

CLEARFIELD CITY COUNCIL MEETING MINUTES  
7:00 P.M. POLICY SESSION  
August 11, 2020

City Building  
55 South State Street  
Clearfield City, Utah

*The meeting was held electronically via Zoom Meeting address:*

Zoom Meeting  
<https://us02web.zoom.us/j/89868847022>  
Meeting ID: 898 6884 7022

PRESIDING VIA  
ZOOM MEETING:

Mark Shepherd                      Mayor

PRESENT VIA  
ZOOM MEETING:

Kent Bush                              Councilmember  
Nike Peterson                          Councilmember  
Vern Phipps                            Councilmember  
Tim Roper                                Councilmember  
Karece Thompson                      Councilmember

STAFF PRESENT  
VIA ZOOM MEETING:

JJ Allen                                    City Manager  
Summer Palmer                          Assistant City Manager  
Stuart Williams                        City Attorney  
Kelly Bennett                            Police Chief  
Scott Manookin                         Police Lieutenant  
Aaron Velasquez                        Police Officer  
Adam Favero                             Public Works Director  
Braden Felix                             City Engineer / Deputy PW Director  
Eric Howes                                Community Services Director  
Spencer Brimley                        Community Development Director  
Brad McIlrath                            Senior Planner  
Rich Knapp                                Finance Manager  
Lee Naylor                                Accountant  
Trevor Cahoon                          Communication Coordinator  
Nancy Dean                                City Recorder  
Wendy Page                                Deputy Recorder

VISITORS: Gaylan Colledge, Mike Arave, Loren Pearce, Nina Wolf, Cheryl, JoHanna Allred, Suz. L,

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

Mayor Shepherd informed those present via the Zoom Meeting if they wanted to comment during the Public Hearings or Open Comment Period they could do so through the Zoom Meeting chat option as outlined on the agenda. He explained all comments would be shared during the meeting after the public had been allowed sufficient time to participate.

Councilmember Roper led the opening ceremonies.

APPROVAL OF THE MINUTES FROM THE JULY 16, 2020, WORK SESSION; JULY 7, 2020, WORK SESSION; AND THE JULY 14, 2020, POLICY SESSION

**Councilmember Bush moved to approve the minutes from the July 16, 2020 work session; July 7, 2020 work session; and July 14, 2020 policy session; as written, seconded by Councilmember Roper. The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Peterson, Phipps, Roper and Thompson. Voting NO – None.**

SWEARING-IN OF NEW CLEARFIELD POLICE OFFICER AARON VELASQUEZ

Police Chief Kelly Bennett said Aaron Velasquez was home-grown starting his employment with the City originally in the Public Works department. He noted Officer Velasquez had graduated from the police academy on July 30, 2020. He pointed out the academy took longer than usual because of the COVID-19 pandemic. He stated Officer Velasquez experienced online learning as well as in person learning which was occasionally postponed because of potential exposures. He acknowledged the City was fortunate to have him as a new officer.

Nancy Dean, City Recorder, administered the Oath of Office to the new Clearfield Police Officer Aaron Velasquez.

Mayor Shepherd opened both public hearings and the open comment period at 7:08 p.m.

TRUTH IN TAXATION HEARING TO RECEIVE PUBLIC COMMENT ON THE CERTIFIED TAX RATE AND THE FISCAL YEAR 2021 BUDGET

Rich Knapp, Finance Manager, stated Utah Code required cities to hold a public hearing regarding adoption of the upcoming fiscal year budget. He mentioned staff prepared and submitted to the Council a fiscally responsible and sustainable tentative budget for fiscal year 2021 (FY21) which began July 1, 2020 and ended June 30, 2021. He described the budget process and pointed out the tentative budget was adopted on May 12, 2020. Mr. Knapp mentioned the changes to the budget since the tentative budget was adopted were discussed during work session on August 4, 2020.

He indicated the FY21 budgeting process began in January and when the COVID-19 pandemic hit the numbers were reworked. Mr. Knapp pointed out all the items in the budget showed a commitment to make Clearfield a place where people wanted to be. He mentioned despite the pandemic the City was financially healthy. He stated the budget included revenues and transfers in the governmental funds of \$20,410,091; operating expenditures and transfers out of \$17,827,305; capital expenditures of \$4,614,802, which left a decrease in available cash of

\$2,032,016. Mr. Knapp reported the decrease in available cash planned to spend down the General Fund reserves to accomplish one-time capital projects. He highlighted the budget summary of the Enterprise Funds which included Water, Sewer, Storm Water and Garbage revenues, expenses, and changes in available cash.

He reviewed the main sources of the City's revenues and expenditures. He highlighted the following major changes in the FY21 budget:

- Decreased sales tax revenue projection by 15 percent – \$420,000
  - COVID shutdown
- Increased general property tax projection – \$455,000
  - Decreased property tax for bond - \$345,000
- Increase to health insurance premiums of 7 percent
- Personnel market/merit increases were included but would not take effect July 1 and future date was still to be determined
- Moved utility billing function from Customer Service to Finance
  - Results in one new position
- Since FY20, one part-time position was reduced in the Court
- Parks, Arts, Recreation, Aquatics, and Trails (PARAT) funded one year for incremental cost from part-time to full-time Arts Supervisor

Mr. Knapp pointed out the following major projects were being funded in the FY21 budget:

- Street surface treatment – \$500,000
- Street reconstruction projects set aside – \$435,000
- Arts Center renovation set aside – \$150,000
- PARAT tax funded 2<sup>nd</sup> floor Arts Center renovation – \$250,000
- PARAT tax funded dog park at Barlow Park – \$50,000
- Restroom in Central Park – \$90,000
- Replace Kiwanis Park playground – \$65,000
- Kiwanis and Fisher Park basketball courts resurface
- Streetlights added along 1800 South by Island View Park

Mr. Knapp stated the FY21 budget was secure and sustainable. He stated staff recommended the Council approve the FY21 budget and asked if there were any questions.

Councilmember Bush stated the Kiwanis Club would be contributing money to the Kiwanis Park project and asked if the amount would be necessary to include in the budget. Mr. Knapp responded it would be nice to show the donation but it was not necessary because the City was allowed to exceed the budgeted amount of revenues.

Mr. Knapp reviewed last year's certified tax rates and pointed out the average home value increased 4.2 percent. He explained the City received the calculated tax rate from the County which was 0.001185. He noted the City was proposing to maintain the same tax rate as the prior year of 0.001437. Mr. Knapp mentioned the new rate would result in the average single-family home valued at \$246,000 to pay 4.2 percent more in property tax or \$7.90 for the year. He reviewed the City's tax rates since 2016 to compare how the General Operations and General

Obligation (GO) Bond portions contributed to the total rate. He acknowledged the proposed rate for FY21 was to maintain last year's tax rate and utilize the GO Bond portion that would be cut in half and put the amount towards general operations. Mr. Knapp acknowledged the notice required by the State presented what appeared to be a large tax increase; however, the actual tax rate would be the same as FY20. He compared the operations revenue, debt revenue and total dollar revenues for FY21 with the calculated rate for FY21 and the prior year FY20. He acknowledged the total increase to the City revenue over the prior year would be \$91,951 if the tax rate was maintained.

Mayor Shepherd summarized how the City received its property tax rate from the County. He said with a growing city new growth could help increase revenues, but Clearfield was almost entirely built out and could not get much additional tax revenue for new growth. He stated the City was redeveloping but there were not many new single family homes to account for new growth. He indicated the City would need to maintain the rate to keep up with inflation. Mayor Shepherd pointed out the Council had not maintained the rate for the past three years, but in his opinion it was good solid policy to maintain the rate so the rates would not have to be raised. He pointed out the wage increase for employees was factored into the budget but the Council planned to make sure the economy stabilized before it was implemented. He acknowledged the budget was tight but it was conservative.

Councilmember Bush noted the City could not continue to cut the tax rate year after year and have enough money to do the things that were needed. He indicated if the tax rate had been maintained since 2016, the City would have had more money to do the projects that ended up being cut from the budget.

Mayor Shepherd pointed out the GO Bond would be paid off and that money would be reallocated towards other needs of the City. JJ Allen, City Manager, mentioned the City was only one of several entities receiving revenues from property taxes and its portion was about ten to twelve percent of the total property tax bill. He commented the larger portion of the property tax went to the school district; the County and fire district were some of the other entities that also received a portion of the property tax revenues.

Once the public hearing was closed Mayor Shepherd asked for the public comments to be shared. Nancy Dean, City Recorder, shared the two public comments which were submitted online prior to the meeting.

IN FAVOR

None.

OPPOSED

*Hollyann Bell*, resident, completed the online comment form and she wrote "apartments are going up everywhere. We don't raise the taxes please. We should be receiving enough money from the taxes of the owners of these new great big apartments that the city allowed building. Our city is turning into Ogden number two – apartments going up everywhere."

*Loren Edward Pearce*, resident, completed two online comments forms and in the first he wrote “against proposed tax rate and tax amount increase on property taxes. Two years in a row taxes are increased due to alleged increase in property values and for other reasons. I am on a fixed income but don’t qualify for the low income exceptions. Reduce services, but don’t increase taxes.” The second form said “against tax rate and tax amount increase. I am on a fixed income but don’t qualify for low income exemption. We should not have to sell our homes to recoup what we lose in tax increases. Mortgage companies increase escrow deductions 3 times more than actual tax increase.”

Trevor Cahoon, Communication Coordinator, read the following comments from the Zoom meeting chat:

*Gaylyn Colledge*, resident, commented “a 20 percent tax increase, really, why?” He later wrote in the chat “I think you answered my question in the slide presentation.”

*Loren Edward Pearce*, resident, wrote “Not \$7.90 for me on a 160,000 taxable value, my taxes went up \$100. Two years in a row, tax increase out of my pocket, not break even but an increase and with COVID 19 I have been hit economically, I had a part time job where now I am not working. I can't force my employer to keep paying me, but you can force me to pay increased taxes for two year in a row, you need to take into consideration the COVID impact, if it means reduced services, then so be it. No \$7.90 for me”

*Suz. L.*, resident, commented “most households I know saw a decrease in their income in the last few months. According to all of the economists I have listened to, we are currently in a depression with harder times on the way. It would be wise to cut expenses and decrease spending, not increase.

*JoHanna Allred*, resident, typed “I feel like you need to listen to the voice of the people. People aren’t getting paid more in their jobs, their families are going to suffer because the city wants to spend more money. Food, housing, insurance, the means to live are all getting more expensive but jobs aren’t paying more. You as a city council have the power to do the right thing and not increase taxes.”

Mr. Knapp indicated someone had commented their taxable value was higher. He reported the example used in the presentation to the Council was based on the City’s average home value which would make the tax increase \$7.90 for the average property owner in the City.

PUBLIC HEARING TO RECEIVE PUBLIC COMMENT ON THE PROPOSED TRANSFERS OF RESOURCES FROM THE ENTERPRISE FUNDS TO THE GENERAL FUND FOR WATER USED BY THE CITY’S GENERAL OPERATION AND THE COST OF PROVIDING SERVICES NECESSARY FOR THE FUNDS TO OPERATE IN THE FISCAL YEAR 2021 BUDGET

Rich Knapp, Finance Manager, indicated the City’s Fiscal Year 2021 (FY21) budget included transfers from the Enterprise Funds to the General Fund. He noted the City’s utility bill had

included notice of the proposed transfers. He explained one of the transfers recognized the water used by the City's general operations for which the City's water fund was not compensated. He noted other transfers compensated the General Fund for the cost of providing services necessary for the funds to operate. Mr. Knapp reviewed the transfers proposed: \$202,268 from the Utility Admin Fund, \$341,468 from the Water Fund, \$340,135 from the Sewer Fund, \$220,246 from the Storm Water Fund, and \$49,492 from the Solid Waste Fund.

Once the public hearing was closed Mayor Shepherd asked for the public comments to be shared.

There were no public comments.

Following the staff presentations on each of the public hearing items, Mayor Shepherd reported the public comment period had expired.

**Councilmember Peterson moved to close both the public hearings at 7:36 p.m. seconded by Councilmember Thompson. The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Peterson, Phipps, Roper and Thompson. Voting NO – None.**

#### OPEN COMMENT PERIOD

Mayor Shepherd acknowledged time had been provided for the open comment period and asked if any comments had been submitted. Trevor Cahoon, Communication Coordinator, replied there had been no comments received.

There were no public comments.

#### APPROVAL OF RESOLUTION 2020R-11 SETTING THE TAX RATE FOR ALL REAL AND PERSONAL PROPERTY IN CLEARFIELD AT 0.001437

Mayor Shepherd pointed out comments were made about cutting services. He explained many things were cut from the FY21 budget. He noted setting the tax rate at 0.001437 would be maintaining the rate, and it was not to increase the tax rate. He mentioned the City was not spending frivolously; rather, it was being very conservative. Mayor Shepherd indicated the City was hit by COVID and lost revenues when it shut down the Clearfield Aquatic and Fitness Center (CAFC) and many other areas were hit but maintaining the rate would keep the City moving forward.

Councilmember Thompson stated he was on board to maintain the tax rate last year because the economy was at a high. He suggested the City have a policy in place to go through the truth in taxation process every year or at least every other year. He thanked residents for their comments because it validated his concern that people were hurting right now. Councilmember Thompson agreed with Mayor Shepherd, the City was not going to live high on the hog because it was paying off its bond, the budget was conservative. He commented the CAFC was something the City did to provide an amenity for the City and with that choice incurred debt. He expressed gratitude for the comments which reminded him of his concerns. He pointed out no matter the

decisions made by the Council, he understood things were different this year. He mentioned inflation was the ultimate battle worth fighting when determining and setting the tax rates.

Councilmember Phipps commented he was a fiscal conservative and believed in limited government. He felt in general as a state, Utah was careful with those kinds of things. He stated many of the campaign materials he had received expounded on the candidate's desires to be fiscally conservative and rejected some of the concepts that were talked about during the meeting. He reported being glad that federal, state, and local school districts did not see the need to increase the tax rates every year. Councilmember Phipps mentioned a friend of his was a State employee and his organization took cuts in wages this year and that was more common than not for fiscal frugality. He remarked there was much to be said about the tax rate and felt it was not the important number but the revenues were what was important.

Councilmember Phipps pointed out even though the CAFC lost a considerable amount of money during the pandemic, there was a considerable amount of increase in the City's sales tax revenue. He reflected that tax rates were not maintained the past few years and yet each year the City was able to use its reserves and still end up with a surplus at the end of the year. He mentioned if it were not for COVID-19, the City would also have had a surplus this year without increasing the rate last year. He would be completely supportive of maintaining the rate if it had been demonstrated the City could not meet its essential services without it, but that was not the case.

Councilmember Phipps stated Mayor Shepherd and others had gone to great lengths to explain what it meant to maintain the tax rate. He acknowledged there were two facets for the City to maintain its tax rate. He noted one was paying off the bond and the City would keep the additional revenues rather than lowering the rate; consequently, it seemed like it was a tax increase. Councilmember Phipps indicated he was supportive of maintaining the rate for the GO Bond portion because he could foresee an impact to the City's future for the repayment of bonds it would be acquiring. He explained the City might need revenues in the future for bond repayment on the Lotus development or Clearfield Station project, if things did not go according to plan. He commented he did not view that as a tax increase when the same amount of tax was paid as last year for repayment of bonds.

Councilmember Phipps expressed his opinion it was invalid for the City to compare its revenue streams against other entities. He mentioned other entities that were facing significant revenue challenges made impactful decisions, but in order to find out why those decisions were made it would be important to look at all the revenues and spending. He indicated the City's property tax revenue was a small portion of its revenues and might not have as much impact as that of another entity.

Councilmember Phipps noted one of the compelling reasons for not maintaining the tax rates as proposed was because the City and its residents were in the most unpredictable position economically and socially during the current period of time. He acknowledged the State's economists were cautioning the legislators to be careful with spending.

He expressed his concerns with including the funding for salary increases in the budget. He pointed out the compensation study had not yet been reviewed by the Council and he was unsure

what it constituted or of its relevance having been completed just before the pandemic outbreak. He expressed his opinion it was inappropriate to consider salary increases given the challenges currently being experienced and pointed out he had strong objections with doing it.

**Councilmember Roper moved to approve Resolution 2020R-11 setting the tax rate for all real and personal property in Clearfield at 0.001437 and authorize the Mayor's signature to any necessary documents seconded by Councilmember Peterson. The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Peterson, and Roper. Voting NO – Councilmembers Phipps and Thompson.**

#### APPROVAL OF RESOLUTION 2020R-12 ADOPTING THE FISCAL YEAR 2021 BUDGET

**Councilmember Peterson moved to approve Resolution 2020R-12 adopting the fiscal year budget for 2021 and authorize the Mayor's signature to any necessary documents seconded by Councilmember Bush. The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Peterson, and Roper. Voting NO – Councilmembers Phipps and Thompson.**

#### COMMUNICATION ITEMS

*Mayor Shepherd* – reported he would be out of town for the meeting on August 25, 2020.

##### ***Councilmember Bush***

1. Reported the State's Uniform Building Code Commission was in the process of adopting the new 2020 electrical code. He pointed out there would be a public meeting and the public comment period would then be open for 30 days. He noted following the comment period and consideration of the public's comments, the Board would submit its recommendation to the legislature for adoption of the amendments to Utah's electrical code.
2. Announced he would be attending a meeting on Tuesday, August 18, 2020, because the State's Board had been invited to attend with the Business Labor Committee to hear about concerns regarding Accessory Dwelling Units (ADUs). He stated he would report back to the Council on what was learned.

***Councilmember Peterson*** – nothing to report.

##### ***Councilmember Phipps***

1. Mentioned he served on the committee for the City that overlooked the disbursement of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding. He expressed his opinion the money was being well spent, acted upon, and committed for uses which were a great benefit to the community.
2. Participated in a meeting recently with the Hill Air Force Base Restoration Advisory Board. He acknowledged the Air Force was very conscientious of the environment and when issues were found it worked diligently on mitigation efforts. He mentioned during the meeting there was a lengthy presentation on the contaminants perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA).

***Councilmember Roper*** – nothing to report.

***Councilmember Thompson*** – reported Clearfield would be the pilot city working with the State's unclaimed property division in returning unclaimed property to residents. He noted the City would be collaborating with the State and hoped to be successful in assisting residents with claiming their property.



## STAFF REPORTS

### ***JJ Allen, City Manager***

1. Sent the monthly report out earlier which included the first report of the CARES Act spending.
2. Invited the Council to attend a BBQ with employees on Thursday, August 13, 2020 at the Maintenance Operations Center (MOC).
3. Expressed appreciation to Rich Knapp, the budget committee, and Council for all the work that went into preparation of the FY21 budget.
4. Announced the department heads would be having a “deep breath day” on Monday, August 17, 2020 and be outdoors for the day participating in various activities. He indicated all departments would be encouraged to try to do something similar to help boost morale.

### ***Nancy Dean, City Recorder*** – reviewed the Council’s schedule:

- Work session on August 18, 2020.
- Tour of Wasatch Integrated - Davis Materials Recovery Facility on August 20, 2020 at 11:00 a.m.
- Work and policy session on August 25, 2020.
- Work session on September 1, 2020.
- Joint work session with the Planning Commission and policy session on September 8, 2020.

There being no further business to come before the Council, **Councilmember Thompson moved to adjourn as the City Council and reconvene as the CDRA in policy session at 8:04 p.m., seconded by Councilmember . The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Peterson, Phipps, Roper, and Thompson. Voting NO – None.**

*\*\*The minutes for the CDRA are in a separate location\*\**

**APPROVED AND ADOPTED  
This 8<sup>th</sup> day of September, 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, August 11, 2020.

**/s/Nancy R. Dean, City Recorder**