

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:45 P.M. WORK SESSION
June 11, 2019

City Building
55 South State Street
Clearfield City, Utah

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Kent Bush Nike Peterson Tim Roper Karece Thompson	Councilmember Councilmember Councilmember Councilmember
EXCUSED:	Vern Phipps	Councilmember
STAFF PRESENT:	JJ Allen Summer Palmer Stuart Williams Kelly Bennett Mark Baird Adam Favero Eric Howes Spencer Brimley Rich Knapp Lee Naylor Trevor Cahoon Nancy Dean Wendy Page	City Manager Assistant City Manager City Attorney Police Chief Interim Public Works Director Utility Superintendent Community Services Director Community Development Director Finance Manager Accountant Communications Coordinator City Recorder Deputy Recorder

VISITORS: Chris Uccardi, Devin Prouty, Jaden Rosencrans, Michael Rolow, Ruth Jones, Tyler Watkins

Mayor Shepherd called the meeting to order at 6:45 p.m.

DISCUSSION ON THE FISCAL YEAR 2020 BUDGET

Rich Knapp, Finance Manager, pointed out there were a few changes to the budget since the tentative budget was adopted on May 14, 2019. He reviewed the changes to the revenues and expenditures.

Revenues:

- Property tax was increased to match the certified revenues - \$100,297
- Enterprise indirect cost allocation was increased - \$101,632
- Sewer charges increased - \$85,000

- Sewer interest earning increased - \$10,000

Mr. Knapp stated the Sewer Fund had a very tight budget but thought it would not create any issues. He expressed his opinion that it would be worth conducting a more in-depth review of the Sewer Fund and other Enterprise Funds in the near future.

Expenditures:

- Health insurance premiums went up 7.5 percent for a total increase of \$110,000. The tentative budget was decreased \$142,600 because it was initially anticipated to be a 22 percent increase of premiums.
- General Plan updates expense line item was increased \$20,000 for a total budget of \$95,000.
- The Utah League of Cities and Town increased its fee so an additional \$571 was budgeted for that expense.
- Public meeting expense was initially at \$3,500 but increased so the new budgeted expense would be \$7,000.
- Development incentive for the Clearfield Station Apartments would roll over \$63,000 from the FY19 to the FY20 CDRA budget.
- Setup new office space for the legal division was added of \$25,000.
- Found and removed a duplicate part-time street position which reduced the expenses by \$22,000.
- Increased the property and liability insurance costs by \$13,200.

Councilmember Peterson questioned if the public meeting expense had been accounted in the past with contingency funds, and clarified moving the \$3,500 from contingency would just be a better way to recognize the use of those funds. She added it was not necessarily a proposed increase but a more transparent recognition of what was already being spent. JJ Allen, City Manager, responded the public meeting expense line item was over spent in the FY19 budget. Mr. Knapp added the overall Mayor and Council budget was not over budget, just the public meeting expenditures; therefore, the increase was proposed to the line item if the Council desired to continue using the funds as it had done in the past. Councilmember Peterson confirmed staff needed a better way to account for the use of those funds.

Councilmember Peterson expressed her surprise that the Clearfield Station Apartments had any development incentive still associated with its project because occupancy had been in place for a while. Mr. Allen explained when the CDRA entered into its development agreement to move the project forward it committed to a tax increment incentive. He reported the next step of entering the agreement for the tax increment incentive was not taken previously because it was presumed the project area was dormant. He noted once staff learned the County had triggered Tranche 1 of the Clearfield Station Community Development Area (CDA), it became necessary to complete the agreement for the tax increment incentive. He stated staff was still working on the details of the tax increment financing participation agreement and it would be coming before the CDRA Board for its consideration soon. He noted it would reimburse the developer for the costs associated with public infrastructure improvements incurred with the project.

Mr. Knapp reviewed the City's measures of security and sustainability. He pointed out the available General Fund cash by the end of FY20 was budgeted at 19.2 percent of revenues and it had \$462,000 above two months of operating expenditures. He indicated the General Fund ongoing revenues and expenditures were \$413,000 above the breakeven point which was much better than anticipated in the tentative FY20 budget.

Councilmember Bush moved to adjourn the work session and reconvene in policy session at 6:51 p.m., seconded by Councilmember Peterson. The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Peterson, Roper, and Thompson. Voting NO – None. Councilmember Phipps was not present for the vote.

**APPROVED AND ADOPTED
This 25th day of June, 2019**

/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, June 11, 2019.