

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
March 29, 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
	Jacob Fordham	Assistant City Attorney
	Scott Hodge	Public Works Director
	Greg Krusi	Police Chief
	Laura Lewis	Emergency Services Manager
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Summer Palmer	Administrative Services Director
	Rich Knapp	Finance Manager
	Lee Naylor	Accountant
	Terrence Jackson	IT Manager
	Nancy Dean	City Recorder
	Kim Read	Deputy City Recorder
EXCUSED:	JJ Allen	Assistant City Manager
	Stuart Williams	City Attorney

VISITORS: There were no visitors.

Mayor Shepherd called the meeting to order at 6:03 p.m.

UPDATE ON THE SEWER BACKUP AND GOODWILL POLICY

Summer Palmer, Administrative Services Director, provided information regarding each residence affected by the sewer backup on January 4, 2016. She identified each residence on a City map and explained how the claims had been addressed by the homeowners' insurance companies and by City's insurance. She explained how insurance companies had considered submitted claims specific to depreciation amounts and requested direction on how the City should proceed in moving forward. She reported the remaining expenses to the homeowners totaled approximately \$15,000 and asked the Council's perspective on whether the residents had been made whole and a discussion took place. The Council expressed its desire to pay the difference between the depreciation gap and what was received through the insurance claims made by the homeowners/residents in order to make them "whole." Ms. Palmer suggested that might set a precedent in handling similar claims in the future.

Councilmember Phipps expressed concern some of the affected residents hadn't pursued claims through their own private insurance carriers. Ms. Palmer stated she was also concerned about that and reminded the Council the current policy required the resident to proceed through the claim process with his/her private insurance carrier. She reminded the Council that the City's insurance accepted the claims because it believed the City was responsible in the most recent situation. She remarked the policy regarding those types of claims could reflect language that in instances where the City's insurance company paid on the claim it wouldn't be a requirement for a claim to be submitted to the homeowner's insurance company. She added the policy could still require the claim be processed through the homeowner's private insurance carrier in circumstances where it was determined the City had no responsibility.

Councilmember Bush suggested homeowners would be hesitant to submit a claim to their private insurance company out of fear of a rate increase in the future. Ms. Palmer responded that was a valid concern. Councilmember Benson pointed out the City wouldn't be aware of any previous claims made by homeowners which could also impact why a residents wouldn't want to notify their carrier.

Ms. Palmer explained the documentation process used by the City to support the submitted claims. Councilmember Young inquired if there was any risk the private insurance carriers would request reimbursement from the City's insurance carrier since it was accepting responsibility. Ms. Palmer responded the City's insurance carrier expected subrogation from the private carriers.

Ms. Palmer explained other costs associated with the sewer backup and repair.

Councilmember Young asked if there were measures the City should be taking to mitigate future risk. Scott Hodge, Public Works Director, stated the incident being discussed was caused by silt and sand from a water leak filling the sewer lines and indicated nothing could prevent it from happening again. He emphasized funds were appropriated every year for regular sewer line maintenance but stated nothing could guarantee against future incidents.

Councilmember Young asked how often the City experienced similar issues. Ms. Palmer responded approximately two or three per year. Mayor Shepherd interjected those previous circumstances didn't affect as great a number of property owners as the current instance. Ms. Palmer reminded the Council about a sewer backup experienced in June and explained how that had been resolved.

Ms. Palmer shared three separate possible scenarios and suggested the Council determine how the City should respond to future claims based on the examples. She continued once an incident occurred, staff would assess the situation and place it in one of the three categories to make a determination on how the claim should proceed. She reminded the Council that staff recently included an education mailer in the utility bill identifying those items which shouldn't be disposed in the sewer lines.

Ms. Palmer cautioned the Council regarding possible future claims denied by the City's insurance carrier due to lack of evidence of liability on behalf of the City. She explained if a similar situation took place and the claims were denied by the City's insurance carrier the costs to the City could be extensive. She reported the costs to make the residents whole for the most recent incident was between \$260,000 and \$400,000 and a discussion took place. The Council concluded education would be a key component for informing residents what responsibility was theirs to ensure coverage from their insurance companies.

Ms. Palmer clarified the Council had directed her to pay the remaining expenses in order to make residents whole regarding the most current incident. She continued staff would draft a policy based on the following: fault, no-fault, possible liability; when fault was involved consider a "make whole" scenario identifying specific expenses. Mayor Shepherd asked to include the requirement for residents to file a claim with their homeowner's insurance providers.

DISCUSSION ON PROCLAMATIONS

Mayor Shepherd explained the City received requests for the Council to approve a proclamation declaring an honorary day for varying organizations. He suggested the Council determine requirements for approving proclamation and solicited direction from the Council and a discussion took place.

Councilmember Phipps believed the Council should express its support of organizations located in Clearfield or benefitting Clearfield residents. Mayor Shepherd suggested the City should consider whether the City would want its name associated with the organization. Councilmember Young suggested the organization/benefit should fit within the vision of the City. The Council expressed agreement with those ideas and Mayor Shepherd directed staff to proceed with that policy.

DISCUSSION ON THE DAVIS COUNTY LIBRARY – CLEARFIELD BRANCH

Eric Howes, Community Services Director, stated he had been asked to contact Davis County to determine its future plans for libraries and learned the County was in the process of assembling a new Capital Improvement Plan. He reported he then drafted a letter expressing the City's interest in having a new upgraded library within its boundaries.

Councilmember Bush inquired if the City would need to help facilitate a new library. Mayor Shepherd explained the City might need to partner with the County in determining a location. Councilmember Phipps inquired if the City was competing against other entities in getting a new library, and if so, he suggested the City would need to make its case stronger with a follow up letter. A discussion took place regarding possible locations for a library within the County and City. The Council directed Mr. Howes to draft a new letter with a more active tone.

DISCUSSION ON A PROPOSED STREET LIGHT AUDIT

Eric Howes, Community Services Director, reminded the Council that the City had been working with McKinstry to complete an energy performance audit and reported a component of that was

specific to the City's street lights. He explained the City would need to determine if it wanted existing street lights to be replaced with LED, a more efficient energy use, and reported the City had received a new list which reflected sixty-six percent of the city's street lights were currently owned by Rocky Mountain Power. He clarified the City's power bill included power, maintenance and profit from the lights/poles located within the City. He indicated if the City purchased the lights it would cost the City approximately one third of the current costs associated with the street lights. He explained the requirements included an audit of the number of lights/poles of Rocky Mountain Power prior to purchasing the lights and reviewed the estimated costs. He emphasized if the Council wanted the City to move forward with the purchase a decision would need to be made soon. He announced the purchase costs would be approximately \$430,000 and the cost recovery of that from the energy savings was just under five years with a maintenance fund built in. Councilmember Benson verified the poles would remain the same but the light fixture would be changed. Mr. Howes responded the long term goal would be to replace the existing fixtures with LED and explained the maintenance plan.

Mr. Howes asked the Council if it was comfortable with contacting Rocky Mountain Power to complete an audit at an approximate cost of \$10,000. Mr. Howes explained what would be included in the audit and stated it would take five months to complete and the Council discussed whether to complete the audit at this time.

The Council directed staff to move forward in requesting the audit with Rocky Mountain Power. Mr. Lenhard stated a budget amendment would be required for the expenditure.

The Council took a break at 7:10 p.m.
The meeting resumed at 7:15 p.m.

DISCUSSION ON THE 2016/2017 FISCAL YEAR BUDGET

Adam Lenhard, City Manager, announced there would be several work sessions specific to the FY 2017 budget and explained staff had been working daily to close the gap between requested expenditures and projected revenues. He mentioned staff was still working with limited revenues and had prioritized the requested projects based on direction received from the Council.

Rich Knapp, Finance Manager, shared an outline of the items which would be discussed during the meeting:

- All Funds Budget Summary
- General Fund Unrestricted Balance (Reserves)
- Major Operational Expense Changes
- Debt
- Revenues
- Capital Expenditures

He explained the purpose of budgeting and shared the budget summary of all funds highlighting the following:

- Healthy reserves in all funds to assist with the public works shops facility project.
- Funds from the general fund would be transferred for capital projects.

- The City's unrestricted fund balance exceeded the allowed 25 percent.
- He shared an illustration reflecting a historic summary of General Fund revenues.
- He reviewed the FY17 sources of revenue, proposed expenditures and operation costs specific to the General Fund
- He explained the GFOA (Government Finance Officers Association) recommendation of having no less than two months of operating revenues in unrestricted fund balance and a discussion took place regarding how much unrestricted fund balance the City should have.

Summer Palmer, Administrative Services Director, reviewed personnel expenditures:

- Personnel changes - Mr. Lenhard further explained the need for some of the personnel changes pointing out the need for a staff engineer.
- Medical benefit premium increase of approximately 5.3 percent.
- Compensation - Ms. Palmer stated a 2.5 percent merit increase was included in the draft budget and informed the Council that the consulting firm had recommended appropriating \$100,000 toward market adjustments. Mr. Lenhard emphasized the final direction relative to compensation would come from the Council following the consultant's detailed presentation sometime in May. Ms. Palmer stressed the completed market analysis was very good.
- Travel and training.

Mr. Knapp reviewed the Outstanding Debt History and Ratings specific to the following:

- GO Bond
- Debt Retirement of the five obligations - Mr. Lenhard pointed out the City had made excellent progress and believed the City would always have debt because revenues didn't always allow opportunities to cash fund projects.
- Bond ratings.
- Top revenue sources for all funds.
- General Fund revenues.
- General Fund historical summary and reviewed differences from the previous budget year.

Mr. Knapp reminded the Council a rate study was needed and indicated those results could change the revenue figures. He also reviewed

- Sales Tax collection percentages.
- Energy Use Tax - Mr. Lenhard explained the purpose of the energy use tax to the Council and how it allowed the energy provider to pay its share for using public right of way to operate a private enterprise.
- Property tax.
- Governmental Revenue specific to the Aquatic Center.
- Fines/Forfeitures.
- Enterprise Revenues – water and sewer charges.

He asked if the Council had any questions related to revenues and there were none.

Mr. Knapp reviewed figures related to street funding and shared a comparison from FY16 to FY17. He announced the City had identified one large road reconstruction project (700 South, 1000 West to 1500 West) to be completed in the upcoming budget year. Mr. Lenhard emphasized the City had made significant headway related to street/road maintenance and expressed his opinion the new revenues would be a great improvement. Scott Hodge, Public Works Director, pointed out the City would be trying new products specific to maintenance to prolong the life of the City's roads in the upcoming budget year.

Mr. Knapp reviewed the Major New Capital Projects:

- Maintenance and Operation Center Phase II
- 700 South, 1000 West-1500 West
- Financial & Community Development Software Upgrade - Councilmember Young inquired if current processes would need to be modified with new software implementation. He suggested the City look at what the software product could do and determine if it met all the needed goals and then determine from that point whether it would change processes. Terrence Jackson, IT Manager, explained all software packages being considered would require process changes and would also require additional training and conversion time for specific departments. He continued based on that the new software wouldn't go live until around the first of next year.
- Storm Project – Freeport “H” Street, 3rd Street to 5th Street
- Steed Ball field Electrical
- Customer Service Center to consolidate “front counter” functions - Mr. Lenhard mentioned there were still some items to consider specific to how the Court could be incorporated. He also mentioned the 311 phone system previously discussed might not be right based on the size of the City. He stated the space for the Customer Service Center had already been identified. He also mentioned there was also a personnel component for consideration. Ms. Palmer mentioned the identified employees for the Customer Service Center had already been included in discussions with the consultants completing the compensation analysis regarding their benchmarking for the responsibilities specific to the new “Customer Service” positions.

Mr. Knapp reviewed the unfunded projects:

- Natatorium lights (aquatic center pool lights)
- Play pool structure
- Street lights LED
- Building maintenance “set aside”

Mr. Lenhard pointed out the Council could choose to fund any of these items by using fund balance.

Mr. Knapp reviewed Capital Expenditures from the General Fund specific to each department and discussions took place regarding the following:

- IT – 4 in-car camera replacements for Police: desktop replacements: networking phase I
- He reviewed the items specific to Interdepartmental Service which included: machinery & equipment and vehicle replacement – articulating tractor, tack oil machine with trailer, 3 police interceptors, F-250, dump and plow/sander, F-350 truck, F-250 truck.

- Buildings & Plants – Arts Center Architectural design, City Hall water heaters, holiday lighting
- Parks – bridge planters
- Open Space – 200 S 50 E vault landscaping, Canal Trail resurfacing, Rail and Canal Trail landscaping, Rail Trail resurfacing - Mr. Knapp mentioned any of those items specific to Open Space could be funded using PARAT tax revenues as opposed as the General Fund.
- Aquatic Center – diving board, leisure pool spa system controllers
- Cemetery – lighting the flag pole area, sprinkler laterals, trailer - Mr. Knapp explained the cemetery expenditures would be funded by using the perpetual cemetery fund care.
- Parks Capital Projects – Island View design, Steed ball field lights, Trails Master Plan, Trainwatch playground - A discussion took place regarding Trainwatch Park and the proposed playground structure.

Mr. Knapp reviewed the following Capital Projects:

- Buildings – Customer Service Center and the Maintenance and Operations Center (Public Works/Parks facilities)
- Streets
- Open Space – SR 193 Landscaping near 200 South Trail & Center Street
- CDBG project – 350 West Project

Mr. Knapp reviewed expenditures related to Enterprise Funds.

Mr. Lenhard asked if the Council had any concerns regarding items/projects which should be readdressed by staff regarding possible funding. Councilmember Bush inquired about the gateway signage. Mr. Howes responded he was still in the process of soliciting bids.

Mayor Shepherd mentioned a future discussion would need to take place identifying projects for the use of PARAT Tax funding.

The meeting adjourned at 8:54 p.m.

APPROVED AND ADOPTED
This 26th day of April, 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, March 29, 2016.

/s/Nancy R. Dean, City Recorder