

CLEARFIELD CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY
MEETING MINUTES
6:00 P.M. WORK SESSION
April 10, 2018

(This meeting was held during the regularly scheduled City Council Work Session.)

PRESIDING:	Kent Bush	Chair
PRESENT:	Nike Peterson	Director
	Vern Phipps	Director
	Tim Roper	Director
	Karece Thompson	Director
EXCUSED:	Mark Shepherd	Director
STAFF PRESENT:	JJ Allen	City Manager
	Summer Palmer	Assistant City Manager
	Stuart Williams	City Attorney
	Scott Hodge	Public Works Director
	Greg Krusi	Police Chief
	Eric Howes	Community Services Director
	Spencer Brimley	Community Development Director
	Rich Knapp	Finance Manager
	Trevor Cahoon	Communications Coordinator
	Nancy Dean	City Recorder
	Wendy Page	Deputy Recorder

VISITORS: Kathryn Murray

Chair Bush called the meeting to order at 6:00 p.m.

Director Thompson arrived at 6:06 p.m.

DISCUSSION ON THE FISCAL YEAR 2018/2019 CDRA BUDGET

JJ Allen, City Manager, reviewed a map of the existing redevelopment areas for the Community Development and Renewal Agency (CDRA). He explained there were currently six active project areas which included five Redevelopment Areas (RDAs) and one Economic Development Area (EDA). He mentioned the Clearfield Station Community Development Area (CDA) had not yet been triggered and at some point it might be terminated; however, the Station Area Plan could help provide direction on either repurposing the CDA or starting over altogether.

Mr. Allen explained the CDRA received tax increment from each of the active project areas which was its primary source of revenue. He highlighted the tax increment revenues for each of the project areas which were anticipated for Fiscal Year 2019 (FY19). He noted other revenues

were from interest earnings, rent revenues, or possibly some miscellaneous revenues. Mr. Allen asked if there were any questions relating to CDRA revenues.

He continued all the RDAs service the debt for the Sales Tax Revenue Bond payments associated with the Clearfield Aquatic and Fitness Center totaling \$772,482 for FY19. Mr. Allen explained the expenditure amounts for the debt were calculated and portioned appropriately to the five RDAs to utilize funds from some and build healthy balances in others such as RDA 6 because it had the latest expiration date and would be needed to service the debt in later years. He stated both the Sales Tax Revenue Bond payment and administration costs were transferred to the General Fund for associated expenses.

Mr. Allen reviewed other expenditures in the CDRA draft budget including incentive payments, interest on the Enterprise Fund Loan, and property insurance. He noted incentives payments would be paid in FY19 to ATK as agreed. He also indicated an approximate payment of \$40,000 would be due for the City Centre project which would be paid post performance and based on taxes paid in November 2018.

Director Phipps questioned why the rate for administration costs was so much higher for RDA 8. Mr. Allen explained there was not a regulated percentage which could be used towards administrative costs; however, staff tried to budget about 10 percent towards administrative costs for the lifetime of the project and RDA 8 had the ability to fund more based on those calculations.

Director Bush wondered why some RDAs reflected a deficit balance for FY19 and how those were handled. Mr. Allen explained Fund 20 represented all the monies for the CDRA and there was an overall healthy balance; however, during a given year some RDA accounts would be drawn on such as RDA 7 and RDA 10 in FY19 and others which continued to build larger balances for future uses as reflected in RDA 6.

Director Peterson asked what the total balance for Fund 20 was currently in order to consider the impact of its use for repaying the City on its purchase of the Clearfield Mobile Home Park (CMHP). Mr. Allen reported the latest Comprehensive Annual Financial Report (CAFR) had the Fund 20 balance in excess of \$5,000,000. Director Peterson stated if the CDRA agreed to pay the approximate 2.5 million dollars to make the City whole on the CMHP purchase it would have half of its previous fund balance remaining. She wondered if the State had any requirements on the balance which CDRA's were required to maintain. Mr. Allen responded the State did not have any restrictions on the fund balance CDRA's were required to carry.

Director Peterson expressed her concern about long term maintenance and associated costs for the Aquatic Center which would impact the General Fund. She questioned if the General Fund could use excess revenue from the CDRA fund in the future towards long term maintenance of the Aquatic Center once the debt service was paid. There was a discussion about tax increment revenue; asset maintenance long term needs; and options for future funding. Mr. Allen concluded the CDRA had a healthy fund balance; however, there was very little latitude because it would impact the long term budget planning of all projects. He acknowledged some monies were

remaining from EDA 2 in Fund 20 which could be used to accomplish the discounted sale of the CMHP if desired in the future.

Director Phipps expressed his appreciation for the long term planning involved in conjunction with yearly budget preparations.

Director Roper moved to adjourn as the CDRA and reconvene as the City Council in work session at 6:21 p.m., seconded by Director Thompson. The motion carried upon the following vote: Voting AYE – Directors Peterson, Phipps, Roper, and Thompson. Voting NO – None.

The City Council work session minutes are in a separate location.

**APPROVED AND ADOPTED
This 22nd day of May, 2018**

/s/Kent Bush, Chair

ATTEST:

/s/Nancy R. Dean, Secretary

I hereby certify that the foregoing represents a true, accurate, and complete record of the Clearfield City Council meeting held Tuesday, April 10, 2018.

/s/Nancy R. Dean, City Recorder