

Bountiful Fiber Update

Presented to the Bountiful City Council June 27, 2023

(Updated for publication June 29, 2023)



What are the next steps in Bountiful's fiber process?

Prior Milestones

- Fall 2020 – conversations with incumbent providers to improve services (no meaningful results).
- April 2021 – *Request for Information* from potential partners issued.
- Aug. 2021 – Consultant *Magellan* hired to evaluate feasibility of a Bountiful fiber program.
- May 2022 – Study results shared at Council meeting.
- June 2022 – Council asks staff to create a *Request for Proposals* for a partner to build and operate a fiber system.
- Nov. 2022 – RFP released.
- Dec. 2022 – RFP submittals received. Evaluations of submittals begin.
- Jan. 2022 – Council directs staff to begin negotiations with UTOPIA Fiber to build and operate a Bountiful-owned fiber network.
- May 2023 – Bountiful and UTOPIA sign contract.

Next Steps

- June 2023 – preconstruction meetings with UTOPIA Fiber and City staff.
- July 11, 2023 – public hearing on sales tax bond at city council meeting.
- July 2023 – Bonds are issues to fund project.
- July 2023 – construction begins.

Does state law require voter approval of a sales tax bond? Why or why not?

- A General Obligation bond that pledges a city's property tax revenue and creates a tax increase requires voter approval. It is a pledge of the "full faith and credit" of a city.
- Revenue bonds, including a bond pledging sales tax revenue, do not increase taxes and therefore do not need voter authorization.
 - State law does not give cities the authority to increase sales tax rates beyond the what is stipulated in state code.

Is there a way to force the issue onto the ballot?

Yes. UCA 11-14-307(7) "A city, town, or county shall submit the question of whether or not to issue any bonds under this section to voters for their approval or rejection if, within 30 calendar days after the notice required by Section 11-14-318, a written petition requesting an election and signed by at least 20% of the registered voters in the city, town, or county is filed with the city, town, or county."

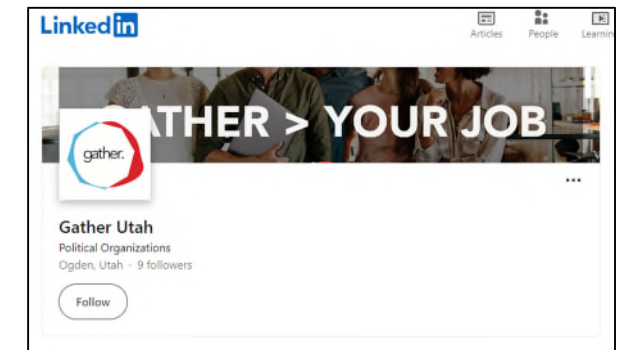
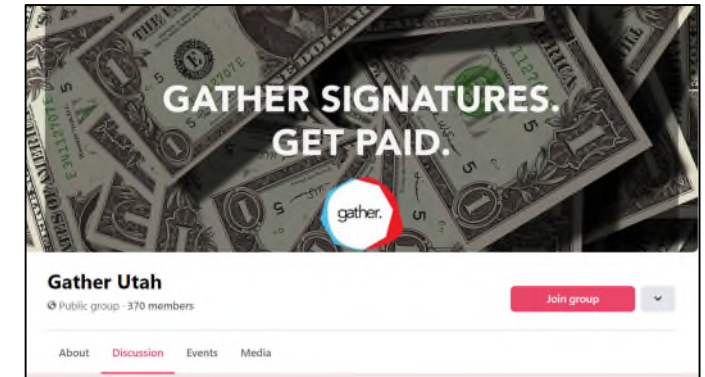
Someone is going door to door collecting signatures for a petition. Did Bountiful residents organize a petition effort against the Fiber bond?

City leaders are aware that a petition gathering process has started. It was apparently not organized by a resident group.

Bountiful City has nothing to do with the petition.

Who *is* collecting signatures to force a ballot question?

The Utah Taxpayers Association (whose members include CenturyLink/Lumen and Comcast) has apparently engaged Gather Utah (Gathering, INC) to collect signatures in Bountiful.



What is known about the Utah Taxpayers Association?

- Vocal critics of UTOPIA Fiber
- UTPA President Rusty Cannon has spoken in opposition to our fiber project in prior meetings.
- They do not publish a list of their dues paying members or their Board of Directors on their website (as of 6-27-23).
- Comcast and CenturyLink (Lumen) are or have been members of the organization and sponsors of the UTPA annual conference.
 - Link: <https://utahtaxpayers.org/utah-taxpayers-association-elects-new-board-of-directors-officers-for-2020/>

44th Annual Taxes Now Conference

Keynote Sponsor: **RAI** Reynolds American

Room Sponsor: **Sinclair**

Breakfast Sponsor: **Intermountain Healthcare**

Break Sponsor: **Autoliv** Saving More Lives

Watchdog Sponsors:

- WCF INSURANCE**
- myriad** WHEN DECISION MATTERS
- 1800 contacts**
- MAVERIK**
- GOLD CROSS AMBULANCE**
- HOLLAND & HART**
- AT&T**
- Chevron**
- NUCOR**
- COMCAST**
- LUMEN**
- IPAA** Intermountain Power Agency
- MERITMEDICAL**
- ZIONS BANK**
- FR FINLEY RESOURCES**

Champion Sponsors:

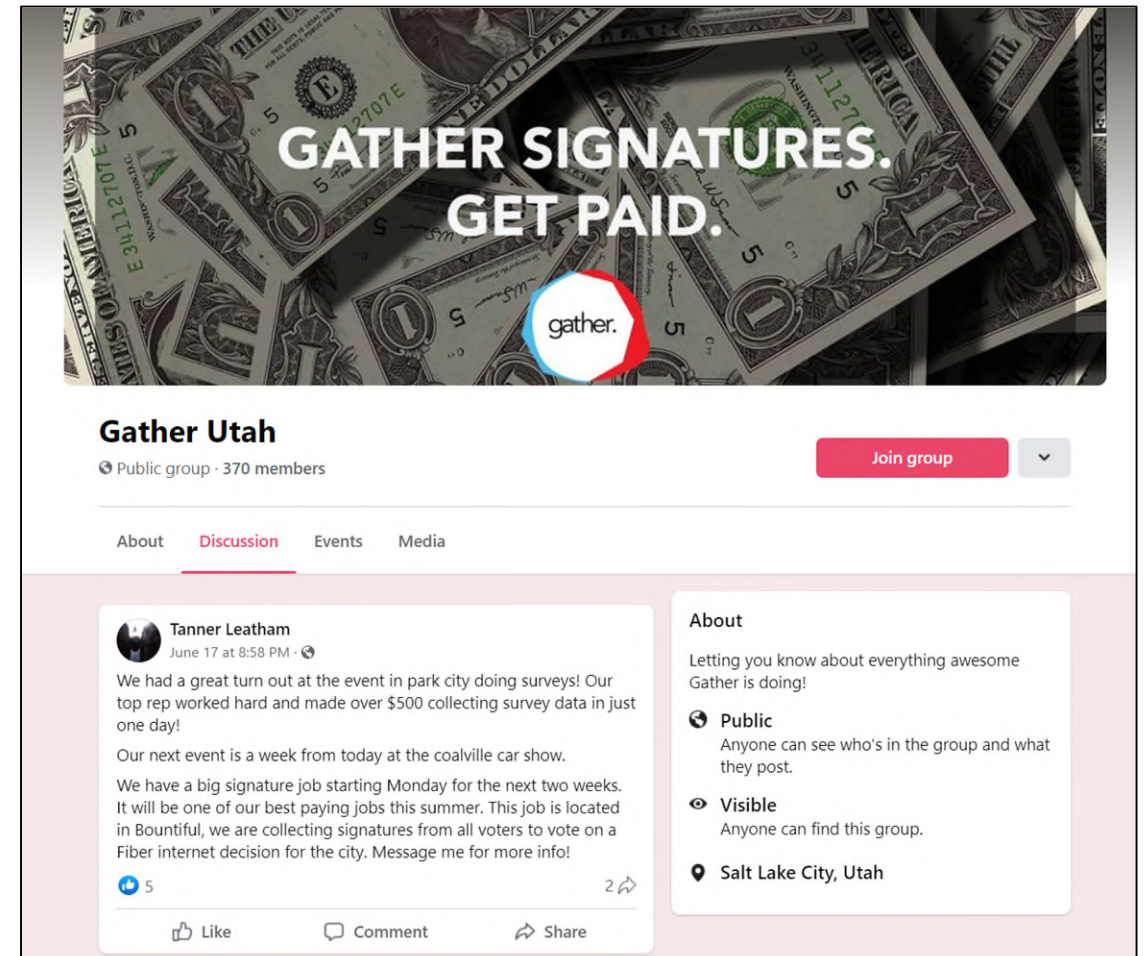
- Fidelity INVESTMENTS**
- RioTinto**
- Ovintiv**

www.utahtaxpayers.org

What is known about Gather Utah / Gathering INC

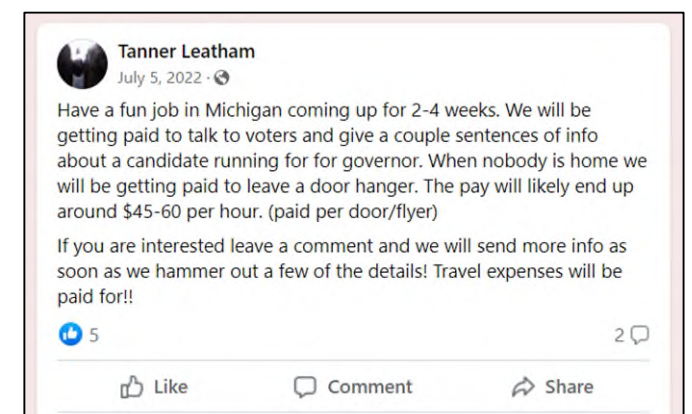
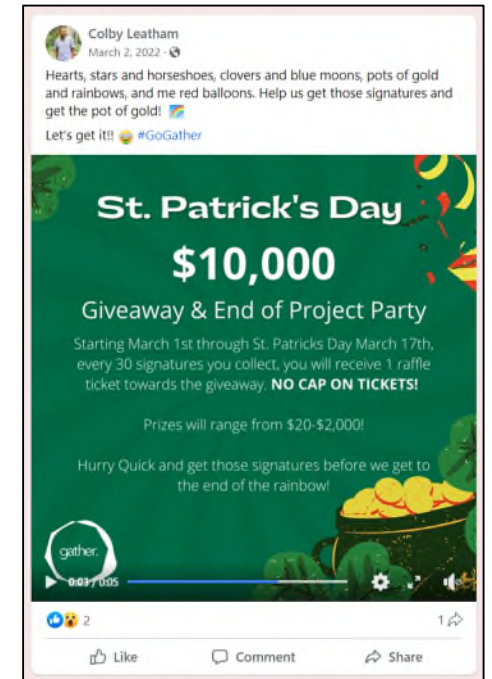
- Company created to gather signatures.
- No apparent active website or publicly listed phone number.*
- Owners: Tanner Leatham, Spencer Stokes, Casey Hill.

* Google search results on 6/27/23 provided limited information but included hits from LinkedIn and news articles from Desert News and KSL.com. On 6/28/23 the first link offered was a Facebook page (see screencap to the right).



Is it legal to hire someone to collect signatures?

- Absolutely. Signature gathering is a common practice and multiple companies perform the service.
- Gather Utah promotes signature gathering jobs in Utah and elsewhere.



People have said waiting until November is no big deal. How can the petition effort affect Bountiful Fiber?

- Agreement – our agreement with UTOPIA stipulates that financing be obtained 90 days after contract approval (which was on May 23). A successful petition effort will result in a missed deadline, meaning the end of the contract unless amended.
- Interest Rates – Interest rates may be higher six months from now. This would lead to a more expensive bond and higher costs for customers.
- Time - Construction was to begin in July. A petition to force a vote in November will mean the loss of the entire 2023 construction season.
- Cost – UTOPIA Fiber’s bid to build the system was provided in December 2022. They have kept that pricing through contract approval (six months +) but have said they might need to increase the customer charge if construction is delayed.
- Materials - UTOPIA purchased materials in 2022 in anticipation of a project in 2023 with someone. Bountiful was first to execute an agreement. Other cities may now take our place in line using materials in stock. We would then need to pay 2024 costs for materials.

Residents have asked, “How can I remove my name from a petition I have already signed?”

If you wish to remove your name from any petition circulating on this topic, visit this link on Bountiful’s website to download the proper forms: [Request to Remove Name from Petition](#)

The completed forms need to be returned to Bountiful City.

To learn more about the City’s plans for Bountiful Fiber, please visit www.BountifulUtah.gov/Bountiful-Fiber