

CLEARFIELD CITY COUNCIL MEETING MINUTES
7:00 P.M. POLICY SESSION
August 9, 2016

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Keri Benson	Councilmember
	Kent Bush	Councilmember
	Nike Peterson	Councilmember
	Vern Phipps	Councilmember
	Bruce Young	Councilmember
STAFF PRESENT:	Adam Lenhard	City Manager
	JJ Allen	Assistant City Manager
	Stuart Williams	City Attorney
	Scott Hodge	Public Works Director
	Spencer Brimley	Development Services Manager
	Greg Krusi	Police Chief
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Summer Palmer	Administrative Services Director
	Rich Knapp	Finance Manager
	Brian Hogge	Senior Accountant
	Terrence Jackson	IT Manager
	Nancy Dean	City Recorder
	Kim Read	Deputy City Recorder

VISITORS: Kammie Watt – Boy Scouts, Steven Bishop, Caleb & Gordon Mitchell – Boy Scouts, Bob Bercher, Boy Scout Troop 572

Mayor Shepherd called the meeting to order at 7:00 p.m.

Mayor Shepherd informed the citizens present that if they would like to comment during the Public Hearing or Citizen Comments there were forms to fill out by the door.

Councilmember Benson conducted the Opening Ceremony.

APPROVAL OF THE MINUTES FROM THE JULY 26, 2016 WORK AND POLICY SESSIONS

Councilmember Peterson moved to approve the minutes from the July 26, 2016 work and policy sessions as written, seconded by Councilmember Bush. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Peterson, Phipps and Young. Voting NO – None.

PUBLIC HEARING TO RECEIVE PUBLIC COMMENT ON 1) TRUTH IN TAXATION TO CONSIDER MAINTAINING THE CITY'S TAX RATE AT 0.001800, 2) THE BUDGETED TRANSFER OF RESOURCES FROM THE WATER FUND TO THE GENERAL FUND, AND, 3) THE ADOPTION OF THE 2016/2017 FISCAL YEAR BUDGET

The Clearfield City Council held a public hearing on the proposed budget on June 14, 2016. The Council was now proposing to adopt the fiscal year 2016/2017 budget, which included a certified tax rate of 0.0018. That proposal would maintain the same tax rate as the last few years, but would be higher than the certified tax rate of 0.001664 proposed by the County, consequently requiring a "truth in taxation" hearing. The proposed budget also included a transfer of resources from the Water Enterprise Fund to the General Fund, with an estimated value of \$100,000 (for water used at City-owned facilities), which also required a public hearing. City staff had prepared and submitted to the Council a balanced final budget for FY 2016/2017, which began July 1, 2016 and ends June 30, 2017.

Rich Knapp, Finance Manager, reminded the Council of the budget process thus far and reviewed specifics included in the staff report associated with the proposed budget:

- The proposed budget placed the City in a healthy position.
- \$1.6 million of the General Fund reserves were appropriated for projects.
- Phase 2 of the City Maintenance and Operation Center would be cash funded.
- \$1.27 million appropriated for the reconstruction of 700 South.
- \$125,000 appropriated for the Steed Park ball field electrical upgrades.
- Merit Increase of 2.5 percent included.
- Health Insurance increase of 5.3 percent included.
- New positions of staff engineer, additional park maintenance specialist, part time street sweeper included.
- Converting part time to full time, public works administrative assistant included.

He identified the new sources of income with the Council:

- \$330,000 in transportation funds from Proposition 1.
- \$130,000 increase in Sales Tax funds.
- Anticipating \$200,000 in PARAT Tax revenue.

Mr. Knapp stated the rate calculated by Davis County was 0.001664 and announced the City was proposing the rate be maintained at 0.001800, as had been done since 2011. He explained maintaining the certified tax rate would bring in an additional \$176,000 which would be appropriated toward the previously discussed projects. Mr. Knapp shared a visual presentation illustrating how property tax was calculated and explained the Truth in Taxation process emphasizing if the process was never used, property tax revenue would remain the same from year to year. He summarized Truth in Taxation was necessary for sustainability. He shared information on "How Truth in Taxation Affects Residents" and stated if the City maintained the tax rate of 0.0018, the average resident would pay approximately \$12.79 more per year in property tax. He also reviewed how property taxes were disbursed and those services which were funded via property tax. He asked if there were any questions and there were none.

Mayor Shepherd announced he had received a letter expressing opposition against what the author interpreted as a tax increase and reported he had responded to the letter via phone call and to clarify the residents' misunderstanding that Truth in Taxation was a tax increase. He pointed out just as an individual's income increases from year to year to accommodate for cost of living expenses, the City needed to maintain the tax rate on the increased property value to meet increase costs.

Mayor Shepherd opened the public hearing at 7:15 p.m.

Mayor Shepherd asked for public comments.

There were no public comments.

Councilmember Bush moved to close the public hearing at 7:16 p.m. seconded by Councilmember Benson. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Peterson, Phipps and Young. Voting NO – None.

CITIZEN COMMENTS

Steve Bishop, resident, expressed concern regarding the North Davis Sewer District (NDSD) rate increase for another year. Councilmember Bush, the City's representative to the District, suggested Mr. Bishop visit the District and participate in a tour to witness firsthand how the facility operated. He explained the need for environmental and capacity upgrades since it was built in the 1950s. He stated some of the waterlines and sewer lines installed under roadways also needed to be upgraded. Mr. Bishop expressed concern there seemed to be no end for those types of increases. Mayor Shepherd emphasized the increase was a pass through from the District because it had bonded to fund its improvements to the system.

Councilmember Bush explained some of the processes at the District and emphasized the new equipment operated more efficiently.

Mr. Bishop again expressed concern about the cost of his water bill and inquired why the City watered its facilities during the day. Adam Lenhard, City Manager, explained due to the numerous irrigation stations in City facilities it wasn't feasible to only water during nighttime hours and believed the City was efficient in its watering. He introduced Mr. Bishop to Eric Howes, Community Services Director, and Curtis Dickson, Deputy Director, and also invited Mr. Bishop to tour the City's facilities.

Mayor Shepherd pointed out the City purchased its culinary water from Weber Basin Water and as it increased water rates the City passed that on to the residents and clarified residents were billed based upon usage.

APPROVAL OF RESOLUTION 2016R-18 SETTING THE TAX RATE FOR ALL REAL AND PERSONAL PROPERTY IN CLEARFIELD AT 0.0018

Councilmember Phipps stated he was familiar with the process and understood the concepts and philosophies of Truth in Taxation, but expressed concern with the philosophical problem

associated with property taxes. He stated in light of the PARAT Tax and the Proposition 1 Transportation Tax, he believed the increased amount to the City's residents was too much under the current circumstances.

Councilmember Young defended the increase and believed the City was always looking for ways to efficiently provide services to its residents. He believed the increase was needed to keep pace with costs associated with infrastructure improvements and public safety and police officer compensation. He mentioned he also had some of the same concerns expressed by Councilmember Phipps about potential ongoing increases long term.

Mayor Shepherd commented on the need to increase compensation for City employees specific to public safety as well as other employees. He stated he would also like to see something different in the future to offset the City's dependence on property tax.

Councilmember Bush pointed out the transportation tax and gas tax were specifically for road improvements and transportation systems and clarified the City wasn't raising the rate and the property tax would only increase if the value of the house increased. He expressed his opinion that a ten dollar increase in property taxes was acceptable since the value of his property had increased \$12,000 in the past year. He believed the increase was a small amount to pay to have adequate infrastructure and a qualified police force.

Councilmember Peterson expressed her opinion the City was doing better than it had in years and stated she appreciated the small predictable increases each year as opposed to a large unpredictable increase in one year.

Councilmember Benson pointed out the City was very conservative in its appropriations during the budget process.

Councilmember Phipps emphasized he was fully supportive of the rate changes specific to the police officers' salaries and expressed his opinion that approving to maintain the tax rate would not impact the wage increases to City staff.

Councilmember Young added the small increase associated with maintaining the tax rate might not have a significant impact today but it would benefit the residents and the City by not having to adopt a tax increase in the future. He emphasized property tax, as defined by the State of Utah, was the only real flexibility for revenue that the City had. He continued that flexibility was to either maintain the current revenue or maintain the current rate in order to keep up with increased costs that may be associated with inflation. He believed this was currently the only way to provide for long term needs.

Councilmember Benson moved to approve Resolution 2016R-18 setting the tax rate for all real and personal property in Clearfield at 0.0018 and authorize the Mayor's signature to any necessary documents, seconded by Councilmember Bush. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Peterson and Young. Voting NO – Councilmember Phipps.

APPROVAL OF RESOLUTION 2016R-19 ADOPTING THE FISCAL YEAR 2016/2017 BUDGET

City staff prepared and submitted to the Council a balanced final budget for fiscal year 2016/2017 which began July 1, 2016 and ends on June 30, 2017.

Councilmember Peterson moved to approve Resolution 2016R-19 adopting the fiscal year budget for 2016/2017 and authorize the Mayor's signature to any necessary documents, seconded by Councilmember Benson. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Peterson, Phipps and Young. Voting NO – None.

APPROVAL OF THE FINDINGS OF FACT, CONCLUSIONS AND RECOMMENDATIONS ON THE REVOCATION OF THE RELAX HEALTH CENTER BUSINESS LICENSE

On July 14, 2016 an appeal hearing took place regarding the revocation of the business license for Relax Health Center by the City's business license official.

Stuart Williams, City Attorney, reviewed the history associated with the Relax Health Center and the City's business license requirements and subsequent complaint, investigation and revocation of the business license. He reported the business owner appealed that decision and an appeal hearing took place on Thursday, July 14, 2016. He stated the hearing officer upheld the business license official's decision to revoke the business license based on substantial evidence. He reported the hearing officer had provided the Council with the Findings of Fact, Conclusions and Recommendation that the Revocation of the Business License be upheld. He recommended the Council follow the hearing officer's recommendation.

Mayor Shepherd asked if there were any questions after reading the Findings of Fact submitted by the hearing officer and there were none.

Councilmember Young moved to approve and adopt the Findings of Fact, Conclusions and Recommendations on the revocation of the Relax Health Center Business License and authorize the Mayor's signature to any necessary documents, seconded by Councilmember Peterson. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Peterson, Phipps and Young. Voting NO – None.

FISCAL YEAR 2016 YEAR END UPDATE

Rich Knapp, Finance Manager, stated Fiscal Year 2016 was over and reviewed highlights with the Council:

- PARAT tax revenue was \$210,000.
- Sales tax revenue was higher than it had ever been.
- Revenues were higher by approximately \$643,000 than anticipated.
- Expenditures were lower by \$1.1 million than budgeted.

He reviewed the historical data reflecting revenue, expenditures and changes in fund balance for the last three years and pointed out the budget had anticipated spending down the fund balance

reserve by \$800,000 and reported final figures reflected the cash reserve had actually increased by approximately one million dollars. He emphasized the figures were draft only and indicated the final numbers wouldn't be known until December.

He reviewed the following economic trends:

- Point-of-Sale tax revenue was the best indicator of the local economy and anticipated sales tax revenue would exceed anticipated figures by approximately \$280,000.
- General Fund revenues were \$643,000 higher than budgeted, mostly due to Sales and PARAT tax revenue.
- Intergovernmental expenses were lower than budgeted due to the 911 phone system being delayed for grant funding.
- Class C road revenues' last distribution was being held by the State because of a legislation issue. The intent of the legislation led the City to believe more funds would be recognized.
- Proposition 1 monies of \$60,000 had been received.

He referred to the historic expenditures of all funds and pointed out the following:

- \$342,000 remained in the personnel budget
- \$1,000,000 for materials & services
- \$4.3 million for capital outlay.

He reported the City went over the budgeted amount for transfers and explained that was specific to the inter fund issue which was previously explained and discussed during a previous work session.

Mr. Knapp concluded most everything was as expected or under budget. He referred to the highlighted figures in the draft document and pointed out the following:

- Muni Telecom License Tax was decreasing and the State Tax Commission didn't have a good reason or explanation as to why.
- Building Permits weren't as high compared to 2015 but were in line with 2014.
- Aquatic Center revenue had increased over last year.
- Interest earnings had increased.

He reviewed the revenues specific to the Enterprise Funds with the Council.

He reviewed expenditures specific to the General Fund with the Council. He explained he had included the clarification notes reflecting the reasons for any differences. He emphasized Fiscal Year 16 was overall a very good year and asked if there were any questions.

Councilmember Benson asked what had been used during the current budget process to estimate fuel costs for this next year since the City recognized a savings in fuel costs over the past year. Mr. Knapp responded he couldn't remember but believed actuals had been used and believed a buffer was also in place.

Councilmember Peterson clarified the projects which weren't completed over the past year would be carried over the next year.

COMMUNICATION ITEMS

Mayor Shepherd

1. Mentioned the City's Night Out Against Crime which took place on Tuesday, August 2, 2016, at the Aquatic Center was the best ever.
2. He expressed appreciation to the City's Police Department in light of the shooting incident which took place on August 2, 2016.
3. Reported on the F-35 celebration at HAFB which took place during the past week. He stated he had met with the Secretary of the Air Force, Chief of Staff of the Air Force, and the Head of Air Combat Command earlier in the day. He stated they all had commented about the support from the community, specifically Clearfield and Layton.
4. Announced he had the privilege to attend the promotion of Colonel Berkel to Brigadier General and indicated she was Utah's first female general and the first female commander of the National Guard. He also mentioned prior to her promotion all five colonels under the previous existing general were women and that fact had been highlighted in the Air Force Magazine.
5. Informed the Council that he, Adam Lenhard, City Manager, and JJ Allen, Assistant City Manager, had met with UTA in the past week to discuss the progress of Clearfield Station.
6. Stated the Inter-generational Poverty partnership would be meeting again in Salt Lake on Wednesday, August 10, 2016
7. Commented the North Davis Fire District (NDFD) had been extremely busy within the past few weeks and shared some of its recent experiences.
8. Announced that the HOPE Center backpack block party with the Kiwanis Club would take place on Saturday, August 13, 2016, from 4:00 p.m. to 7:00 p.m. next to the Star Café. He stated they were raising funds to provide after school backpacks for low income students. He mentioned their goal was to provide 500 backpacks.
9. Expressed appreciation to City Manager, Adam Lenhard, for his dedication associated with the fire at Belcham and the recent incident with the Police Department. He commended him for taking his City Manager role very seriously.

Councilmember Benson

1. Informed the Council that she had received an email from William Black inviting the elected officials to a National Federation of the Blind in Utah luncheon on Saturday, August 20, 2016, at 11:00 a.m. in Roy. She stated she would have Adam Lenhard email the additional information for those interested in attending. She mentioned the organization had 11 had participants in the RAGNAR race and had placed and the details about the participation as explained to her were amazing.
2. Expressed appreciation to staff members for their assistance in educating members of the Council and for their efforts in keeping the City financially sound.

Councilmember Bush

1. Mentioned the success of the Night Out Against Crime and stated it was always fun to participate in events like that with the residents.
2. Reported he had attended a Crisis Leadership Training in Salt Lake and indicated he would forward the book to Adam Lenhard, City Manager, if anyone was interested. He believed members of the Council should experience some crisis training.
3. Expressed appreciation to the residents attending the meeting and specifically mentioned the Boy Scouts and Scout leaders.

Councilmember Peterson

1. Announced she and Councilmember Benson had met with the Circles Leadership Team in conjunction with the Family Connection Center to assist low income residents to overcome poverty. She

explained how the program was implemented and stated the organization was looking for volunteers and businesses willing to assist in various ways with participants. She mentioned the team had expressed interest in presenting the program to the Council during a future work session.

2. Expressed appreciation to the City's police and fire personnel. She mentioned it had been a difficult few weeks and believed the impact to residents, in both situations, had been mitigated due their professionalism.

Councilmember Phipps – nothing to report.

Councilmember Young

1. Expressed agreement with previous comments regarding the City's Night Out Against Crime. He mentioned both the Police Department's and North Davis Fire District's participation in the event. He expressed appreciation for the cooperation, participation and support from the local businesses for their donations of food and other events which contributed to the event's success.

2. Informed the Council that Davis Council Mosquito Abatement had been involved in verifying and investigating that there were no mosquitos carrying the Zika virus in Utah. He added no mosquito born Zika had been identified.

3. Requested he be excused from the City Council on Tuesday, August 23, 2016.

STAFF REPORTS

Adam Lenhard, City Manager – nothing other than his monthly update previously provided to the Council.

Nancy Dean, City Recorder

1. Expressed appreciation to the Council and Staff for their support and condolences at the recent loss of her mother.

2. Informed the Council that the Utah League of Cities and Towns meetings would be held the second week of September and to let her know if they were interested in attending so she could get them registered.

3. Informed the Council of the following meeting schedule:

- Tuesday, August 16, 2016 - Work session at 6:00 p.m.
- Tuesday, August 23, 2016 – Policy session with a work session before

There being no further business to come before the Council, **Councilmember Bush moved to adjourn as the City Council and reconvene as the Community Development and Renewal Agency (CDRA) at 8:15 p.m., seconded by Councilmember Benson. The motion carried upon the following vote: Voting AYE – Councilmembers Benson, Bush, Peterson, Phipps and Young. Voting NO – None.**

The minutes for the CDRA are in a separate location

**APPROVED AND ADOPTED
This 13th day of September, 2016**

/s/Mark R. Shepherd, Mayor

ATTEST:

/s/Nancy R. Dean, City Recorder

I hereby certify that the foregoing represents a true, accurate, and complete record of the Clearfield City Council meeting held Tuesday, August 9, 2016.

/s/Nancy R. Dean, City Recorder