

the average household would see zero change. Mayor Shepherd commented property values had not seemed to be affected by the pandemic so based on last year there should still be a significant increase. JJ Allen, City Manager, mentioned if the City were to recapture the General Obligation (GO) bond portion of the property tax it would be necessary to go through the truth-in-taxation process. He explained there would not be any property data provided from the County until June so the household increase had been estimated based on historical data. Mr. Knapp suggested the timetable for budget adoption would be based on whether or not the Council was planning to go through the truth-in-taxation process.

Councilmember Thompson expressed his understanding the reason for truth-in-taxation in FY21 was to allow for more time in the budgeting process to better understand the economic impacts of the pandemic. Mr. Allen stated it was one of the strategies for holding truth-in-taxation but another would be to secure additional property tax revenue and for recapturing at the very least the GO Bond payment portion of the certified tax rate. Mr. Allen noted the FY21 budget would have major impacts if property taxes for the GO Bond portion were not recovered through truth-in-taxation. Councilmembers Bush and Roper voiced support for truth-in-taxation to maintain the certified property tax rate. Councilmember Phipps stated he was convinced maintaining the rate for the GO Bond portion would make sense because it would help to repay the City's bond acquired for the Mabey Place redevelopment; however, his opinion on any other levy had not changed; he was opposed.

Councilmember Thompson asked what the difference would be in tax dollars from FY20 to FY21. Mr. Knapp answered if truth-in-taxation was held and the rate were maintained it would result in an increase of \$499,000 in revenue to the General Fund for FY21; however, if the rate were maintained for the GO Bond portion only the increase would be \$361,000 in revenue. Mr. Allen added if the average household increase were \$11 per year, the rough projection amounted to an additional \$136,000 of new revenues above the GO Bond portion of the rate.

Councilmember Thompson wondered what the breakdown percentages were for property tax revenues and what portion came from residential properties. Mr. Allen highlighted the chart sent to the Council by email which showed roughly 41 percent of the property tax revenues were from residential sources. He explained that 41 percent could be applied to property tax revenues to determine the portion of the levy attributed to residential; accordingly, 59 percent could be the portion of the levy from commercial and industrial, business personal, and centrally assessed property owners. He elaborated centrally assessed properties were those utilities or railroad properties that operated as a unit but values were set and apportioned to Clearfield based on what existed within the municipality boundary. There was a discussion about property tax values, estimations, the City's obligation for the GO Bond payment, and truth-in-taxation.

Mr. Knapp indicated his understanding was the Council seemed favorable to holding truth-in-taxation to recapture the GO Bond portion of property tax in FY21; however, the future debate would be whether or not to capture the portion of the tax rate for future growth. Mayor Shepherd responded that was correct.

Mr. Knapp reviewed the General Fund estimated revenues used in preparation of the FY21 budget. He mentioned revenues were estimated on historical data and highlighted any change in revenue from FY20 for the following sources:

- Licenses and permits (building permits were difficult to project) - \$377,200 no change

Councilmember Phipps questioned if there was any reduction in development anticipated because of the pandemic. Mr. Allen responded there had been no indication of a reduction and the development projects in the City were continuing to move forward. He explained the difficulty in planning for building permit revenue was due to uncertainty in knowing when developers would be ready to obtain permits. There was a discussion about the potential projects that could be ready for permits in FY21 and some of the current development projects underway.

Mr. Knapp continued with the review of revenues planned for FY21.

- Inter-Governmental
 - Increase of \$25,000 to Class C Roads (fuel tax)
 - Increase of \$96,000 to County Transportation (local fuel tax)
- Charges for Services
 - Increase of \$42,000 for Plan Check Fee to match historic data
 - Decrease of \$100,000 to Clearfield Aquatic and Fitness Center (COVID-19 impact uncertain)
 - Projected \$1.2 million for FY20 before shut down
 - Net increase of \$23,000 to Recreation (COVID-19 impact uncertain)
 - Decrease of \$20,000 to Recreation based off historic data
 - Increase of \$43,000 for Home School rental revenue

Councilmember Phipps requested further understanding about the decreases. Mr. Knapp explained the revenues for the Aquatic and Fitness Center (CAFC) and recreation were based on if things were open and functioning as normal by July 1, 2020; however, if operations did not resume by that date there would be additional impacts on revenues. He noted historically the revenues for CAFC and recreation programs had decreased; therefore, the review and any implementation of the fee study recently conducted for the Community Services department could change the actuals.

Councilmember Phipps asked if the intent would be to discuss the fee study and roll out updates to the fees and then adjust the budget numbers for FY21. Mr. Howes, Community Services Director, responded a joint meeting with the Parks and Recreation Commission was planned for May 19, 2020. He pointed out once the Council had reviewed the recommendations and settled on a plan for implementation then staff could move forward with any changes.

Mr. Knapp continued the review of the revenues budgeted for FY21.

- Fines and Forfeitures
 - Decrease of \$5,000 in Fines/Forfeitures
 - Increase of \$6,000 to Code Enforcement Fines
- Miscellaneous Revenue
 - Decrease of \$38,000 to Donation Revenue – the amount always matched Aquatic equipment replacement

- May need to reconsider Investment Earnings
- Contributions and Transfers
 - Decrease of \$30,000 in Administration Transfers from the CDRA

Mr. Allen explained as the project areas of the Community Development and Renewal Agency (CDRA) neared end of life there would be less resources available to transfer to the General Fund and in theory there would be less administration as well.

Mr. Knapp reviewed the Enterprise revenues anticipated from utility rates.

- North Davis Sewer District – no increase
- Wasatch Integrated – no increase
- City Utility Increase beginning January 2021 based on the study done previously and good through 2025:
 - Water Base Fee – 3 percent increase
 - Sewer – 2 percent increase
 - Storm – 5 percent increase
 - Total \$0.95 per month or \$11.41 for the year
- Garbage and Recycling Collection fee increase of 3.2 percent beginning July 2020 to the City
 - The fuel protection clause had a net decrease to all containers of \$0.03
 - Additional trash container up \$0.08 cents (City loss of \$0.36 per month, per can)
 - Recycling increase of \$0.14 (higher if Wasatch Integrated Facility was not online by July 1)

Mr. Knapp mentioned the City's cost for the additional trash container from Waste Management was \$7.86 in contrast to the City's fee charged residents monthly of \$7.50. He questioned if the Council would be in favor of increasing the rate so the City was not taking a loss on the additional cans. Mr. Allen pointed out adjustments would need to be made to the Consolidated Fee Schedule if the Council was interested in reducing the annual loss to the City for the additional trash can. The consensus of the Council was to increase the rate charged for the additional garbage cans so the City was no longer taking a loss. Mr. Knapp wondered if the Council would like to increase the fee to \$7.90 or an even \$8.00 to account for the increase in 2021. Mayor Shepherd recommended the fee be increased to \$8.00 and there was no disagreement voiced from the Council. There was a discussion about the correlation between Wasatch Integrated services and the fees charged by Waste Management for recycling. Councilmember Bush wondered if the \$8 fee for additional trash cans could be implemented on July 1, 2020 rather than waiting until January 1, 2021. Mr. Allen suggested if the utility rates were changed it could be good to implement them all at once.

Councilmember Peterson arrived electronically at 6:40 p.m.

Mr. Knapp highlighted the estimated revenues allocated for street projects in FY21. He explained the Capital Road Plan recommended \$500,000 of surface treatment per year; however, historically in the prior three years only \$400,000 had been budgeted. He stated staff proposed to increase the budget for surface treatment \$100,000 in FY21 to \$500,000. He continued there was a new proposal to set an additional \$500,000 aside for future projects. He commented the

numbers could be adjusted later and better aligned to revenues received from B and C Road Funds and County Transportation funds.

Councilmember Phipps asked why there was a proposal to set aside funds and if there were specific projects planned for use of those funds. Mr. Knapp answered there were many projects planned for over the next ten years and some of those might be completed with the set aside funds. Adam Favero, Public Works Director, commented the set aside funding could be the contingency money for the 500 West Roadway Expansion Project; however, there was other potential funding sources for that project as well. Mr. Knapp said that could be an option if the Council decided to use it for that purpose. He explained street expenditures needed to be higher than the revenues so the set aside money would show as an expenditure but the money would be put towards future projects. There was a discussion about the scenarios where setting aside funding could be useful for future projects.

Mr. Knapp reviewed major new capital projects budgeted for streets in FY21. He indicated there were some projects which would be split between multiple funding sources.

- 975 South 1480 West Reconstruct - \$1.58 Million
 - \$280,000 - Streets, \$666,000 - Water, \$518,000 - Sewer, and \$117,000 Storm

Councilmember Phipps requested staff identify how the City selected projects to fund for a given year in certain areas when other roads might appear to have needs and not be scheduled for updates. Mr. Favero explained there were many factors which determined the selected roads including when areas of the City were seeing problems with water or sewer lines. He added if the City needed to excavate the road for other issues it was helpful to have roadway funds so road issues could be addressed as well.

Councilmember Phipps wondered if the project on 975 South 1480 West had other related issues since the costs were distributed among multiple funds. Mr. Favero confirmed it was and said there had been many water leaks in that area. Mr. Allen mentioned the project selection process was true for all of the City's systems. He noted staff and engineering reviewed the systems and then determined where the pressing needs were and if there was any overlap on a given street it made sense to tackle all the work as a comprehensive project. Mr. Knapp provided some background as to how projects were selected for prioritization and budgeting. Councilmember Phipps thanked staff for the explanations.

Mr. Knapp continued with the review of major new capital projects for streets.

- Island View Park Streetlights, along 1800 South from Main Street to 200 East - \$46,000

Councilmember Bush wondered if the lights were for the park. Mr. Favero answered the lights were not for the park but for the street along 1800 South. Mr. Allen commented the project came to staff as a recommendation from Council because there were currently no streetlights on that road. Councilmember Peterson stated safety had been a challenge in the area and she supported the project. Chief Bennett indicated he fully endorsed the streetlight project.

Mr. Knapp continued with the review of major new capital projects for streets.

- Davis Weber Canal Crossing at University Park Boulevard Reimbursement - \$20,000

- Sips Development 1000 East State Street project - \$13,300
 - \$7,300 Streets, \$6,000 Storm

Mr. Allen explained Sips planned to build and had asked the City to reimburse costs for work performed to straighten curb and gutter and asphalt along 1000 East from about Wendy's parking lot to the intersection. Councilmember Bush asked if the cost to the City was only a portion of the total cost involved. Mr. Allen confirmed it was a portion not the total cost.

Mr. Knapp explained the next major new capital project was proposed for water projects. He noted if the project was not in the Water Capital Project Plan it might not be eligible for impact fees.

- State Street Phase 2 – 1000 South to 1000 East 10 inch waterline - \$500,000
 - Not part of the Clearfield Station Project

Councilmember Phipps stated he understood there would be some realignment of State Street as part of the Clearfield Station Project and wondered if that project should be coordinated with the realignment. Mr. Allen acknowledged years ago there was some discussion about a realignment for 1000 East in conjunction with development at Clearfield Station but that was no longer the case so the project could proceed on its own and no coordination was necessary.

Councilmember Thompson asked if capacity was the reason for the project. Mr. Favero answered the waterline currently had a four inch (4") line and more capacity was needed plus it had outlasted its lifespan. Mr. Allen commented the budgeted project would be Phase 2 of the project. He indicated Phase 1 of the project would install a new ten inch (10") waterline from 450 South to 700 South. Mr. Favero acknowledged Phase 1 would be bid in FY20.

Councilmember Bush moved to adjourn the work session and reconvene in policy session at 6:58 p.m., seconded by Councilmember Thompson. The motion carried upon the following vote: Voting AYE – Councilmember Bush, Peterson, Phipps, Roper, and Thompson. Voting NO – None.

The meeting reconvened at 8:15 p.m.

Mr. Knapp backtracked to review the costs associated with Waste Management for clean-up dumpsters. He explained the City was currently offering the neighborhood clean-up program where residents could obtain a dumpster for a fee of \$50 then the City subsidized the remainder of the cost which would be close to \$150 or \$200 in FY21 depending on the weight. There was a discussion about the service, numbers of participation, expenditure increases, and whether or not the City should raise its rates for dumpsters fees. The consensus of the Council was to raise the fee to \$75 which would help recover some of the costs but allowed a reduced price for residents that might not have other options available for cleanup efforts. Mayor Shepherd directed staff to work the new numbers into the FY21 budget.

Mr. Knapp reviewed the major new capital projects for sewer.

- G Street Sewer Phase 4 additional - \$335,000
 - All phases together were budgeted at \$1.2 million

He continued highlighting the major new capital projects for storm. He explained the storm funds would be completely maxed out from the project; however, there would be funds for operations but no more cash on hand for future projects until more cash was acquired.

- H Street Phase 1, 2, 3, and 4 – add \$527,000 for phase 3 and \$880,000 for Phase 4

There was a discussion about storm funds regarding the reduction of cash on hand; contingency or emergency fund options if there was a need; historical annual operating expenses; and that the largest use of the monies was for capital projects. Mr. Knapp stated no new projects would be recommended for storm funds until cash on hand could be collected. He indicated there were some things that had not been fully vetted, but there was the possibility if all monies in the storm fund were utilized it could impact Phase 3 of the Maintenance Operations Center (MOC) which currently identified a need for storm funds toward that project.

Mr. Knapp stated the FY21 budget was proposed to have an additional \$30,000 for more MOC yard pavement in Phase 2. He explained the amount would be split out of five funds, \$6,000 each from the general fund, water fund, sewer fund, storm fund, and garbage fund. He stated the design proposed MOC Phase 3 would add \$200,000 which would be split between the same five funds for \$40,000 each.

Councilmember Phipps requested more details about what was included with Phase 3. Mr. Favero answered it would consist of the construction of a new utility maintenance and mechanics shop building; construction of new parking and paving; demolition of the existing mechanics shops; and construction of a new fence and automatic gate. There was a discussion on how the project could be funded or further evaluated should cash on hand be a concern which included the possibility of bonding if it was opportunistic due to lower interest rates or if there would be a break in construction costs due to the economic times.

Councilmember Phipps wondered if this would be the final phase. Mr. Favero confirmed it was. Mr. Knapp acknowledged costs were higher than anticipated.

Mr. Knapp moved on to reviewing FY21 major capital projects for buildings. He explained if a project had a strikethrough then it had been pulled from the budget that had been included with the agenda packet previously.

- ~~CAFC: lap pool liner - \$110,000~~
- CAFC: lap lane markers - \$6,000

Councilmember Phipps asked if there would be a greater risk or cost associated with waiting to replace the lap pool liner. Mr. Howes responded the project was removed from the FY21 budget proposals because the CAFC could not afford another shut down as it was currently experiencing due to the pandemic in order to replace the liner in 2020. He stated staff felt it would be best to replace the liner in FY22 during the regular shutdown in the fall of 2021 so the project could wait until next year's budget. Councilmember Phipps appreciated the explanation for the delay. There was a discussion about work having been done during the current facility shutdown in hopes of avoiding another shutdown in the fall of 2020.

Mr. Knapp continued reviewing the FY21 major capital projects for buildings.

- CAFC: Natatorium blinds - \$35,000
- CAFC: Plexiglass for pool toy rather than netting replacement - \$10,000
- CAFC: Master Plan - \$20,000

Mr. Howes explained the master plan would be to hire an architectural firm to look at the CAFC and recommend upgrades and plans for the future. Councilmember Phipps wondered if the recommendations would be for structural or usage purposes. Mr. Howes responded potentially both. He acknowledged the intent would be for the center to service the entire family and a master plan could help guide the future of the facility. There was a discussion about increasing the usability of the facility, the possibility of recommendations for structural changes, and obtaining professional advice for future programming and uses. Councilmember Peterson voiced her support of the capital project even during the current economic downturn because it could be valuable data used in future decision making. Mr. Knapp pointed out revenues had been decreasing at the CAFC so a master plan could help keep it more marketable. He recommended before the Mabey Place bond repayment were due, the money obtained by maintaining the GO Bond portion of the property tax rate could be used for making updates to the CAFC or as a means to afford proposed changes that were recommended in a master plan. Councilmember Phipps expressed his opinion that was a good idea.

Mr. Knapp reviewed additional major capital projects for buildings.

- City Hall: Common area painting project - \$150,000
 - Public lobbies, Council and Court Chambers
- Arts Center: First floor renovation set aside - \$150,000
 - Total of \$300,000 cost split between FY21 and FY22 work being completed during the summer of 2021.

Mr. Knapp continued reviewing major new capital projects for parks.

- Kiwanis Park: Resurface basketball and tennis courts - \$25,000
- Fisher Park: Resurface basketball court - \$15,000
- CAFC driveway island: create hardscaped walking and landscaping - \$20,000
- Skate Park: Replace lighting at Skate Park or Steed complex LED - \$150,000

Councilmember Bush asked whether there were a greater need for lighting replacement at the Skate Park or Steed Park. Mr. Howes responded the skate park had more hours of lighting so it would see the most savings. He said the existing poles could be used at either place but was not sure if \$150,000 would be enough to cover the lighting project at Steed Park. Councilmember Peterson voiced her recommendation for the Skate Park lighting over Steed Park to have the most cost savings. Councilmember Roper agreed and suggested the Steed Park lighting be placed in FY22 budget. There was a discussion about advantages for light replacements which included electrical cost savings, reduced maintenance costs, and a reduction in spillover lighting to the neighborhoods. Councilmember Phipps asked if the Steed Park lighting project would be next. Mr. Howes indicated it was at the top of the priority list.

Mr. Knapp continued with proposed FY21 major new capital projects for parks.

- Central Park: add restroom - \$90,000

Councilmember Bush asked if the water and sewer hookup work was included in the costs. Mr. Howes indicated it was included. Councilmember Phipps questioned if any of the proposed projects were using PARAT tax revenue. Mr. Knapp responded no. Councilmember Bush expressed his opinion it would be a great project for PARAT tax revenue.

Mr. Knapp continued with proposed FY21 major new capital projects for parks.

- Replace playground at Kiwanis Park - \$65,000

Councilmember Bush reported there was the possibility of obtaining a donation from the Kiwanis Club towards the playground equipment for Kiwanis Park. He added the project would be a great consideration for PARAT tax revenue also. Mr. Howes commented the Kiwanis Park playground replacement project was selected because it was in the most need of updates and General Fund revenue was planned for it as a part of the City's strategy to improve one park each year. Councilmember Peterson agreed with Mr. Howes that the project should be funded with the General Fund revenues and felt it would keep the City on a good replacement schedule. She added any Kiwanis donations would be a great benefit as well.

Mr. Knapp indicated the Cemetery expansion project might have been removed from the proposed FY21 budget. Councilmember Peterson asked if the project had been phased as discussed previously. Mr. Howes explained the first phase for the design had been completed and the engineer's estimated total cost for the project was \$500,000. He reported \$250,000 had been budgeted in FY20. Mr. Allen mentioned it had been discussed during budget meetings to delay the project's completion until summer of 2021 and bridge two budget years instead of FY20/FY21 it would be FY21/FY22. He pointed out it would not make a difference to the FY21 budget but a delay could help the year end fund balance of FY20 and the beginning fund balance for FY21. Councilmember Peterson voiced that suggestion would be prudent.

Mr. Knapp highlighted some of the items which had been cut from the FY21 budget for now that might be restored later depending revenue actuals.

- Veteran's Monument - \$100,000
- City Hall multi-purpose room A/V replace - \$26,000
- CAFC daycare counters and facing - \$6,500
- City Hall replacement of appliances - \$15,000
- City Hall tile re-grout - \$8,000
- City Hall west entrance renovation - \$250,000
- CAFC concrete leveling project - \$20,000
- CAFC natatorium area wooden doors replacement \$7,500

Councilmember Phipps indicated the Veterans Monument had been discussed for years and he would like to see that project completed. Mr. Allen asked if there was another or multiple projects which should be cancelled to prioritize the Veterans Monument. Councilmember Thompson wondered why there was such a great cost for the project if it was proposed for the City Hall roundabout. Curtis Dickson, Community Services Deputy Director, itemized some of the proposed modifications and upgrades necessary to recreate the area as a Veterans Monument. Councilmember Peterson agreed it seemed the project was always getting rejected and would be tough to put it off another year. She pointed out the City Hall interior lobby painting project was

roughly the same price so suggested it could be pushed back or possibly another to keep the Veterans Monument in FY21. There was a discussion about the project costs, the process of scrutiny by staff over the projects proposed in the budget as well as those cut temporarily, and the ability for the Council to reprioritize projects. Councilmember Roper voiced his opinion on the importance of caring for existing facilities over building a monument. Mayor Shepherd commented the Veterans memorial in Layton City did not get visited as much as anticipated and wondered if it was a necessity for every city to have its own monument. Mayor Shepherd expressed his opinion that in a year of budget crunching it might be difficult to explain to residents why the City was building a Veterans Monument instead of caring for the maintenance of existing facilities.

Councilmember Phipps mentioned the Skate Park lighting project might also be dispensable and reprioritization would be necessary to select those projects which were of the highest priority. Mayor Shepherd expressed his opinion that the Skate Park lighting could be cut and replaced with the City Hall west entrance step replacement project because it was much needed. He indicated there were many projects on the list and suggested moving further discussion to another evening.

Mr. Allen recommended members of the Council contact him individually with suggestions for projects that should be cut or postponed to allow for the Veterans Monument or other projects of priority. He pointed out all of the projects on the list were proposed to be cut and restored later if the funding became available.

Mr. Knapp indicated there were just a few more slides in the budget presentation that had not been discussed but those could be addressed during the next work session in addition to the new material that had been emailed to the Council. Councilmember Peterson requested the information be provided to the Council for the budget discussion prior to the meeting to allow time for its review. Mr. Knapp responded all the planned items for discussion had already been sent. She apologized stating she thought he had new material that had not yet been distributed. He replied the only new item was the updated presentation which included six additional slides not provided with the original presentation.

Councilmember Peterson moved to adjourn at 9:15 p.m., seconded by Councilmember Thompson. The motion carried upon the following vote: Voting AYE – Councilmember Bush, Peterson, Phipps, Roper, and Thompson. Voting NO – None.

**APPROVED AND ADOPTED
This 12th day of May, 2020**

/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, April 14, 2020.

/s/Nancy R. Dean, City Recorder