
slope

Existing Gurr
Wellhouse (not in
use) approx. 400 ft²

Driveway/Parking/
Snow Storage
1,250 ft²
Gravel Surface
<5% slope
2 exterior parking spaces



BUILDING FOR SOUTH CENTRAL COMMUNICATIONS



i-PLEASING DESIGN

GARY KYHL - 435-201-9542
ipeatingdesign@yahoo.com

BUILDING AREAS

MAIN FLOOR = 420 SQ FT

THESE DRAWINGS ARE SOLD FOR THE USE IN THE CONSTRUCTION OF ONE DWELLING ONLY. REPRODUCTION OF ANY PORTION OF THESE DRAWINGS OR FURTHER USE OF THIS DESIGN WITHOUT THE EXPRESSED WRITTEN PERMISSION OF i-PLEASING DESIGN IS STRICTLY PROHIBITED.

PAGE:

1 OF 4

DESIGNED FOR:
SOUTH CENTRAL COMM.

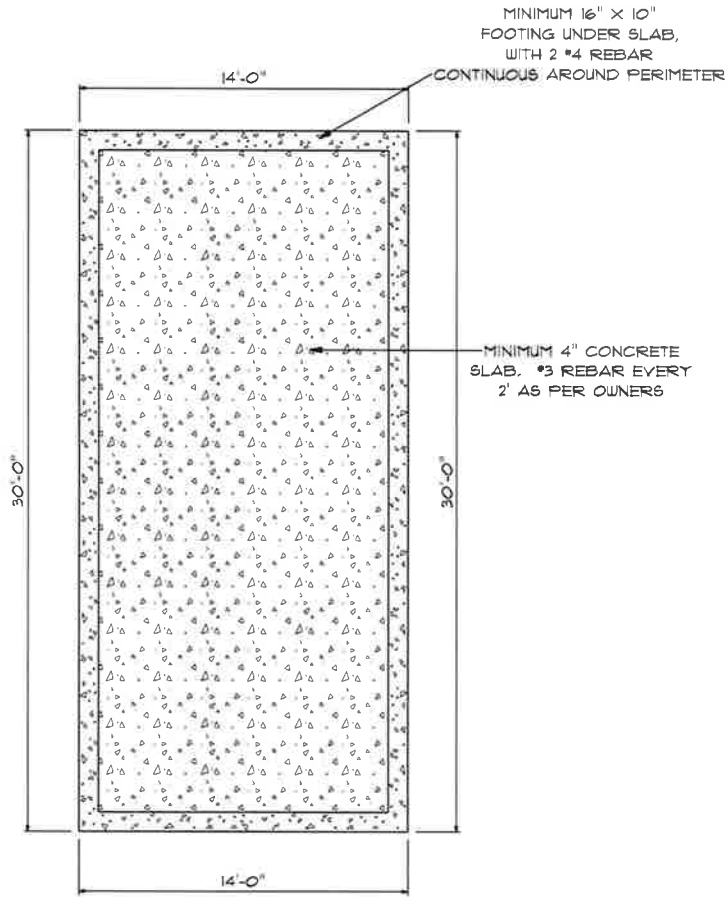
COVER

SCALE: As Noted DATE: February 2022

i-PLEASING DESIGN

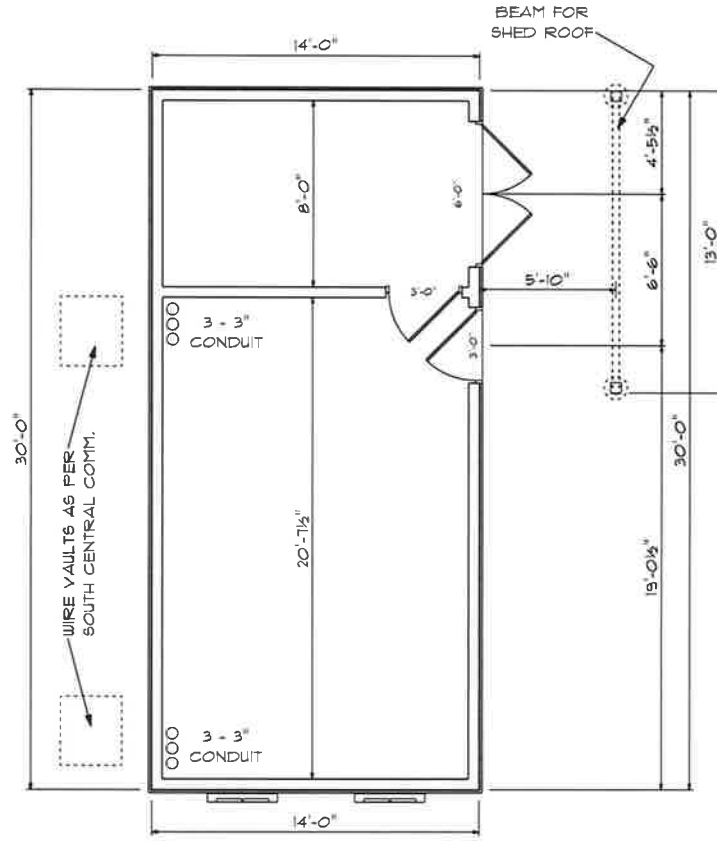
GARY W KYHL

435-201-9542 - ipeatingdesign@yahoo.com



FOUNDATION

SCALE: 3/16" = 1'-0"



MAIN FLOOR

SCALE: 3/16" = 1'-0"

DESIGNED FOR:
SOUTH CENTRAL COMM.

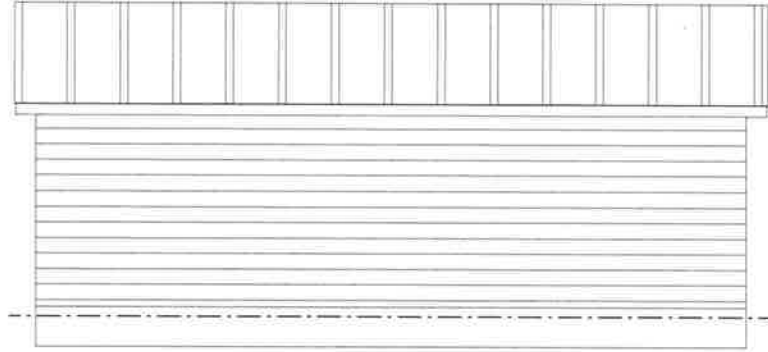
MAIN

SCALE: 3/16" = 1'-0" DATE: February 2022

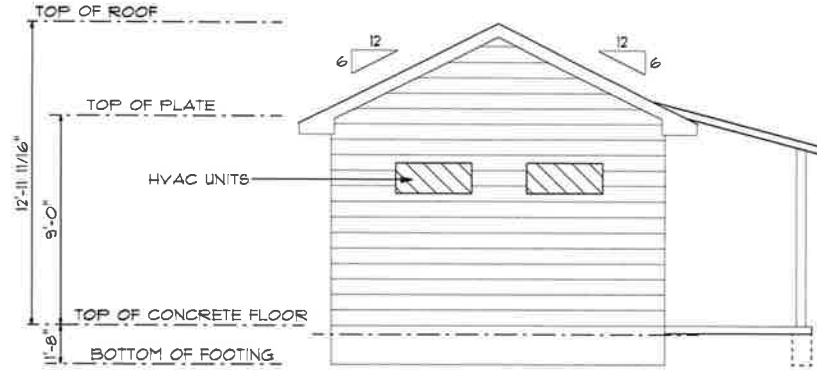
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GARY W KYHL

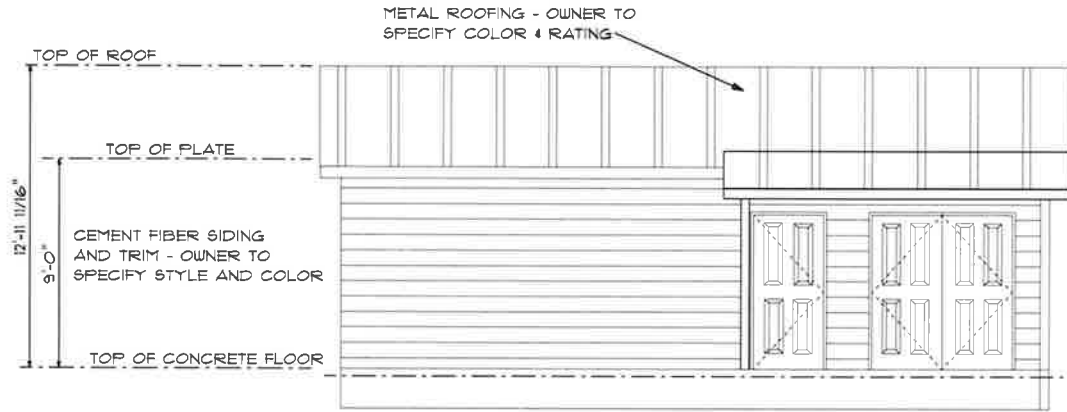
435-201-9542 - ipleaseingdesign@yahoo.com



LEFT ELEVATION



FRONT ELEVATION



RIGHT ELEVATION

ALL TRUSSES TO BE PRE-ENGINEERED AND
PRE-MANUFACTURED BY A LICENSED FABRICATOR.
TRUSSES PLACED @ 24" o.c.

METAL ROOFING - OWNER TO
SPECIFY COLOR & RATING

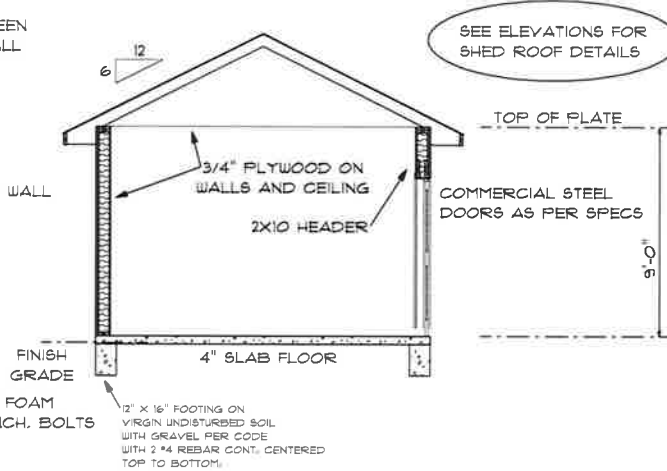
SOLID BLOCKING BETWEEN
TRUSSES @ BEARING WALL
1/16" OSB SHEATHING
W/ SPACERS

HURRICANE CLIPS
EVERY OTHER TRUSS

TYPICAL 2X6 EXTERIOR WALL
SIDING VENEER
1/16" OSB SHEETING
2X6 STUDS @ 16" o.c.
R15 INSULATION AS PER
OWNER

MIN. 2% GRADE
FROM GARAGE

2X6 TREATED PLATE W/ FOAM
BARRIER. 1/2" X 10" ANCH. BOLTS
@ 32" o.c.



SEE ELEVATIONS FOR
SHED ROOF DETAILS

TOP OF PLATE

COMMERCIAL STEEL
DOORS AS PER SPECS

9'-0"

4" SLAB FLOOR

FINISH
GRADE

12" X 16" FOOTING ON
VIRGIN UNDISTURBED SOIL
WITH GRAVEL PER CODE
WITH 2 #4 REBAR CONT. CENTERED
TOP TO BOTTOM.

NOTES:

ALL FOUNDATIONS AND FOOTINGS TO BE CONSTRUCTED
ON VIRGIN UNDISTURBED SOIL.

FOOTINGS SHALL BE A MINIMUM OF 12" BELOW FINISH GRADE

CONSTRUCTION NOT SPECIFICALLY INDICATED ON THE PLANS
SHALL BE IN ACCORDANCE WITH MINIMUM REQUIREMENTS
AS SET FORTH IN THE UNIFORM BUILDING CODE (MOST RECENT
REVISIONS AND UPDATES) OR CITY CODE AS REQUIRED.

GABLE END VENTS AND THROUGH-ROOF EXHAUST VENTS
SELECTED AND LOCATED BY CONTRACTOR. ATTIC SHALL
BE PROVIDED WITH A MINIMUM FREE VENTILATING AREA
NOT LESS THAN 1/150 OF THE AREA OF THE SPACE
VENTILATED. ALL OPENINGS SHALL BE COVERED WITH
CORROSION-RESISTANT METAL MESH WITH MESH OPENINGS
OF 1/4 INCH IN DIMENSION.

SECTION

SCALE: 3/16" = 1'-0"

PAGE:

4 OF 4

DESIGNED FOR:
SOUTH CENTRAL COMM.

SECTION

SCALE: 3/16" = 1'-0" DATE: February 2022

i-PLEASEING DESIGN

GARY W KYHL

435-201-9542 - ipleaseingdesign@yahoo.com

LEASE AGREEMENT

This LEASE AGREEMENT (“Agreement”), is by and between South Central Communications, Inc., dba SC Broadband, (“SCB”), and Brian Head Town, a Utah municipal corporation, with an address of 56 North Highway 143, Brian Head, Utah 84719 (“Town”). SCB and Town may be referred to collectively or individually as “the Parties” or “Party” respectively.

WHEREAS SCB desires to locate, install, construct, and maintain a central office, station and/or hub, including all necessary facilities, structures, and improvements related thereto, in or near the Town in connection with SCB’s expansion of its fiber optic system (“Station”);

WHEREAS the Town owns certain real property as described on Exhibit A, on which is located the Gurr Well (the “Property”);

WHEREAS it is in the best interest of the residents of the Town to provide space for SCB to operate a central office in order to facilitate broadband network expansion and access in Town;

WHEREAS the Town desires to lease a 30-foot by 40 foot space on said Property (“Leased Property”) to SCB for SCB’s Station, which Leased Property is more particularly described in Exhibit A, attached hereto and by reference incorporated herein;

THEREFORE, for and in consideration of the promises contained herein and to accomplish the foregoing, the Parties hereby agree as follows:

ARTICLE I – LEASE

- 1.1. Grant of Lease: The Town hereby leases to SCB and SCB does lease from the Town the Leased Property for the purposes of constructing, operating, and maintaining the Station in, on, and under the Leased Property according to the terms of this Agreement (“Lease”).
- 1.2. Term of Lease: The term of the Lease is 50 years, which period shall begin on July 1, 2022, (“Commencement Date”) and terminate on June 30, 2121 (“Termination Date”).
- 1.3. Rent: SCB shall pay rent to the Town in the amount of \$ 1.00 (One Dollar) annually (“Rent”), with the first payment due on or before the Commencement Date. Each subsequent payment shall be due on July 1 of each year during the Lease.
- 1.4. Rent Adjustment: On or after July 1, 2032, the Town may increase the Rent to match prevailing lease rates for similarly situated property. The Town shall provide at least ninety (90) days’ minimum written notice to SCB of any change in Rent prior to such change taking effect. The Town shall not increase Rent more than once during any five-year period, nor shall the Town change the due date or frequency of Rent payments, without SCB’s written consent.

- 1.5. Taxes and Assessments: SCB shall be responsible for all taxes and assessments associated with the Station. The Town shall be responsible for any taxes levied against the Leased Property.
- 1.6. Extensions and Expansions: The Parties may agree to alter, extend, or expand the term and scope of the Lease, the Leased Property, or the Station, upon such terms and conditions as may be agreed upon in writing and signed by the parties at the time of any such extension or expansion. Any such alteration, extension, or expansion shall be subject to all terms and conditions of this Agreement unless otherwise expressly set forth in said writing.

ARTICLE II – CONSTRUCTION OF IMPROVEMENTS

- 2.1. Site Plan: SCB shall provide the Town with the required permitting process documents such as a proposed site plan for the location, siting, grading, and construction of the Station (“Site Plan”) and related facilities or improvements within the Leased Property prior to construction of the Station or any related facilities or improvements, as SCB may propose from time to time. The Town shall approve the Site Plan unless the proposed plan shows that the Station would cause material damage, unreasonably interfere with, or pose an unreasonable risk to the public or Town property.
- 2.2. Construction: SCB shall construct the Station and all related facilities and improvements at its sole cost and expense pursuant to the approved Site Plan. SCB shall provide the Town with an as-built set of plans or drawings showing the location of all constructed and installed facilities. SCB shall update or resubmit new as-built plans as SCB alters, reconstructs, or installs new facilities related to the Station.
- 2.3. Permits and Licenses: SCB agrees to install and maintain the Station and all related facilities in accordance with governing law, including all applicable federal, state, and Town laws and regulations. SCB shall be solely responsible for obtaining and maintaining all certificates, permits, licenses, and other authorizations that are necessary to permit the construction and occupancy of the Station. If SCB seeks a certificate, permit, license, or other authorization from the Town, the Town shall review and approve, if possible, such request as expeditiously as possible.
- 2.4. Construction Costs: Each party agrees to pay promptly when due the entire cost of any work done by it upon the Property so that the Property at all times shall be free of liens for labor and materials. Each party further agrees to hold harmless and indemnify the other party from and against any and all injury, loss, claims or damage to any person or property occasioned by or arising out of the doing of any such work by such party or its employees, agents or contractors. Each party further agrees that in doing such work that it will employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner.

ARTICLE III – PROPERTY

- 3.1. Maintenance: SCB shall maintain the Station and the Leased Property in reasonably clean conditions and shall ensure that the Leased Property is kept free and clear of nuisances or other conditions that could harm the Leased Property or adjacent property.
- 3.2. Use of Property for Improvements: Town agrees that SCB may access and freely use the Leased Property for the purpose of constructing, maintaining, and operating the Station according to the terms of this Agreement. SCB shall have access to the Leased Property 24 hours per day, 365 days per year.
- 3.3. No Encumbrances: SCB shall not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Leased Property without the Town's prior written consent.

ARTICLE IV – TERMINATION

- 4.1. Early Termination: Either Party may terminate this Agreement earlier than the Termination Date without cause or an Event of Default by providing the other Party no less than five (5) years' written notice of the terminating Party's intent to terminate. Such termination shall not constitute an Event of Default, nor shall it entitle the non-terminating Party to any type of damages.
- 4.2. Completion of Lease: Upon the termination of the Lease on the Termination Date or as set forth in Section 4.1 above, the rights and obligations of the Parties under this Agreement shall cease except as otherwise provided herein.
- 4.3. Option to Purchase: SCB shall have the right to purchase the Leased Property from the Town upon the Termination Date. This right shall not include early termination as set forth in Section 4.1 above. SCB shall provide at least thirty (30) days' minimum written notice to the Town of SCB's exercise of this right. The Parties shall negotiate the purchase price of the Leased Property. If the Parties cannot agree on a price, the price of the Property shall be determined by the average of three appraisals. Each Party shall provide for an appraisal conducted by an appraiser of their choice, and the Parties shall agree upon and share in the costs of a third appraiser.
- 4.4. Remediation: If SCB does not purchase the Leased Property, SCB shall, upon termination of this Agreement for any reason, restore the Leased Property to its original condition, provided that SCB shall not be required to demolish, deconstruct, or remove any facility, structure, or improvements that are structurally sound and operable for their original purpose. At that time, the Station and all other facilities, structures, and improvements installed or constructed by SCB on the Leased Property shall become the sole property of the Town without compensation to SCB. Notwithstanding the foregoing, any and all personal property located in or on the Leased Property, including but not limited to cabinets, equipment, generators, and batteries shall, at all times, be and remain the personal property of

SCB, and the Town shall have no right, title, or interest in or to such personal property.

ARTICLE V – DEFAULT

- 5.1. Remedies: Whenever any Event of Default referred to herein shall have happened and be continuing, the non-defaulting party shall have the right to take whatever action at law or in equity as may appear necessary or desirable to enforce its rights under this Agreement, including declaring this Agreement to be terminated or seeking damages or specific performance of this Agreement.
- 5.2. Event of Default: The following shall be an “Event of Default”: the failure to observe and perform any provision, covenant, condition, or agreement to be observed or performed under this Agreement, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied.
- 5.3. No Waiver of Rights: The failure to take any action or seek any remedy based on the default of a party shall not constitute a waiver of any right, remedy, or obligation. The waiver of a condition of default at one time shall be limited to such circumstance and shall not constitute a waiver of any other rights or remedies for any other breach.

ARTICLE VI – REPRESENTATIONS, COVENANTS, AND WARRANTIES

- 6.1. Authority to Execute: The Parties represent and warrant that the person signing this Agreement on its behalf has authority to bind that Party and that the Party’s execution of this Agreement is not in violation of any law, rule, by-law, covenant, or other restriction placed upon them by their respective entities, other contracts, or governing law.
- 6.2. Right of Enjoyment: The Town warrants that it owns the Property and rights of access thereto. The Town covenants to provide SCB during the Lease with quiet use and enjoyment of the Leased Property, and SCB shall during the Lease peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble, or hindrance from the Town, except as expressly set forth herein. The Town shall not interfere with such quiet use and enjoyment during the Lease so long as no Event of Default shall have occurred.

ARTICLE VII – INDEMNITY AND INSURANCE

- 7.1. Indemnification: Each Party (the “Indemnifying Party”) shall indemnify and hold the other Party (the “Indemnified Party”) harmless for any third-party claims of injury or damage caused by the Indemnifying Party’s activities on the Leased Property.
- 7.2. Insurance: SCB shall obtain and maintain an insurance policy with respect to the Leased Property with limits of not less than one million dollars for injury or death from one accident and \$250,000.00 property damage insurance, insuring SCB and

the Town against injury to persons or damage to property on or about the Leased Property and Station. A copy of the policy or a certificate of insurance shall be delivered to the Town on or before the Commencement Date and no such policy shall be cancellable without ten days' prior written notice to the Town.

- 7.3. Immunity Not Waived: Nothing in this Agreement shall waive any immunity or other similar right held by the Town, including the rights granted by the Utah Governmental Immunity Act.

ARTICLE VIII - MISCELLANEOUS

- 8.1. Cooperation: The Parties shall cooperate in good faith and provide timely responses to requests for information in order to ensure that the Parties are able to carry out their obligations under this Agreement. The Parties shall promptly execute and return any and all contracts, licenses, deeds, and other documents necessary to carry out the terms of this Agreement.
- 8.2. Compliance with Laws: Each Party shall comply in all respects with all applicable legal requirements governing the duties, obligations, and business practices of that Party and shall obtain any permits or licenses necessary for its operations. Neither Party shall take any action in violation of any applicable legal requirement that could result in liability being imposed on the other Party.
- 8.3. Merger and Integration: This Agreement and the exhibits attached hereto contain the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersede all prior negotiations, agreements and understandings with respect thereto. This Agreement may only be amended by a written document duly executed by all Parties.
- 8.4. Severability Clause: If any provision of this Agreement is held unenforceable, then such provision will be modified to reflect the parties' intention or severed if modification is not practicable. All remaining provisions of this Contract shall remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.
- 8.5. Governing Law and Forum: This Agreement is to be interpreted and construed according to the laws of the State of Utah. Any dispute over this Agreement must be brought in the Fifth District Court of the State of Utah.
- 8.6. Attorney Fees and Costs: In any dispute about the interpretation, application, or enforcement of this Agreement, the prevailing Party shall be entitled to its reasonable attorney fees and costs.
- 8.7. Counterparts: This Agreement may be executed in any number of counterparts, and signatures delivered by electronic means are valid.

8.8. Successors and Assigns: This Agreement shall be assignable with the prior, written consent of the other Party, in which case this Agreement shall be binding on and enforceable by any successor or assign of either of the Parties. Such consent shall not be unreasonably withheld, conditioned, or delayed.

8.9. Notice: Any notice or demand required to be given herein shall be made by certified or registered mail, return receipt requested, or recognized overnight courier to the address of the Parties set forth below:

South Central Communications, Inc. dba SC Broadband

Town of Brian Head

SIGNATURES ON FOLLOWING PAGE

SIGNATURES

*For: South Central Communications, Inc.
dba SC Broadband*

For: Brian Head Town:

Name: _____
Title: _____
Date: _____

Name: Clayton Calloway
Title: Mayor
Date:

ATTEST”

NAME: Nancy Leigh
TITLE: Town Clerk
DATE:_____

(TOWN SEAL)

In the County of Iron, State of Utah, on this ____ day of April, 2022, before me, the undersigned notary, personally appeared Clayton Calloway and Nancy Leigh, the Mayor and the Town Clerk, respectively, of the Town of Brian Head, Utah, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

In the County of _____, State of Utah, on this ____ day of _____, 2022, before me, the undersigned notary, personally appeared _____, the _____, of South Central Communications, Inc. dba SC Broadband, who is personally known to me or who proved to me their identity through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

EXHIBIT A

DESCRIPTION OF GURR WELL PROPERTY

[Insert property description]



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Trail Rd Realignment Impact Fee Forgiveness
AUTHOR: Bret Howser
DEPARTMENT: Administration
DATE: June 28, 2022
TYPE OF ITEM: Legislative Action

SUMMARY:

Council will consider waiving impact fees for certain properties on Trail Rd in conjunction with a road right-of-way dedication.

BACKGROUND/ANALYSIS:

The Cedar Breaks Mountain Estates (CBME) subdivision was originally subdivided in Iron County and annexed into the Town in 2008. Since then, the Town has been working to improve the roads in that subdivision up to the Town's gravel road standards. A few years ago, staff provided with the Council with a schedule for improvements to gravel roads in town which the Council approved.

The FY 2023 Strategic Plan includes an action step to widen and centerline Trail Rd in conjunction with the water and sewer line projects being installed in summer 2022. The Town had previously made some minor improvements to Trail Rd, but was not able to complete centerlining as a portion of the road was originally constructed well outside of the existing right-of-way (ROW). This go around, staff contacted two property owners at 437 and 451 Trail Rd to negotiate a ROW dedication to facilitate centerlining and widening the road (see attachment A).

The two property owners have been responsive to staff and are excited to help. Given that they would be losing acreage from their property (about 0.05 acres and 0.1 acres respectively), they are asking for the Town to waive their water and sewer impact fees, as well as connection fees in return for the ROW dedication.

The Town Code allows for the Town Council to waive impact fees under certain circumstances:

“The town council may, on a project by project basis, authorize exceptions or adjustments to the then impact fee rate structure for the community for those projects the town council determines to be of such benefit to the community as a whole to justify the exception or adjustment. Such projects may include facilities being funded by tax supported agencies, affordable housing project or facilities of a temporary nature.”

Staff has drafted agreements for the ROW dedication which the property owners are willing to sign, and the Planning Commission recently approved the plat amendment. However, the Council has the sole authority to waive impact fees.

FINANCIAL IMPLICATIONS:

Council has already agreed to waiver water impact fees for these SAAs. So for the sewer impact fee and connection fees the financial impact to the Town would be about \$5,400 in forgone revenue (at some point in the future when the property owners go to build).

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff strongly recommends waiving the impact fee. One important consideration is that the actual ROW where the road should be is a steep hill and would take out the across-the-street neighbor's driveway. Moving the ROW to where the road actually lies is a much, much simpler solution and the property owners are being very reasonable with us.

PROPOSED MOTION:

I move to waive the water and sewer impact fees and connection fees for 435 Trail Rd and 451 Trail Rd and to direct staff to enter into an agreement to that effect.

ATTACHMENTS:

A – Trail Rd Plat Amendment



ROADWAY PARCELS EXHIBIT 'B'



43 South 100 East, Suite 100 • St George, Utah 84770
T: 435.628.6500 • F: 435.628.6553 • alphaengineering.com

SPW

JUNE 7, 2022



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: FY2023 Consolidated Fee Schedule Resolution
AUTHOR: Becky Bennett / Nancy Leigh
DEPARTMENT: Planning / Building
DATE: June 28, 2022
TYPE OF ITEM: Legislative Action

SUMMARY:

The Council will consider a resolution adopting the fiscal year 2023 Consolidated Fee Schedule that will add and/or amend the following fees for FY2023:

1. Amended Conditional Use Permit fee – Becky Bennett.
2. Utility Rate increase for both residential and commercial – Bret/Shane
3. E.A.S.Y. Program Violation – Removed – Nancy Leigh

BACKGROUND:

1. AMENDED CONDITIONAL USE PERMIT FEE:

The process for an amended CUP is as follows: it involves staff review of the application, discussions between staff and the applicant if there are any discrepancies or violations of code, a notice sent to all property owners within 300' of the applicant's property, a staff report written listing the negative detrimental effects and describing solutions for each negative effect found, a Public Hearing coupled with a Planning Commission meeting, and then a finalized CUP – if the motion is approved. Staff spends at least 3 hours on an amended CUP, assuming that very little has changed. If an application comes in for a major change to a CUP, the process is almost identical to that of a new CUP in terms of review and analysis from the first CUP to the updated one.

The current Fee Schedule does not provide for residents or businesses to amend their Conditional Use Permits (CUP). The CUP fee is \$400 per application. If we get an amended CUP application, the Town cannot charge an application fee because it is not in our fee schedule. All Amended CUP applications right now are free to the applicant. Application fees are charged to cover Staff's time on the applications submitted. On some of these amendments, the work required from staff is upwards of 20 – 30 hours.

2. UTILITY RATE FOR FY2023

The FY2023 budget identifies a 2.3% increase to water and solid waste utility fees, with no increase to the residential sewer fees. Residential utility rates beginning July 1st will have an increase of \$2 in water and \$1 in solid waste for a total of \$3 per residential erc unit. For a residential utility bill will be \$134.

For commercial units, the increase is \$3.95 for water and \$2.37 for sewer. The solid waste fee is based on the type of business: Office \$1 increase; Retail \$6 increase; and Restaurant: \$9 increase. The 2.3% increase is based on the Town's Utility Financial Model, see below:

Fiscal Yr	Residential				%	Commercial					Monthly Bill
	Water	Sewer	Solid Waste	Monthly Bill		Water	Sewer	Office	Retail	Restaurant	
Current	79.00	40.00	12.00	\$131	3.1%	155.92	93.55	12.00	81.00	110.00	\$317
2023	81.00	40.00	13.00	\$134	2.3%	159.87	95.92	13.00	87.00	119.00	\$329
2024	82.00	42.00	13.00	\$137	2.2%	161.84	97.11	13.00	87.00	119.00	\$332
2025	84.00	44.00	13.00	\$141	2.9%	165.79	99.47	13.00	87.00	119.00	\$338
2026	86.00	45.00	14.00	\$145	2.8%	169.74	101.84	14.00	94.00	128.00	\$350
2027	90.00	46.00	14.00	\$150	3.4%	177.63	106.58	14.00	94.00	128.00	\$363
2028	92.00	47.00	15.00	\$154	2.7%	181.58	108.95	15.00	101.00	137.00	\$375
2029	94.00	48.00	16.00	\$158	2.6%	185.53	111.32	16.00	107.00	146.00	\$387
2030	96.00	49.00	17.00	\$162	2.5%	189.47	113.68	17.00	114.00	155.00	\$398
2031	96.00	49.00	17.00	\$162	0.0%	189.47	113.68	17.00	114.00	155.00	\$398

E.A.S.Y. PROGRAM VIOLATIONS

Prior to 2018, the Town was responsible for licensing off-premise beer within the Town. As part of the licensing requirements, the business owner was responsible to ensure their employees who were selling off-premise beer, were certified in the E.A.S.Y. (Eliminate Alcohol Sales to Youth) Program. The Town identified penalties for businesses that failed to keep their employees certified in this requirement for both a first and second violation, which was also reported to the state. In late 2018, the Department of Alcohol Beverage & Control (DABC), now known as Department of Alcohol Beverage Services (DABS)

ANALYSIS:

AMENDED CONDITIONAL USE PERMIT FEE:

Staff would like to add a CUP Amendment fee to the Consolidated Fee Schedule. In the past few months, several amended CUP applications have been received. Many of which required extensive research and time to review and complete. Staff would like the fee to be \$200 per amended CUP application, half the cost of a new CUP.

Cedar City charges a fee at the end of the process based on the amount of hours staff worked. Park City charges a flat fee of \$330, the same price they charge for a new CUP. Neither Springdale nor Parowan differentiate CUP from Amended CUP in their consolidated fee schedule. Staff discussed different ways to charge the fee but decided that a flat fee, as opposed to an hourly fee, would be the best way to ensure that businesses/residents are treated fairly. There is some concern that staff would like to avoid regarding residents potentially thinking that Staff is purposely taking longer on one CUP than another. Additionally, many CUPs do not just see one staff member. We discuss the application amongst ourselves to catch any mistakes and ensure that it is complete and inline with the code. It would be difficult to distinguish how much to charge the applicant if we made the fee based off time alone. A \$200 flat fee will cover or come close to covering Staff's time and energy for most amended CUPs.

UTILITY RATE INCREASES

As per the Town's Utility Financial Model was created to ensure payments for the bonds previously known as the USDA 2009 water bonds, which have since been refinanced. As more people connect to the Town's water/sewer system, the utility rates could decrease since the burden of the debt would be spread among more connections. The Utility Financial Model was created to run through 2031 with the interest rate reducing over time from 3.1% down to 2.5%. Bret will be able to give more of a detailed description of the utility model for the Council if there are further questions.

E.A.S.Y. PROGRAM VIOLATIONS

Staff is requesting to eliminate the violations since DABS has now taken control of licensing off-premise beer sales for businesses and therefore would be the responsible party for issuing any violation penalties associated with off-premise beer sales. The state (DABS) began issuing alcohol licenses for off-premise beer sales in 2018 and gave the businesses until 2019 to come into compliance.

The Town still licenses all businesses who hold an alcohol license with DABS. The Town's alcohol license fees are \$100 for a new application and \$50 for renewal. The fee is for each type of license a business may have. For instance, if a business holds a Bar Establishment, Banquet Catering and Full-Service Restaurant permits with DABS, they would be responsible to pay the Town \$150 for the three licenses if they are renewing their alcohol license with the Town. They are also responsible for renewing their alcohol permit with the State (DABS).

FINANCIAL IMPLICATIONS:

1. CUPS: The Town would be reimbursed for the work that Staff puts into reviewing the Amended CUPs.
2. UTILITIES: The utility rates will have a significant impact on the enterprise funds (water and sewer), but solid waste would remain the same in collections unless new connections are made throughout the year.
3. E.A.S.Y Program Violations: It should also be noted that during the entire time that the violation fines were identified, no violations were issued to the businesses, so there would not be any financial impact.

STAFF RECOMMENDATION:

Staff recommends the Council adopt the resolution for the FY2023 Consolidated Fee Schedule as presented.

PROPOSED MOTION:

I move to adopt resolution No. 22-519 adopting the FY2023 Consolidated Fee Schedule as presented.

ATTACHMENTS:

A – Resolution adopting the FY2023 Consolidated Fee Schedule



Brian Head Town

RESOLUTION NO. _____

A RESOLUTION ADOPTING THE FISCAL YEAR 2023 CONSOLIDATED FEE SCHEDULE FOR TOWN OF BRIAN HEAD, UTAH AND PROVIDING FOR AN EFFECTIVE DATE OF JULY 1, 2022.

WHEREAS, the Town of Brian Head assesses fees for various zoning procedures, building permits, and other administrative permits, utilities and services provided in the Brian Head Code, and other codes adopted by Brian Head Town; and

WHEREAS, the Town Council adopts the Fiscal Year Consolidated Fee Schedule by resolution after the fiscal year budget has been adopted by the Town Council; and,

WHEREAS, with the adoption of the fiscal year 2023 Brian Head Town Budget, utility rates and other fees have been amended and will become effective with the fiscal year budget beginning July 1, 2022; and,

WHEREAS, the Town Council adopts the Consolidated Fee Schedule by resolution, from time-to-time, for all fees provided for or required under Brian Head Town Ordinances into a single document to facilitate more efficient administration and access of the various fees for the public.

NOW, THEREFORE, BE IT RESOLVED, by the Brian Head Town Council that the "Consolidated Fee Schedule", is hereby adopted with changes identified in **red font**, and updated to be implemented by the Brian Head Town staff forthwith as the Consolidated Fee Scheduled for Fiscal Year 2023.

BE IT FURTHER RESOLVED this Resolution and associated fees shall have an effective date of July 1, 2022.

PASSED AND ADOPTED by the Brian Head Town Council this ____ day of June 2022, by the following vote.

Town Council Vote

Mayor Clayton Calloway	Aye_____	Nay_____
Council Member Kelly Marshall	Aye _____	Nay_____
Council Member Larry Freeberg	Aye_____	Nay_____
Council Member Dennis VanNostran	Aye_____	Nay_____
Council Member Martin Tidwell	Aye _____	Nay_____

BRIAN HEAD TOWN

Clayton Calloway, Mayor

ATTEST:

Nancy Leigh, Town Clerk

(SEAL)

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BRIAN HEAD TOWN
CONSOLIDATED FEE SCHEDULE
Fiscal Year 2023
Effective Date: July 1, 2022

Land Use Fees

General Plan Amendment	\$1,000/Application
Zoning Amendment	\$1,000/Application
Special Assessment Area (SAA)	\$1,000/Application
Building Concept Review	\$100 Application / \$50.00 Small Bldg. Application
Conditional Use	\$400
Amended Conditional Use Permit	\$200
Variance	\$400
Subdivision/PUD Infrastructure	1% of Engineer's infrastructure costs.
Subdivision/PUD Schematic	\$500/Application
Subdivision/PUD Preliminary Plat	\$1000 application fee
Subdivision/PUD Final Plat	\$500 application fee
Plat Amendment w/ Public Hearing	\$500 application fee
Plat Amendment w/out Public Hearing	\$250 application fee
Subdivision by Metes & Bounds	\$500 application fee
Minor Subdivision (Parcel Split)	\$250 application fee
(Additional mailing costs may be applied if application fee is exceeded)	
Development Agreement	\$5,000 Down payment to be applied to actual cost incurred by Town staff to prepare and/or present agreement. A positive balance must be maintained or work on agreement will cease.
Annexation Petition	\$500, plus cost associated w/ feasibility impact, infrastructure & admin analysis.
Planning Commission Special Meeting	\$500
Trenching and Grading Permit	
For each single street cut (utility trenching)	\$100
For Single Family Residential	\$350
For All Other Zones	\$600
*Verification as licensed contractor, \$5,000 bond and \$1,000,000 insurance policy with Town as additional insured must be on file with Brian Head Town for any work in any public right-of-way or connection to Town sewer or water mains or grading permit issued prior to an associated building permit. (Additional bond requirement may be applied based on size, scope, and complexity of the project.)	
Logging/Tree Removal Permit	
Individual Trees for Safety/Fire	No Fee
Residential	\$25
Construction	\$100/Application
Commercial Logging	\$500/Application
Burn Permit	\$10 Residential / \$100 Commercial
Sign Permit, Permanent	\$50/Application
Sign Permit, Temporary (<i>Banner</i>)	No Charge

Administrative Code Violations

1 st Violation Notice & Reinspection	No Charge
2 nd Violation or Recurrence	(a) \$100 fine & \$50 per day of continuing violation for the 14 days immediately following notice of violation and \$100 per day thereafter; or

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	(b) any higher penalty amount otherwise provided by Town Code
Repeat Inspection Fee	\$50
3 rd Violation or Recurrence	Citation / To Be Determined by Court

Egregious Violations may be issued an immediate citation.

Licensing Fees

Business Licenses:	\$108 / New Business Application
	\$62 / Renewal of Business License
	\$10.00 / Door-to-Door Solicitation Employee Permit
	\$50.00 / Sexually Oriented Employee Permit
	\$200.00 / Sexually Oriented Business
	\$151 / New Nightly Rental, Application includes 1 unit
	\$122 / Renewal Nightly Rental Application includes 1 unit
	\$32 / Additional Nightly Rental Unit New
	\$26 / Additional Nightly Rental Unit Renewal
Nightly Rental Disproportionate Fee	\$248 per cabin
	\$91 per condominium unit
No Charge for Special Event Vendor	
Dog License	\$10 Neutered / \$20 Non-neutered
Alcohol License, Initial	\$100
Alcohol License, Renewal	\$50

Publications

Land Management Code	\$30.00 bound copy
General Plan	\$20.00 bound copy
Public Works Construction Manual	\$30.00 bound copy
Maps	\$0.25 for 11"x17" black/white copy
	\$0.50 for 11"x17" color copy
	\$0.50 for photocopy
	\$35 for Small Map
	\$60 for Large Map

Administrative Fees

NSF Check	\$25/Returned Check
Copies	\$0.05 per B/W Copy
	\$0.10 per Color Copy
Faxes	\$0.10 per page for outgoing faxes
	\$0.10 per page for incoming faxes
GRAMMA Request	determined on an individual basis per UCA 63-2-203.

Inspection Fees

One-time Building Inspection	Iron County
Re-inspection Fee for building	Iron County
Nightly Rental Fire Inspection	\$30
Commercial Business Fire Inspection	\$50 (this fee was inadvertently removed from a previous fee schedule)

Bonds (Refundable)

Subdivision Completion Bonds	125% of Engineers Cost to Complete
Building Permit Cleanup Bond	\$1,000
Grading & Landscaping Bond	\$2,500
(Additional bond requirement may be applied based on size, scope, and complexity of the project.)	

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Building Permit Fees

COLLECTED BY IRON COUNTY

Building Permit Fees

VALUATIONS

- 1. New Construction \$150/sq ft
- 2. Finished basements \$50/sq ft
- 3. Decks \$25/sq ft
- 4. Remodeling: Value determined by the contractor and approved by the Building Official to reflect the cost of work for code related items.
- 5. Valuations may be modified by the Building Official when evidence supports raising or lowering the valuation due to circumstances outside the norm or specifically mentioned above.

Building Permit Calculation Table

TOTAL VALUATION	FEE
\$1 to \$500	\$24
\$501 to \$2,000	\$24 for the first \$500; plus \$3 for each additional \$100 or fraction thereof, to and including \$2000
\$2,001 to \$40,000	\$69 for the first \$2,000; plus \$11 for each additional \$1,000 or fraction thereof, to and including \$40,000
\$40,001 to \$100,000	\$487 for the first \$40,000; plus \$9 for each additional \$1,000 or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	\$1,027 for the first \$100,000; plus \$7 for each additional \$1,000 or fraction thereof, to and including \$500,000
\$500,001 to \$1,000,000	\$3,827 for the first \$500,000; plus \$5 for each additional \$1,000 or fraction thereof, to and including \$1,000,000
\$1,000,001 and over	\$6,387 for the first \$1,000,000; plus \$4 for each additional \$1,000 or fraction thereof.

Plan Review & Other Applicable Fees Collected by Iron County

Impact Fees

Water	\$5,250.88 x Conversion Factor
Sewer	\$1,096.91 x Conversion Factor
Public Safety	\$153.00 x Conversion Factor

**Individuals who extend water or sewer lines may qualify for an impact fee reduction equal to their incurred costs for the extension, up to the full amount of the impact fee, with verification of submitted construction costs.

IMPACT FEE CONVERSION FACTOR

Single Family/Condo	1 ERC
All Others	Per Actual Fixture Unit Calculations

*One ERC (Equivalent Residential Connection) is equivalent to 24 water fixture units as calculated in Table 604.3 of the 2006 International Plumbing Code, and 20 drainage fixture units as calculated in Table 709.1 of the 2009 International Plumbing Code.

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Connection Fees

Water

Residential: \$1,750

Installation by contractor, vault and meter provided by town.

Commercial: \$350 Inspection

Meter, vault and all associated materials to be provided by the contractor per Brian Head Public Works Standards. Payment is for town inspection only.

Inspection services by Town, Street opening & closing by separate permit.

Sewer \$350

Utility Service Fees

Water	Monthly Base Rate/Demand Charge
Residential .5 ERC ¹	\$39.50 40.50
Residential 1ERC ²	\$79.00 81.00
Commercial	\$156.00 159.87
Commercial Business in a Multi-family complex ³	\$156.00 159.87

¹One Half (.5) ERC- A single unit (regardless of ownership) consisting of (1) room, intended for temporary living and sleeping purposes and including a separate, exclusive bathroom and food storage, preparation and serving accommodations consisting of not more than a single bowl sink, a refrigerator of not more than 5 cubic feet, and an electrical outlet which may be used for a microwave oven. Water consumption for this type of unit will be calculated at .5 of an ERC with a maximum calculated consumption of 2500 gallons per unit per month.

²Full ERC (1), Residential Unit, Dwelling Unit, or Condo Unit- A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation. Water consumption for this type of unit will be calculated at 1ERC with a maximum calculated consumption of 5000 gallons per unit per month.

³Where a commercial business shares a water meter within a multi-family residential or hotel project, and installing a separate commercial meter is not feasible, the Town shall calculate estimated monthly water consumption for the commercial business based on comparable businesses (in Brian Head or other communities) and bill that amount in addition to the base monthly charge.

Residential (Single Family, Condo, Townhouses)

Base Rate includes 5,000-gallon allowance

Above 5,001 but less than 10,000 gallons	\$3.70/K-gal
Above 10,001 gallons but less than 15,000 gallons	\$4.46/K-gal
Above 15,001 gallons but less than 20,000 gallons	\$5.17/K-gal
Above 20,001 gallons	\$12.26/K-gal
Monthly rate for disconnected Service (5/8", 3/4", 1")	\$59

Commercial Uses ⁴

Base Rate includes 10,000-gallon allowance.

10,001 to 150,000 gallons	\$4.46/K-gal
Above 150,000 gallons	\$5.17/K-gal
Monthly rate for disconnected Service	\$118

Construction Water

Monthly hydrant meter rental	\$125 p/month
Deposit for hydrant meter rental	\$1,500
Water rate for water used	\$10 K-gal
Penalty for missed monthly inspection/reading	\$100

Bulk Water	\$100/K-gal	Non-Resident
	\$75/K-gal	Resident

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⁴Where a commercial business is located within a multi-family residential or hotel project, and installing a separate commercial meter is not feasible, the Town shall calculate estimated monthly water consumption for the commercial business based on comparable businesses (in Brian Head or other communities) and bill that amount in addition to the base monthly charge. The monthly utility bill shall be calculated by adding the base allowance (5,000 gal for 1 ERC, 2,500 gal for .5 ERC) use for each unit in the building and subtracting that from the total water meter reading. The remainder (if there is any) shall be charged using the commercial water rate table.

Example #1: 50-unit condo with a shared meter commercial facility having 30,000 gallon and a meter reading of 300,000 gallons of water.
 50 ERC X 5,000 gallons= 250,000 gallons
 300,000 gallon meter read – 250,000= 50,000 gallon remainder.
 50,000 remainder – 10,000 credit for commercial allowance = 40, 000 gallon excess use
 40,000 gallon excess use x 4.46 per thousand gallons= \$178.40.

Resulting Bill: 50 ERC x \$81.00 = \$4050.00
 Commercial Base Fee= \$159.87
 Excess Water Use= \$178.40
 Total= \$4,388.28

Example #2: 50 unit condo with a shared meter commercial facility having 30,000 gallon and a meter reading of 230,000 gallons of water.
 50 ERC X 5,000 gallons= 250,000 gallons
 230,000 gallon meter read – 250,000= -20,000 gallon remainder.
 Where the remainder is a negative there is no overage charge

Resulting Bill: 50 ERC x \$81.00 = \$4050.00
 Commercial Base Fee = \$159.87
 Total = \$4,209.87

Sewer	Monthly Base Rate/Demand Charge
Residential .5 ERC	\$20.00 per month
Residential 1ERC	\$40.00 plus 60% of water overuse charge
Commercial	60% of water bill
Commercial Business in a Multi-family complex	60% of water bill after residential use is subtracted

Monthly rate for disconnected service for single family house \$34
 Monthly rate for disconnected commercial service \$71

Trash	
Residential (.5 and 1 ERC)/Office	\$13.00
Residential/Office Recycle Fee	\$0
Retail	\$87.00
Restaurant/Lounge	\$119.00
Commercial Recycle Fee	\$0

** Late Penalty 5% / month
 Reconnect Fee \$100
 Disconnect Fee \$100
 Meter Re-read \$50

Additional Solid Waste Service Fees:

Construction Debris \$250 per dumpster
 Refuse (Appliances, Furniture & Similar materials) \$50 per appliance/mattress, etc.
 Blocked Dumpster: \$100 per dumpster
 Spilled Garbage left outside dumpster: \$100 per dumpster.

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Special Events/Building Rentals

**Special fees or exceptions may be granted by Administration for local non-profit organizations or civic functions. Additional fees may be charged if there are special needs or setup/takedown.*

Town Hall Rental	\$150 p/day – Council Chambers \$75 for half day up to four hours \$50 p/day – Conference Room \$25 for half day up to four hours – Conference Room \$25 p/day – Kitchen \$15 for half day up to four hours - Kitchen \$250 Refundable Deposit
Public Safety Building Rental	\$200 p/day – Large Multi-Purpose Room \$100 for half day up to four hours – Multi-Purpose Room \$100 p/day – Small Conference Room \$50 for half day up to four hours – Conference Room \$25 p/day – Kitchen \$15 for half day up to four hours - Kitchen \$250 Refundable Deposit
Town Pavilion Rental	\$50 per day \$25 for half day up to four (4) hours
Trail Restoration	Actual Costs to restore trail.
Fire Station Tables	\$5 per table
Police Officer	\$50 p/hr.
Police Officer with Vehicle	\$120 p/hr.
Traffic Cone rental	\$0.50 per day per cone minimum \$10.00
Traffic Warning sign rental	\$15 per day per sign
Traffic Cone/Sign drop off	\$120 after hours.
Garbage Dumpster	\$125 plus after hour costs if applicable
Motor Grader	\$177 per hour w/operator
Dump Truck	\$125 per hour w/operator
Dump Truck w/plow and sander	\$175 per hour w/operator
Loader w/operator	\$150 per hour
P/W employee	\$50 per hour
P/W employee w/pick up	\$120 per hour.

Miscellaneous Town Code Violations:

Alarm System Violation	\$50
E.A.S.Y Program 2nd Violation	\$250
E.A.S.Y. Program 3rd Violation	\$500



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: SAA Bond Resolution
AUTHOR: Bret Howser
DEPARTMENT: Administration
DATE: June 28, 2022
TYPE OF ITEM: Legislative Action

SUMMARY:

Council will consider a resolution authorizing approximately \$1.6 million of special assessment revenue bonds to finance the special assessment area (SAA) projects on Falcon Ct, Scenic Drive, and Trail Rd.

BACKGROUND:

During the fall and winter of 2021-22, the Council took several steps to approve three SAAs for water (and in one case sewer) infrastructure expansion in the Cedar Breaks Mountain Estates (CBME) subdivision. An account of that can be found in previous staff reports. The final step before construction of those projects is to secure financing.

Staff has been working with Zions Bank Public Finance on a direct placement of bonds (a negotiated sale of bonds with a single buyer, rather than a public offering of the bonds with subsequent bids) with the identified buyer being State Bank of Southern Utah. Eric Johnson, the Town's contracted attorney, is serving as Bond Counsel.

ANALYSIS:

Following a request for bids issued by Zions Bank Public Finance, the Town received a bid from State Bank of Southern Utah which is summarized by Zions in Attachment A. The preliminary bid was for \$1,832,000 of bonds (called the par amount) for a 10-year term with a true interest cost (TIC – basically an average annual interest) of 4.17%.

These preliminary figures may change slightly in the final resolution presented to the Council on June 28th as the Town is still waiting on the final par amount of the bonds which depends on how many SAA participants pre-pay their assessment. The deadline for prepayment was 6-21-22, but checks were still trickling in as of the writing of this report. Staff has already received \$160,000 in prepayments and has been notified that another \$60,000 is in the mail.

SAA bonds are notoriously difficult to market as they are not backed by a more traditionally stable municipal revenue source (such as property tax or sales tax). In the bond industry, when marketing bonds requires you to “tell the story” behind the bonds (as is the case here) it is generally accepted to directly negotiate with a buyer rather than go to an open bid. Despite the Town's A+ credit rating on the water bond issuance we conducted last year, SAA bonds are a much more difficult sell, so staff was thrilled that State Bank of Southern Utah, a local business partner, was willing to step up and consider purchasing these bonds.

When we started this process months ago, we anticipated a rate in the vicinity of 3% to 3.5%. While that is higher than rates we would anticipate on GO debt, sales tax bonds, or even water revenue bonds, you expect to pay a premium on SAA debt. However, with recent shifts

in the market and interest rates, we felt like State Bank was very fair to the Town with a rate just over 4%.

It should be noted that while the bonds are set at a 10-year term, State Bank is requiring a 10% reserve fund be held. That means the Town bonds for an additional 10% (basically one year's worth of payments) and holds those funds in a special account throughout the life of the bond. If/when an individual property owner defaults on their annual assessment payments, the Town can use the reserve funds to make the payment to State Bank, and then proceed with foreclosure on the property owner and replenish the reserve fund from funds from the sale of the property (if it comes to that). At the end of the bond term, the final payment can be made from the reserve fund rather than charging the property owners. To the property owners, this effectively means they're making higher payments, but over 9 years not 10. Ultimately they pay about the same total.

Steam Engine Phase 1-C SAA Financing

In 2021 the Town Council approved an SAA for the Steam Engine Phase 1-C subdivision to finish installing gas and power lines and improve the roads to the Town's gravel road standard. The vast majority of the property owners in that SAA pre-paid their assessments, leaving only \$52,500 to finance. Staff was led to believe by the Town's Bond Counsel that given enough prepayment, the remaining debt could be attributed to the road and not gas/power and qualify for Community Impact Board (CIB) financing. Staff obtained CIB financing approval years ago with this understanding. However when it came time to execute the financing, Bond Counsel had a different view and recommended seeking non-CIB financing. The CIB financing approval eventually expired. Staff was also given to understand that Bond Counsel was aware of potential private bond buyers for such a small deal, but after several months of staff pushing on that solution it ultimately failed.

Staff subsequently attempted to wrap the \$52k into the CBME SAA bonds, but it complicated the deal since the SEM SAA bonds would be taxable (meaning the interest received by the bond holders would be subject to taxes, as opposed to typical municipal bonds) as the bonds were paying for private utilities (gas/power) in addition to public roads. State Bank informed the Town they were not interested in buying those bonds.

In the end, staff has been unsuccessful finding a buyer for such a small issuance of taxable debt. The Town is left with the option of self-financing. Staff is currently working out the legal details of what interest rate the Town can/should charge the property owners in SEM 1-C. The \$52k loan would effectively be borrowed from General Fund Balance, and would be paid back over 10 or 15 years, whatever the shortest timeframe allowed by the SAA creation documents.

Staff apologizes to the Council for delivering misinformation regarding the potential to finance the SEM 1-C project at the time the Council decided to move forward with the SAA. The vast response of prepayment ended up being both a blessing and a curse in this case. Staff seeks any direction or comments the Council may have on the matter.

FINANCIAL IMPLICATIONS:

Issuing the bonds will commit the Town to an annual payment of about \$227,000 per year. These payments will be made with assessments collected from the individual property owners

in the SAAs. The Town has some risk/exposure in taking on this debt, but that risk is mitigated by the ability to foreclose on property if assessments are not paid. Currently all of the properties in the SAAs are valued at 3x or more than the amount of the assessment.

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends that the Council approve the attached bond resolution.

PROPOSED MOTION:

I move to adopt resolution number 22-520 authorizing the sale of \$_____ [staff will verbally deliver the final figure] Town of Brian Head, Utah Special Assessment Bonds, Series 2022, providing for the continuance of a reserve fund as provided by statute, and related matters.

ATTACHMENTS:

A – Preliminary Bond Evaluation

B – Bond Resolution

Town of Brian Head, Utah

\$1,832,000 Special Assessment Bonds

Series July 7, 2022

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PRELIMINARY

Town of Brian Head, Utah

\$1,832,000 Special Assessment Bonds

Series July 7, 2022

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/07/2022	-	-	-	-	-
06/01/2023	161,000.00	3.250%	65,843.55	226,843.55	226,843.55
06/01/2024	159,000.00	3.500%	67,927.00	226,927.00	226,927.00
06/01/2025	165,000.00	3.700%	62,362.00	227,362.00	227,362.00
06/01/2026	171,000.00	3.800%	56,257.00	227,257.00	227,257.00
06/01/2027	177,000.00	3.900%	49,759.00	226,759.00	226,759.00
06/01/2028	184,000.00	4.000%	42,856.00	226,856.00	226,856.00
06/01/2029	191,000.00	4.200%	35,496.00	226,496.00	226,496.00
06/01/2030	199,000.00	4.300%	27,474.00	226,474.00	226,474.00
06/01/2031	208,000.00	4.400%	18,917.00	226,917.00	226,917.00
06/01/2032	217,000.00	4.500%	9,765.00	226,765.00	226,765.00
Total	\$1,832,000.00	-	\$436,656.55	\$2,268,656.55	-

Yield Statistics

Bond Year Dollars	\$10,434.80
Average Life	5.696 Years
Average Coupon	4.1846183%
Net Interest Cost (NIC)	4.1846183%
True Interest Cost (TIC)	4.1722499%
Bond Yield for Arbitrage Purposes	4.1722499%
All Inclusive Cost (AIC)	4.5596362%

IRS Form 8038

Net Interest Cost	4.1846183%
Weighted Average Maturity	5.696 Years

Town of Brian Head, Utah

\$1,832,000 Special Assessment Bonds

Series July 7, 2022

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
06/01/2023	Serial Coupon	3.250%	3.250%	161,000.00	100.000%	161,000.00
06/01/2024	Serial Coupon	3.500%	3.500%	159,000.00	100.000%	159,000.00
06/01/2025	Serial Coupon	3.700%	3.700%	165,000.00	100.000%	165,000.00
06/01/2026	Serial Coupon	3.800%	3.800%	171,000.00	100.000%	171,000.00
06/01/2027	Serial Coupon	3.900%	3.900%	177,000.00	100.000%	177,000.00
06/01/2028	Serial Coupon	4.000%	4.000%	184,000.00	100.000%	184,000.00
06/01/2029	Serial Coupon	4.200%	4.200%	191,000.00	100.000%	191,000.00
06/01/2030	Serial Coupon	4.300%	4.300%	199,000.00	100.000%	199,000.00
06/01/2031	Serial Coupon	4.400%	4.400%	208,000.00	100.000%	208,000.00
06/01/2032	Serial Coupon	4.500%	4.500%	217,000.00	100.000%	217,000.00
Total	-	-	-	\$1,832,000.00	-	\$1,832,000.00

Bid Information

Par Amount of Bonds		\$1,832,000.00
Gross Production		\$1,832,000.00
Bid (100.000%)	PRELIMINARY	1,832,000.00
Total Purchase Price		\$1,832,000.00
Bond Year Dollars		\$10,434.80
Average Life		5.696 Years
Average Coupon		4.1846183%
Net Interest Cost (NIC)		4.1846183%
True Interest Cost (TIC)		4.1722499%

Town of Brian Head, Utah

\$1,832,000 Special Assessment Bonds

Series July 7, 2022

Sources & Uses

Dated 07/07/2022 | Delivered 07/07/2022

Sources Of Funds

Par Amount of Bonds	\$1,832,000.00
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Total Sources	\$1,832,000.00
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Uses Of Funds

Deposit to Project Construction Fund	1,614,225.00
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Deposit to Debt Service Reserve Fund (DSRF)	183,200.00
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Costs of Issuance	34,000.00
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Rounding Amount	575.00
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Total Uses	\$1,832,000.00
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PRELIMINARY

TOWN OF BRIAN HEAD, UTAH
BOND RESOLUTION
June 28, 2022

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE \$_____ TOWN OF BRIAN HEAD, UTAH SPECIAL ASSESSMENT BONDS, SERIES 2022 (SPECIAL ASSESSMENT AREA NOS. 2021-02 FALCON COURT, 2021-03 TRAIL ROAD, 2021-04 SCENIC DRIVE) (THE “BONDS”), PROVIDING FOR THE CONTINUANCE OF A RESERVE FUND AS PROVIDED BY STATUTE; AND RELATED MATTERS.

WHEREAS, the Town Council of the Town of Brian Head, Utah (the “Issuer”), has heretofore adopted proceedings for the construction of improvements (the “Improvements”) in the Issuer’s Special Assessment Area Nos. 2021-02 (Falcon Court), 2021-03 (Trail Road), and 2021-04 (Scenic Drive) (collectively, the “Assessment Area”), and has adopted and approved an Assessment Ordinance for the Assessment Area confirming the assessment roll for such Improvements on May 20, 2022 (the “Assessment Ordinance”); and

WHEREAS, the Assessment Ordinance has been published in accordance with the requirements of the laws of the State of Utah, and notice of assessment, as amended, has been mailed by an officer of the Issuer to all the owners of property assessed in the Assessment Area; and

WHEREAS, the total cost of the Improvements in the Assessment Area was \$622,849.47, of which total cost the Issuer’s portion or amount to be paid by the Issuer was \$476,585.86. The Issuer’s portion for the Assessment Area includes that part of the overhead costs for which an assessment cannot be levied, if any, and the cost of making improvements for the benefit of property against which an assessment may not be levied, if any. The amount assessed against property affected or benefitted by the Improvements in the Assessment Area was \$146,263.61, property owners in the Assessment Area have paid or have committed to pay \$31,476.86 on the principal of their assessments, leaving an amount to be paid through the issuance of bonds or from funds provided by the Issuer of \$114,786.75;

WHEREAS, Bond Purchaser of Southern Utah (the “Bond Purchaser”) has committed to purchase the Issuer’s Special Assessment Bonds, Series 2022 (Assessment Area Nos. 2021-02 – Falcon Court, 2021-03 Trail Road, 2021-04 Scenic Drive) in the total principal amount of \$_____ bearing interest at the rates indicated herein (the “Bonds”) upon the terms and conditions as set forth herein; and

WHEREAS, the Council has determined that it is in the best interest of the Issuer to accept the commitment of the Bond Purchaser for the purchase of the Bonds and to award the sale of the Bonds to the Bond Purchaser:

NOW, THEREFORE, Be It Resolved by the Town Council of Town of Brian Head, Utah:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.1. Definitions. As used in this Bond Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“Act” means the Special Assessment Area Act, Title 11, Chapter 42, Part 2, Utah Code Annotated 1953, as amended.

“Annual Debt Service Requirement” means the total principal, interest, if any, due and payable on the Bonds for any one Bond Fund Year.

“Assessment Area” means, collectively, the Town of Brian Head, Utah, Special Assessment Area Nos. 2021-02 (Falcon Court), 2021-03 (Trail Road), and 2021-04 (Scenic Drive).

“Assessment Ordinance” means collectively the assessment ordinance of the Issuer adopted on May 20, 2022, wherein the Issuer has assessed the owners of property which has been benefited by the improvements constructed within the Assessment Area.

“Average Annual Debt Service Requirement” means the sum of all Annual Debt Service Requirements of the Bonds, divided by the total number of Bond Fund Years.

“Bond Fund Year” means the 12-month period beginning July 1 of each year and ending June 30 of the following year, except that the first Bond Fund Year shall begin on the date of delivery of the Bonds and shall end on the next June 30th.

“Bond Registrar” means each Person appointed by the Issuer as bond registrar and agent for the transfer, exchange, and authentication of the Bonds. Pursuant to Section 2.7 hereof the initial Bond Registrar is the Town Clerk of the Issuer.

“Bond Resolution” means this Resolution of the Issuer adopted on June 28, 2022, authorizing the issuance and sale of the Bonds.

“Bondholder” or “Holder” means the registered owner of any Bond as shown in the registration books of the Issuer kept by the Bond Registrar for such purpose.

“Bonds” means the \$_____ Town of Brian Head, Utah Special Assessment Bonds, Series 2022 (Special Assessment Area Nos. 2021-02 – Falcon Court, 2021-03 Trail Road, 2021-04 Scenic Drive) of the Issuer authorized by this Bond Resolution.

“Bond Purchaser or Purchaser” means the State Bank of Southern Utah, or any successor thereof.

“Bond Purchase Agreement” means the bond purchase agreement between the Issuer and the Purchaser dated June 28, 2022.

“Finance Director” means the Finance Director or Deputy Finance Director of the Issuer.

“Fully Registered Bond” means any single Fully Registered Bond in the denomination(s) equal to the aggregate principal amount of the applicable Bonds authorized herein.

“Reserve Fund” means the Special Assessment Reserve Fund established by the Issuer to secure timely payment of all special assessment bonds issued by the Issuer pursuant to the Act.

“Installment” means the amount of the Bonds due in any one year, represented by installments due pursuant to the Bond and the amount of principal due at maturity with respect to any Bond.

“Issuer” means Town of Brian Head, Utah.

“Mayor” means the Mayor or in the Mayor’s absence the Mayor Pro Tem of the Issuer.

“Paying Agent” means each Person appointed by the Issuer as paying agent with respect to the Bonds. Pursuant to Section 2.7 hereof the initial Paying Agent is the Town Clerk of the Issuer.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

“Project” means the acquisition and construction of improvements in the Assessment Area, and related improvements, including all equipment and facilities to complete the improvements in a proper and workmanlike manner.

“Qualified Investments” means any investments authorized under the Utah State Money Management Act.

“Record Date” means in the case of each interest payment date, the Bond Registrar's close of business on the fifteenth day immediately preceding such interest payment date.

“Bonds” means the fully registered Bonds issued in substantially the form set forth in Exhibit “B” in the denominations equal to the aggregate principal amount of the Bonds.

“Town Clerk” means the Town Clerk/Auditor of the Issuer or any Deputy Town Clerk.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms as used in this Bond Resolution, refer to this Bond Resolution.

Section 1.2. Authority for Bond Resolution. This Bond Resolution is adopted pursuant to the provisions of the Act.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF BONDS

Section 2.1. Principal Amount, Designation, Series. The Bonds are hereby authorized for issuance for the purpose of providing funds (i) to finance, in part, the costs of the construction of the Project, (ii) to fund a debt service reserve fund, and (iii) to pay costs incurred in connection with the issuance of the Bonds. The Bonds shall be limited to \$_____ in aggregate principal amount, shall be issued in the form set forth in Exhibit “B” in fully registered form, shall bear interest at the rate or rates set forth in Section 2.2, and shall be payable as specified herein. The Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Bonds shall be designated as and shall be distinguished from the bonds of all other series by the title, “Town of Brian Head, Utah Special Assessment Bonds, Series 2022 (Assessment Area Nos. 2021-02 (Falcon Court), 2021-03 (Trail Road), and 2021-04 (Scenic Drive))”.

Section 2.2. Date and Maturities. The Bonds shall be dated as of their date of delivery and shall be paid as provided in this Section 2.2. The Bonds shall be initially issued as a single fully registered Bond.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the applicable Bond at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent. Payment of interest shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America.

So long as the Bond Purchaser is the Registered Owner of the Bonds, payments of principal and interest, if any, shall be made by check or draft and mailed to the Bond Purchaser as the Registered Owner at the address shown on the registration books maintained by the Bond Registrar.

The Issuer shall make principal payments stated for each year, beginning June 1, 2023, and continuing on each June 1 thereafter until the total principal sum shall be paid in full, as follows:

<u>June 1</u>	<u>Principal Maturing</u>	<u>Interest Rate</u>
2023		3.25%
2024		3.50
2025		3.70
2026		3.80
2027		3.90
2028		4.00
2029		4.20
2030		4.30
2031		4.40
2032		4.50

The Series 2022 Bonds bear interest on delinquent payments or principal or interest at the rate or rates of the interest set forth above.

Section 2.3. Optional Redemption and Redemption Prices. Each principal payment of the Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer, by lot selected by the Issuer if less than all of the Bonds of a particular due date are to be redeemed, upon notice as provided in Section 2.4 hereof, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the Bond Purchaser with respect to the Bonds, and at a redemption price equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption.

Section 2.4. Notice of Redemption for Bonds.

(a) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.4. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Bonds, including series, to be redeemed, the identification numbers of the Bonds being redeemed;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issue date of such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption; and

(vii) the place where such Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Bonds being redeemed with the proceeds of such check or other transfer.

(c) The Registrar shall not give notice of such a redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

Notice of redemption shall be given, not more than forty-five (45) days nor less than thirty (30) days prior to the redemption date, to Registered Owners of the Bonds, or portions thereof, to be redeemed. A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Registered Owner of such Bonds receives the notice. Receipt of such notice, shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Bonds.

In case any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

Section 2.5. Execution and Delivery of the Bonds. The Mayor of the Issuer is hereby authorized to execute by manual or facsimile signature the Bonds and the Town Clerk of the Issuer to countersign by manual or facsimile signature the Bonds and to have imprinted, engraved, lithographed, stamped, or otherwise placed on the Bonds the official seal of the Issuer. The Town Clerk of the Issuer is hereby authorized to deliver to the Bond Purchaser the Bonds upon payment to the Issuer of the proceeds of the Bonds.

Section 2.6. Delinquent Payment. Payments of principal and/or interest on the Bonds which are delinquent from the due date thereof shall draw interest at the rate or rates of the Bonds set forth in Section 2.2 hereof, on the delinquent payment from said due date until paid in full.

Section 2.7. Designation of Bond Registrar and Paying Agent. The Town Clerk of the Issuer is hereby designated as the initial Bond Registrar and Paying Agent for the Bonds.

Section 2.8. Bonds Form. As long as the Bond Purchaser is the sole Registered Owner of the Bonds, the Bonds shall be issued only as the single fully registered Bond in the form prescribed in Exhibit "B". It is recognized that the Bond Purchaser may sell or otherwise transfer the Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the Bond Purchaser determines to sell or otherwise transfer all or a portion of the Bonds pursuant to the State Financing Consolidation Act, or otherwise, the Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Bonds in accordance with the provisions of this Section 2.8 and Section 3.2 hereof. Bonds may thereafter be exchanged from time to time for other Bonds in accordance with Section 3.2 hereof. Each principal payment on the Bonds not previously paid or cancelled shall be represented by an equivalent principal amount of Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Bonds for Bonds, provided that the Bond Purchaser shall pay or cause to be paid all costs and other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

ARTICLE III

TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

Section 3.1. Transfer of Bonds.

(a) Any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 3.5 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Bond or Bonds (which may be a Bond or Bonds pursuant to Section 3.2 hereof) of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Issuer, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Bond.

(c) The Issuer shall not be required to register the transfer of or exchange any Bond selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. Upon surrender of any Bond redeemed in part only, the Issuer shall execute and the Bond Registrar shall authenticate and deliver to the Bondholder, at the expense of the Issuer, a new Bond or Bonds (which may be a Bond or Bonds pursuant to Section 3.2 hereof) of the same series, designation, maturity and interest rate and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Section 3.2. Exchange of Bonds. Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of fully registered Bonds of the same series, designation, maturity and interest rate, if any, of other authorized denominations. The Bond Registrar shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid

with respect to such exchange. The exchange of Bonds may be either a single fully registered Bond or a serial Bond as may be agreed upon with the subsequent Bond owner.

Section 3.3. Bond Registration Books. This Bond Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code Annotated 1953. The Bond Registrar shall keep or cause to be kept at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein provided.

Section 3.4. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the Holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholders.

Section 3.5. Duties of Bond Registrar. The obligations and duties of the Bond Registrar hereunder may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent, and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein;
- (c) to give notice of redemption of Bonds as provided herein; and
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

ARTICLE IV

COVENANTS AND UNDERTAKINGS

Section 4.1. Covenants of Issuer. All covenants, statements, representations and agreements contained in the Bonds, and all recitals and representations in this Bond Resolution are hereby considered and understood and it is hereby resolved that all said covenants, statements, representations and agreements of the Mayor, are the covenants, statements, representations and agreements of the Issuer.

Section 4.2. Ratification of Prior Proceedings. All the proceedings heretofore taken and adopted for the creation of the Assessment Area and for the construction of improvements therein and the assessment of a part of the cost of constructing such improvements on and against the private properties in the Assessment Area shall be and the same are hereby ratified, approved, and confirmed. No assessment will exceed the benefit to be derived from the improvements by the piece of property assessed, and no parcel of property will bear more than its proportionate share of the cost of the improvements to be made.

Section 4.3. Levy and Collection of Assessments. The Town Manager shall be and is hereby authorized and empowered, and it shall be his/her duty to receive and collect all assessments levied to pay the cost of said improvements of the Assessment Area, the installments thereon, the interest, if any, thereon, and the penalties accrued, including without limiting the generality of the foregoing, the whole of the unpaid principal, interest, if any, and penalties accrued which become due and payable immediately because of the failure to pay any installment whether of principal or interest, if any, when due, and to pay and disburse such payments to the person or persons lawfully entitled to receive the same in accordance with the laws of the State of Utah and all the ordinances and resolutions of the Issuer heretofore or to be hereafter adopted.

All moneys constituting the payment of principal and interest, if any, shall be placed in a regular fund to be designated "Special Assessment Fund of Town of Brian Head, Utah Special Assessment Area No. 2021-02, 2021-03, and 2021-04" ("Special Assessment Fund"), and shall be used for the purpose of paying the principal of and the interest on the Bonds of the Assessment Area and for no other purpose whatsoever, and as security for such payment, said fund is hereby pledged.

Section 4.4. Investment of Funds. Moneys deposited in the Special Assessment Fund and the Reserve Fund may be invested in Qualified Investments and shall be maintained in accounts with the Bond Purchaser for so long as the original Bond Purchaser may own the Bonds.

Section 4.5. Reserve Fund. The provisions of Section 12 of the Assessment Ordinance in reference to the Reserve Fund are hereby readopted. A Reserve Fund is hereby created. The Reserve Fund shall be funded by the Issuer depositing \$_____ from the Bond proceeds into an account held by the Bond Purchaser (the "Reserve Fund Requirement"). Moneys on deposit in the Reserve Fund shall be used to make up any

deficiencies in the Special Assessment Fund for the Bonds. If at any time the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement or the amount that should have been accumulated to such date, the Issuer may replenish the Reserve Fund from proceeds received from the sale of delinquent property as provided in the Act. If, however, the Reserve Fund is not fully replenished after the Issuer has exhausted all of its remedies against delinquent property, the Reserve Fund shall be replenished on or before the November 15 next succeeding the initial date the Reserve Fund had on deposit less than the amount to be accumulated herein by (i) an appropriation from the general fund of the Issuer, (ii) by the levy of a tax of not to exceed .0002 per dollar of taxable value of taxable property in any one year, (iii) by the issuance of general obligation bonds of the Issuer (however, the issuance of such bonds would require voter approval), or (iv) by appropriation from such other sources as may be determined by the Issuer.

Moneys at any time on deposit in the Reserve Fund in excess of the Reserve Fund Requirement shall on January 1 of each year be transferred to the Payment Account within the Special Assessment Fund to be used to pay principal and/or interest on the Bonds as the same come due. All assessment payments coming due on the next assessment payment date shall be reduced pro rata as a result of said transfer from the Reserve Fund.

Section 4.6. Insufficiencies in Assessment Fund. Should there be insufficient money in the Special Assessment Fund to pay all of the interest falling due at one time and the principal amount thereof due, the interest, if any, and principal shall be paid from the Reserve Fund to the extent that there is sufficient money in the Reserve Fund for this purpose, and the Bonds are payable exclusively from the regular assessments levied for said purpose and from the Reserve Fund. In the event there are insufficient moneys on deposit in the Reserve Fund, the Issuer shall either issue interim warrants drawing interest at the rate or rates determined by the Issuer against the Reserve Fund as provided in Section 4.9 hereof or fund the Reserve Fund as provided in Section 4.5 hereof, to meet such deficiencies.

Section 4.7. Lien of Assessment. The assessments, any interest accruing on the assessments and the penalties and costs of collection of the assessment shall continue to constitute and are hereby declared to be a lien against the properties upon which the assessment is levied within the Assessment Area from and after May 20, 2022, the date on which the Assessment Ordinance became effective. Said lien shall be superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance, and shall be equal to and on a parity with the lien for general property taxes. Said lien shall apply without interruption, change in priority, or alteration in any manner to any reduced obligations and shall continue until the assessment and any interest, penalties, and costs thereon are paid, notwithstanding any sale of the property for or on account of a delinquent general property tax, special tax, other assessment, or the issuance of a tax deed, an assignment of interest by the county, or a sheriff's certificate of sale or deed.

Section 4.8. Deposit of Funds. The Funds hereinabove referred to shall be kept separate and apart from each other and from any other funds of the Issuer and shall, from time to time as they are accumulated, be deposited in such bank or banks as are

designated as depositories of public monies for funds of the Issuer under the depository laws of the State of Utah for the deposit of public funds.

Section 4.9. Default in Payment of Assessments. In the event a default occurs in the payment of any installment of principal or interest of the assessments levied pursuant to the Assessment Ordinance when due and after the Issuer has provided notice of such default and a thirty (30) day period to remedy the default as provided in the Assessment Ordinance, the Issuer shall, at its discretion, either (1) foreclose on the amount of the delinquent installment payment, or (2) exercise any other remedy available under the Act. The whole amount of the unpaid principal shall thereafter draw interest at the same rate or rates of interest as are applied to delinquent real property taxes for the year in which the assessment installment becomes delinquent. The Issuer covenants and agrees that it shall initiate tax sale pursuant to Section 11-42-502.1 or any applicable successor thereto, and related pertinent provisions of the Act, of all delinquent property in the manner provided for actions to foreclose mortgage liens or trust deeds. If at the sale, no person shall bid and pay the Issuer the amount due on the assessment plus interest and costs, the property shall be deemed sold to the Issuer for these amounts. The Issuer shall bid at the sale as necessary to ensure that the property is sold for at least an amount equal to the amount due on the assessment plus interest and costs.

If any property is sold to the Issuer at final sale, the Issuer shall, for so long as it retains ownership of the property so sold, pay all annual assessment installments that become due, including interest thereon. The payments shall be made out of the Reserve Fund and paid into the Special Assessment Fund. In the event there are insufficient moneys in the Reserve Fund, the Issuer shall either issue warrants against the Reserve Fund drawing interest at the rate or rates determined by the Council acting as the governing body of the Issuer or fund the Reserve Fund as provided in Section 4.5 hereof to meet any financial liabilities accruing against it. Should the Council issue interim warrants against the Reserve Fund, it shall, at the time of making its next annual tax levy, provide for the levy of a sum sufficient, with other resources of said Fund, to pay warrants so issued and outstanding, the tax for which may not exceed .0002 per dollar of taxable value of taxable property within the Issuer in any one year.

If the Issuer sells the property it has purchased at a summary sale, the purchase price paid for it shall not be less than an amount sufficient to reimburse the Reserve Fund for all amounts paid out of said Fund with respect to said property for delinquent assessments or parts or installments of them, plus interest, penalties, and costs. The sale price of the property and any interest on it paid in installments shall first be paid into the Reserve Fund to the extent of the full reimbursement requirement, and the remaining funds will be paid into the Special Assessment Fund.

The remedies provided in this section for the collection of assessments and the enforcement of liens shall be deemed and construed to be cumulative and the use of any one method or means of collection or enforcement shall not deprive the Issuer of the use of any other method or means. The proceeds from the sale of any property sold will be placed in the Special Assessment Fund as required herein and by the Act.

Section 4.10. Limited Obligation of Issuer. Notwithstanding anything contained elsewhere herein to the contrary, the Bonds are not a general obligation of the Issuer but are payable exclusively out of the Special Assessment Fund and Reserve Fund. The Issuer shall not be liable for the payment of the Bonds, except to the extent of the funds created and received from the special assessments and from the Reserve Fund, but the Issuer shall be held responsible for the lawful levy of all assessments, for the creation and maintenance of the Reserve Fund as provided herein, and for the faithful accounting, collection, settlement, and payment of the assessments and for the moneys of said Fund.

ARTICLE V

MISCELLANEOUS

Section 5.1. Ratification. All proceedings, resolutions and actions of the Issuer and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved.

Section 5.2. Severability. It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause, or provision of this Bond Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining provisions of this Bond Resolution.

Section 5.3. Conflict. All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

Section 5.4. Bond Purchase Agreement Approved. The Bond Purchase Agreement with the Bond Purchaser in substantially final form as presented to the Council wherewith is hereby approved and the Mayor is authorized to executed the same with such modifications, corrections, amendments, and clarifications as the Mayor deems necessary or advisable and the Mayor's signature on the Bond Purchase Agreement shall constitute conclusive evidence of his approval of any and all adjustments. The Town Clerk is authorized to attest to the signature of the Mayor and apply the Town seal to the Bond Purchase Agreement.

Section 5.5. Captions. The table of contents or headings herein are for convenience of reference only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Bond Resolution.

Section 5.6. Certification of Fulfillment of Conditions. The Council hereby finds and certifies that all conditions precedent to the issuance of the Bonds have been satisfied and fulfilled.

Section 5.7. Effective Date. This Bond Resolution shall take effect immediately.

ADOPTED AND APPROVED this June 28, 2022.

Mayor Clayton Calloway

ATTEST:

(SEAL)

Nancy Leigh, Town Clerk

RECORD OF PROCEEDINGS

I, Nancy Leigh, the Town Clerk of Town of Brian Head, Utah, certify that this is a full, true and correct copy of the record of proceedings had by the Town Council of Town of Brian Head, Utah at its meeting held on June 28, 2022, insofar as the same relates to or concerns Town of Brian Head, Utah Special Assessment Area Nos. 2021-02 (Falcon Court), 2021-03 (Trail Road), and 2021-04 (Scenic Drive) as the same appears of record in my office. The Town Council met in public session on June 28, 2022, at 1:00 p.m., or as soon thereafter as feasible, at its regular meeting place. The following members of the Town Council were present:

Clayton Calloway	Mayor
Larry Freeberg	Council Member
Dennis VanNostran	Council Member
Martin Tidwell	Council Member
Kelly Marshall	Council Member

Also present:

Nancy Leigh	Town Clerk
Bret Howser	Town Manager

Absent:

This Bond Resolution (the "Resolution") was then introduced in writing, was fully discussed, and pursuant to motion duly made by Council Member _____, and seconded by Council Member _____ adopted by the following vote:

YEA:

NAY:

The Resolution was then signed by the Mayor in open meeting and recorded by the Town Clerk in the official records of Town of Brian Head, Utah.

DATED: June 28, 2022.

Nancy Leigh, Town Clerk

(S E A L)

STATE OF UTAH)
 : ss.
COUNTY OF IRON)

I, Nancy Leigh, the duly qualified and acting Town Clerk of Uintah County, Utah, do hereby certify according to the records of said County in my official possession that the foregoing constitutes a true and correct copy of the minutes of the meeting of the Town Council held on June 28, 2022, including a resolution adopted at said meeting as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said County this June 28, 2022.

Nancy Leigh, Town Clerk

(S E A L)

EXHIBIT "A"

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Nancy Leigh, the undersigned Town Clerk of Town of Brian Head, Utah (the "Issuer"), do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the June 28, 2022, public meeting held by the County as follows:

(a) By causing a Notice to be posted at the Issuer's principal offices, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of such Notice to be delivered to a newspaper of general circulation in the Issuer, at least twenty-four (24) hours prior to the convening of the meeting.

(c) By causing a copy of such Notice to be posted on the Utah Public Notice Website at least 24 hours prior to the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this June 28, 2022.

Nancy Leigh, Town Clerk

(S E A L)

[NOTICE OF MEETING and evidence of Posting on Public Notice Website]

EXHIBIT “B”

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF UTAH
UINTAH COUNTY
TOWN OF BRIAN HEAD
SPECIAL ASSESSMENT BOND
SERIES 2022

(SPECIAL IMPROVEMENT ASSESSMENT AREA Nos. 2021-02 (Falcon Court),
2021-03 (Trail Road), and 2021-04 (Scenic Drive))

\$ _____

Town of Brian Head, Utah (the “Issuer”), a separate body politic and municipal public corporation of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the State Bank of Southern Utah or the registered owner or registered assigns last listed on the registration certificate attached hereto, the principal amount of \$_____ bearing interest at the rate or rates set forth below, payable annually on June 1 of each year, beginning June 1, 2023. Principal and interest shall be payable in registered installments on June 1 of each of the years as set forth in the following Repayment Schedule:

REPAYMENT SCHEDULE

<u>June 1</u>	<u>Principal Maturing</u>	<u>Interest Rate</u>
2023		3.25%
2024		3.50
2025		3.70
2026		3.80
2027		3.90
2028		4.00
2029		4.20
2030		4.30
2031		4.40
2032		4.50

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon surrender of this Bond at the offices of the Paying Agent, or of any successor Paying Agent. Payments of interest shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the

Issuer maintained by the Registrar, or at such other address as is furnished to the Registrar in writing by such Registered Owner.

As long as the State Bank of Southern Utah (the "Bond Purchaser") is the registered holder of this Bond, installment payments shall be made by check or draft mailed to the Bond Purchaser as the registered holder at the address shown on the registration books maintained by the Registrar.

If any installment payment of Bond principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the principal and delinquent interest, if any, at the rate or rates of the Bonds from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest, if any, and then to principal.

This Bond is issued pursuant to (i) the Bond Resolution adopted by the governing body of the Issuer on June 28, 2022 (the "Bond Resolution"), and (ii) the Special Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated, 1953, as amended, for the purpose of (a) the acquisition and construction of improvements in Assessment Area (as defined in the Bond Resolution), and related improvements to complete the improvements in a proper and workmanlike manner (the "Improvements"), and (b) to fund a deposit to the Reserve Fund, and (c) the payment of issuance expenses incurred in connection with the issuance of the Bonds.

The issuance of this Bond shall not, directly, indirectly, or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of general taxation therefor or to make any appropriation for its payment.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of the due date of the principal installments hereof and by lot selected by the Issuer if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

Notice of redemption shall be mailed by the Issuer, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the registered owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Bond Resolution, the Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 and any integral multiple thereof.

Payment of this Bond and the interest thereon shall be made from, and as security for such payment there is pledged the Special Assessment Fund of Town of Brian Head, Utah Special Assessment Area Nos. 2021-02 (Falcon Court), 2021-03 (Trail Road), and 2021-04 (Scenic Drive) (collectively, the "Assessment Area"), containing the receipts

derived by the Issuer from the special assessments levied upon the property included in the Assessment Area by the Assessment Ordinance, as amended, adopted by the Issuer, which ordinance became effective on May 20, 2022, for the purpose of paying the costs of constructing the Improvements under, by virtue of, and in full conformity with the Constitution and laws of the State of Utah and certain ordinances and resolutions of the Issuer duly passed and made law thereof prior to the issuance hereof.

It is hereby certified that a Reserve Fund has been created by ordinance as authorized by Utah statutes, and the Issuer agrees that at all times during the life of this Bond and until payment thereof in full, said Fund shall be at all times maintained as therein required. This Bond is not a general obligation of the Issuer but is payable exclusively out of said Special Assessment Fund and said Reserve Fund. The Issuer shall not be held liable for the payment of this Bond, except to the extent of the funds created and received from said special assessments and to the extent of its Reserve Fund; but the Issuer shall be held responsible for the lawful levy of all special assessments, for the creation and maintenance of the Reserve Fund as provided by law, and for faithful accounting, collection, settlement, and payment of the assessments and for the monies of said Fund.

The special assessments made and levied to defray the cost of Improvements, with accruing interest thereon, and the cost of collection of the assessments constitute a lien upon and against the property upon which such assessments were made and levied from and after May 20, 2022, the date upon which the ordinance levying such assessments became effective, which lien is superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance. Said lien is equal to and on a parity with the lien for general property taxes and shall continue until the assessments and interest thereon are paid, notwithstanding any sale of the property for or on account of a delinquent general property tax, special tax, other assessment, or the issuance of a tax deed, an assignment of interest by the county, or a sheriff's certificate of sale or deed.

This Bond is transferable, as provided in the Bond Resolution, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever, and neither the Issuer, nor the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Bond Resolution.

This Bond and the issue of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah and by the Act and the Bond Resolution to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened and have been performed and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes, and that the aggregate amount of special assessment bonds of the Issuer for the Assessment Area, including this Bond, does not exceed the amount authorized by law nor the special assessment levied to cover the cost of the Improvements in the Assessment Area, and that all said special assessments have been lawfully levied.

To the extent and in the respects permitted by the Bond Resolution, the Bond Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Bond Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Bond Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Bond Resolution.

This Bond shall be registered in the name of the initial purchaser and any subsequent purchasers in an appropriate book in the office of the Finance Director of the Issuer, who shall be the Registrar. This Bond is transferable only by notation upon said book by the registered owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Issuer, duly executed by the registered owner or his attorney duly authorized in writing; thereupon, this Bond shall be delivered to and registered in the name of the transferee.

IN TESTIMONY WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its Town Clerk under the corporate seal of said Issuer this July __, 2022.

By /s/ (Do Not Sign)
Mayor Clayton Calloway

Countersigned:

/s/ (Do Not Sign)
Nancy Leigh, Town Clerk

(S E A L)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by
the Bond Registrar)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

