

Minutes of the regular meeting of the City Council held May 13, 1987 at 7:00 p.m. in the City Hall of Bountiful, Utah.

Present: Mayor:	Dean S. Stahle
Council Members:	C. Harold Shafter, Richard G. Sharp, Phyllis C. Southwick, and H. Keith Barton
City Manager:	Tom Hardy
City Attorney:	Layne B. Forbes
City Recorder:	Arden F. Jenson
City Treasurer:	Ira H. Todd
Rec. Secretary:	Nancy T. Lawrence
Department Heads:	Chief Larry Higgins, Police
Absent: Councilman:	Jerry K. Lawrence
City Engineer:	Jack P. Balling
Planning Director:	Jon Reed Boothe

Mayor Stahle called the meeting to order and welcomed those in attendance, following which he led the pledge of allegiance to the flag. The invocation was offered by Councilman Barton.

Official notice of this meeting had been given by posting a written notice of same and an Agenda at the City Hall and providing copies to the following newspapers of general circulation: Davis County Clipper, Deseret News, and Salt Lake Tribune.

Minutes of the regular meeting of the City Council held May 6, 1987 were presented and unanimously approved as corrected on a motion made by Councilman Shafter and seconded by Councilman Sharp.

EXPENDITURES APPROVED FOR MONTH OF APRIL

Mr. Jenson presented the Summary of Expenditures for April in the amount of \$1,421,554.70 and he responded to questions from the Council. Councilman Sharp made a motion that the expenditures be approved as presented, Councilman Barton seconded the motion and voting was unanimous.

EXECUTIVE SESSION APPROVED

At the request of the Mayor, an executive session to discuss pending litigation was scheduled immediately after this meeting on a motion made and seconded by Councilmen Shafter and Barton, respectively.

GRANT FOR HISTORIC PRESERVATION COMMITTEE APPROVED

Mr. Hardy reviewed the State grant for the Bountiful Historic Preservation Committee for next fiscal year. The grant is for \$3,800 and is to be matched by cash or in-kind contributions from the City. Councilman Barton made the motion that this grant request be approved, Councilwoman Southwick seconded the motion, and voting was unanimous.

1 **CITIZEN COMMENDED FOR ASSISTANCE**
2 **IN APPREHENDING BURGLAR**

3 Mayor Stahle reviewed the assistance which had been rendered
4 to the Police Department by Gary Stevenson when Mr. Stevenson
5 noticed suspicious circumstances at his neighbor's home and
6 subsequently a burglar was apprehended. The Mayor read a portion
7 of a letter to Mr. Stevenson, commending him for "becoming
8 involved" and then presented Mr. Stevenson with the letter.
9 Councilman Sharp, the burglar's would-be victim, also expressed
10 his appreciation for a good neighbor.
11

12 **TESCO WILLIAMSEN AWARDED WATER**
13 **DEPARTMENT BID**

14 Mr. Hardy reported that two (2) bids were received for a
15 crane/hoist for the Water Department and he recommended that the
16 low bid from TESCO Williamsen in the amount of \$9,771.00 be
17 accepted. The budgeted amount for this item was \$10,000.00.
18 Councilman Barton made a motion for approval, as recommended.
19 Councilman Sharp seconded the motion and voting was unanimous.
20 (This item was not on the Agenda; however, with the consent of
21 the press, action was taken).
22

23 The Council recessed at this time and reconvened in the
24 Planning Conference Room for a study session.
25

26 **COST OF SERVICE RATE STUDY PRESENTED**
27 **BY POWER DEPARTMENT**

28 Mr. Hardy explained that the current rate structure for
29 electrical service billing is a declining block, which means that
30 the more power you use, the less it costs. This rate structure
31 was implemented by Bountiful at a time when there was an
32 abundance of power and it was economically to the City's benefit
33 to encourage high consumption. Inasmuch as the sources for firm
34 power are now being totally utilized, it is to the advantage of
35 the City to encourage power conservation.
36

37 Mr. Michaelis reported that a rate study has been made by
38 Dave Tuttle, chief accountant for UAMPS. Mr. Michaelis reviewed
39 the basic costs involved in providing electrical service, and
40 said it is the staff recommendation that a new flat rate
41 structure be implemented. He said that WAPA gives credit for
42 energy conservation incentives, the APPA encourages the use of
43 a flat rate design, and Utah Power and Light and many municipals
44 in Utah are now using the flat rate design. The basic philosophy
45 of using the flat rate design is to recover through the rates the
46 cost of serving the customers.
47

48 Mr. Tuttle reviewed the study and the proposed new rate
49 structure for residential, commercial and industrial users. He
50 pointed out that, with the existing rate structure, those who
51 use a small amount of electricity have been bearing a higher
52 cost; while the heavy commercial users have the lowest rate.
53 With the proposed new rates, 63 percent of the customers would
54 experience a decrease or maintain a similar billing; 30 percent
55 would experience a small increase; and 6 percent (those with high

1 useage) would have a higher billing. Mr. Michaelis expressed
 2 concern that there would be approximately ten commercial
 3 customers who would experience an increase of about 40 percent,
 4 and he recommended that the rates be reviewed further in an
 5 effort to find a way to make a rate change that will have a
 6 lesser impact on those customers. It was emphasized by the Mayor
 7 and several council members that the proposed rate change should
 8 be reviewed individually with those heavy commercial users.
 9 Mr. Michaelis said that the staff would study the matter further
 10 and bring a recommendation back to the Council.

11
 12 **LIABILITY INSTURANCE ALTERNATIVES --**
 13 **1987-88 FISCAL YEAR**

14 Mr. Hardy reported that the rates for liability insurance
 15 under the existing program will increase from \$140,000 to
 16 \$340,000 for Fiscal Year 1987-88. He presented several
 17 alternatives for liability insurance coverage--(1) Utah Risk
 18 Management Association, a self-funded pool program with a group
 19 of Utah cities (annual cost of \$270,000); (2) self-funded/
 20 excess coverage program (annual cost of \$147,000, plus cost of
 21 claims under \$250,000); and (3) a totally self-funded program
 22 (cost would be the amount of the claims, which have averaged
 23 \$50-60,000 for the past few years). Following a lengthy
 24 discussion, it was the concensus of the Council to go with some
 25 type of a self-funded program, with the possibility of bonding
 26 to provide a reserve fund. Mr. Hardy noted that it might be
 27 possible to provide the reserve fund without bonding, depending
 28 on revenues received from sales tax and reimbursement for flood
 29 control.

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 31 The meeting adjourned to executive session at 10:22 p.m.
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 35 MAYOR

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 40 Arden F. Benson
 41 CITY RECORDER
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