

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
June 16, 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/84885788302>
Meeting ID: 848 8578 8302

PRESIDING VIA
ZOOM MEETING:

Mark Shepherd

Mayor

PRESENT VIA
ZOOM MEETING:

Kent Bush
Nike Peterson
Vern Phipps
Tim Roper
Karece Thompson

Councilmember
Councilmember
Councilmember
Councilmember
Councilmember

STAFF PRESENT
VIA ZOOM MEETING:

JJ Allen
Summer Palmer
Stuart Williams
Kelly Bennett
Adam Favero
Eric Howes
Spencer Brimley
Brad McIlrath
Rich Knapp
Shane Crowton
Juan Salazar
Nancy Dean

City Manager
Assistant City Manager
City Attorney
Police Chief
Public Works Director
Community Services Director
Community Development Director
Senior Planner
Finance Manager
Code Officer
Code Officer
City Recorder

VISITORS: Susan Becker – Zions Bank Corporation, Kathryn Murray, David Bloomfield

Mayor Shepherd called the meeting to order at 7:41 p.m.

DISCUSSION ON THE FISCAL SUSTAINABILITY STUDY BY ZIONS BANK

Rich Knapp, Finance Manager, explained the City had teamed up with Zions Public Finance Inc. to create a fiscal sustainability model for the City's General Fund. He pointed out the spreadsheet was able to forecast scenarios and it was very complex so he was still learning it.

Susie Becker, Zions Public Finance Inc., indicated many communities were interested in fiscal sustainability especially with the current conditions of a pandemic. She acknowledged staff had provided a lot of data and history to aid in building a model that could forecast various scenarios and be used as a tool to guide decision making. She stated sales tax revenues were down statewide but not as much as had been projected which was good news. Ms. Becker reviewed the City's historic property tax rates and the comparative tax rates of the City versus surrounding cities with the revenue differences for primary residences.

Ms. Becker explained the basic components of the financial model included the following inputs and strategies:

Inputs

- New growth and development by type, valuation
- Inflation rates – fee revenues and cost of services
- Expenses – variable versus fixed costs
- Capital costs related to the General Fund and timing – public safety, roads, parks, etc.

Strategies

- Bonding versus property tax increases
- Capital costs – timing

She reviewed the capital projects summary for 10 years and the associated inflated costs beginning with year 2021 based on the data that was provided. Ms. Becker pointed out a majority of the projects were planned for the first three years so a majority of the costs would come at the beginning of the ten year period. She added funding could be challenging but the model could help provide options for the desired fiscal sustainability. She mentioned three percent per year had been added into the model for the construction inflation costs.

Ms. Becker reviewed several scenarios for a ten year period to show the differences in net revenues and ending cash balances when adjustments were made to values of growth, bonding, or tax rates. She mentioned the new growth impacts were based on historic tax growth for residential and commercial.

JJ Allen, City Manager, pointed out scenario 2B with a \$15 million bond was similar to considerations being discussed for Clearfield Station; however, clarified the model was using calculations based on the capital projects list which did not include Clearfield Station. Ms. Becker responded the calculations were based on the list of capital projects provided and the Clearfield Station project was not included on it. Mr. Allen indicated the City's practice was to pay as you go, so bonding similar to the scenario would be an option that would depart from that practice.

Councilmember Phipps asked if there was a projected increase for sales tax revenue year to year. Ms. Becker reported the model was set up so inputs could be changed and it was set up so new growth could be included and it would also pick up the population distribution. Councilmember Phipps asked what number was included in operating revenues for sales tax growth. Ms. Becker responded it was set up with three percent and five percent over time.

Councilmember Phipps wondered what the major expenses were over the next couple of years that were included as capital projects. Mr. Allen answered public works and parks had lists of capital projects that were long and planned out for many years. Councilmember Phipps thought it was curious to have a two year spike and then have it drop dramatically for the next seven years. Mr. Allen reported facilities' needs were extensive. He pointed out the model demonstrated the reality of the budget process. He mentioned the City historically managed balancing the budget by putting off capital projects in hopes of completing them in future years. Ms. Becker showed a spreadsheet with the capital projects listed and how the model would calculate based on any changes with inputs. Mr. Allen indicated the exercise would be helpful to see options and make decisions based on if they was responsible or what the consequences would be so the City did not end up later paying more.

Councilmember Bush asked if the impact fee revenues were calculated as part of the model formula and adjusted based on the average building permits or if those inputs would need to be updated manually. Ms. Becker responded it was not part of the formula and perhaps the model could be adjusted because the values used were only an average over time. She mentioned if the City was going to have some high growth similar to Clearfield Station the model could be played with so it adjusted the impact fees.

Councilmember Bush wondered if the model could go out further than the ten years calculated or if that was a typical time period used for models. Ms. Becker answered rate studies for utilities were usually done for ten years and then reevaluated by year five. She mentioned this was a model that could be used and adjusted over time; however, the farther out it went the harder it was to be accurate. Mr. Knapp said the model was very easy to update. Ms. Becker showed how the model worked the calculations.

Mr. Allen asked if Ms. Becker felt there was a course correction necessary based on her review of all the data. Ms. Becker expressed her opinion that the City was doing the right thing by holding a truth in taxation hearing to keep the tax rate at least where it was rather than letting it go down over time. She mentioned when inflation costs continued to increase, property tax was one way the City could increase its revenues. She pointed out maintaining the tax rate was a way of keeping a level playing field because sales tax revenues often fluctuated.

Mr. Allen asked if bonding was part of a sound fiscal policy by using debt as part of regular fiscal practices. Ms. Becker explained it was done all the time. She pointed out the model could be used for analysis to see the impacts to residents or business and if bonding could be used as a tool to keep from overly impacting the residents. She noted budgeting was a balancing act. There was a discussion about how the model could be used as a tool that was living to assist with budgeting.

Mr. Allen wondered if the Council would like to schedule time in a future work session to set fiscal policy. The consensus of the Council was to hold a future discussion to set fiscal policy.

Councilmember Peterson expressed her desire to see scenarios similar to what had been prepared so the Council could see the long term impacts because this would aid in decision making.

Councilmember Thompson questioned how inflation was calculated in the model. Ms. Becker indicated it differed for the different categories on the spreadsheet. She noted three percent had been the inflation cost for capital projects based on the standard average, but other categories had various inflation percentages and were based on historical data. She pointed out each line of the operating costs could be adjusted with a different inflation cost if desired.

Mr. Allen stated staff would bring back some specific pointed questions for the Council to review and determine what it wanted to do as a matter of policy.

DISCUSSION ON AMENDMENTS TO THE FISCAL YEAR 2020 BUDGET

Rich Knapp, Finance Manager, explained the FY20 budget was typically fluctuating into August especially for capital projects. He reviewed the following proposed budget amendments for the fiscal year 2020 Budget:

- Animal care and control increased cost of contracted services - \$12,500
- Two police officers opted for health insurance – \$21,100
- Holdover from 2018 for 911 phone system upgrade – \$12,600
- Community Services fee study – \$21,000
- Fourth of July expenses to match actuals after better expense tracking – \$16,500
- Freeport storage increased from – \$2,850
- Cemetery Expansion Phase 1 which would be moved to capital projects – \$250,000
- Pickleball court expansion, total budget \$700,000 from \$350,000
- Airshow donation – \$10,000
- Trustee fee for 2018 Bond – \$1,650
- Contracted plan review for inspections – \$90,000

Councilmember Peterson asked if the airshow donation was spent even though the airshow was cancelled. JJ Allen, City Manager, explained the donation had been sent through accounts payable the day before the airshow was cancelled; therefore, the money would go towards the next airshow.

Mr. Knapp pointed out the following funds would be moved from the General Fund to other funds:

- Transfer to Capital Projects funds for Cemetery Expansion Phase 1 – \$250,000
- Transfer of funds for Cornerstone restroom and parking lot additional – \$47,000

He mentioned there would also be budget amendments proposed for the Community Development and Renewal Agency (CDRA) for the higher tax increment financing (TIF) received for Economic Development Area (EDA) 3 - ATK in the amount of \$325,000. He noted \$29,000 was proposed as a budget amendment to be transferred from the CDRA Fund to the General Fund for administration on the higher TIF revenue. He acknowledged the CDRA budget amendments were not noticed for a public hearing next week, so those would be considered after the public hearing scheduled for July 14, 2020.

Mr. Knapp reported the City had received Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding of \$946,460 on June 10, 2020 to be used for COVID expenses and

economic relief. He noted the total CARES Act funding would be about \$2.8 million and arrive in three phases. He mentioned the first phase would be added to the General Fund to the interdepartmental fund contingency account and any money unspent by the end of the fiscal year would roll over to FY21. Mr. Knapp pointed out the CARES Act funding could be used for public health emergency and expenses that were not accounted for in the Budget, but whatever was not spent would need to be returned to the State and Federal governments in December.

Mr. Allen pointed out there was currently an active discussion at the County to administer a portion of the funds to help with economic recovery such as grants to businesses. Mayor Shepherd stated the only way he would support turning funds over to the County for administration would be if that portion of the funds were used towards helping Clearfield businesses and residents. He shared his concerns about the County administering the program in such as fashion. He mentioned if the County would hire someone to administer a program with the funding then perhaps the City should do the same and run its own program to ensure the funds were spent to assist residents or local businesses that had COVID related losses.

Councilmember Thompson wondered if money could be spent in helping residents with expenses on their homes. Mayor Shepherd explained some CARES Act funding was provided to communities with a Community Development Block Grant (CDBG) program for assisting those with rent or other qualified expenses and the City planned to work with Open Doors to help distribute funds in helping with rent. He noted the City could use some of its CARES Act funding to help with resident rent or covering utility expenses but there would be costs for administering a program; however, those individuals needing help would not need to meet the requirements of the CDBG program to be qualified for assistance.

Councilmember Thompson questioned how the City planned to let residents and businesses know about the opportunity for assistance. Mayor Shepherd explained communication efforts had not yet been discussed.

Brad McIlrath, Senior Planner, clarified Open Doors would need to qualify people for assistance with CARES Act funding even though it was emergency funding. Councilmember Thompson wondered what the income level was to qualify. Mr. McIlrath stated Open Doors would have to qualify 70 percent of the applicants within the County's median to low income levels and the other 30 percent would not need to qualify as median to low income to receive assistance.

Mr. Knapp indicated there would still need to be additional discussions on the distribution of CARES Act funding. He mentioned funds could be used externally as mentioned for grants and internally for expenditures. He stated staff was currently brainstorming and listing ideas for qualified internal expenditures. Mr. Knapp pointed out a majority of the CARES Act funding would roll over to the next fiscal year.

Councilmember Phipps asked if the total amount of CARES Act funding would be shown for the budget amendment next week at the public hearing or if it would be broken down further into the internal and external categories. Mr. Knapp responded it would show as a total amount.

Mr. Knapp voiced his support for the County option administering grant funding because it already had a system in place and the City did not have a lot of time to get the money dispersed plus there would be more of an audit burden if the City administered it.

Summer Palmer, Assistant City Manager, expressed her opinion that the more streamlined the program was the easier it would be for people to get the money they needed. She advocated to have a process, whether administered by the County or the City, that would allow City residents and business to receive the CARES Act funding allocated to Clearfield. There was a discussion about how to ensure the funds were spent and safeguarded for City residents and businesses so they would receive the City's proportional share of the funds.

Mayor Shepherd stated there would need to be further discussions about CARES Act funding. He pointed out the Council of Governments (COG) was meeting to discuss the County's program on June 17, 2020. He expressed his desire to move forward quickly to develop a plan for spending the funds in the allotted time period. Mr. Allen mentioned a Council meeting was not planned for June 30, 2020 so perhaps further discussion could be held then or on July 7, 2020.

QUARTERLY CODE ENFORCEMENT UPDATE

Juan Salazar, Code Compliance Officer, presented the 2020 statistics as of June 1, 2020 for code compliance cases by the type and location of violation. He mentioned the biggest code violation was unapproved parking and junk was second; however, other issues included weeds/grass, clear vision/trees, licensing, and some properties with multiple or other issues. He reported seventy-five percent of the cases were coming into compliance, only two percent were in default, and the others were still open. Mr. Salazar reviewed before and after pictures of several cases to show the efforts and effects of code compliance.

Shane Crowton, Code Compliance Officer, highlighted efforts of staff in raising the bar by reviewing the Code to eliminate discrepancies and improve the language. He noted staff would be proposing a change to City Code on maintaining the height of weeds and lawn grass less than six inches. He continued language related to undeveloped properties that were greater than .75 acres would be proposed to be added so it could help reduce the challenges with maintaining the current standards for property owners with undeveloped property as well as the City's open spaces.

Mr. Crowton requested the Council provide feedback about the concept of establishing standards to help differentiate between developed and undeveloped properties. He suggested undeveloped properties would still need to have weeds kept below the six inch level around the property frontage and other property lines allowing for a specified setback of either 20 or 30 feet, then the interior areas of the property could be maintained at the height of less than thirty-six inches.

He explained one of the benefits to changing the Code was to allow for some flexibility with the City's maintenance of open space areas. He pointed out property owners constantly compared the City's open space maintenance levels to residential yards and did not understand why they needed to maintain the standard if the City was not doing it in certain cases. He wondered if 20

or 30 feet was too much of a setback. Mr. Crowton explained some undeveloped property had curb, gutter and sidewalk; however, some did not. He reported on average about ten feet of frontage was used for rights-of-way and the language should provide adequate spacing from the frontage or property borders to keep the weeds down at least for those areas so travel and access was not so difficult.

Mayor Shepherd expressed his opinion the suggested changes made sense. He voiced his concern about the setback of 30 feet for undeveloped properties with frontage on all sides and felt a 20 foot setback surrounding the entire property would be fine. Mr. Crowton explained the main idea was to keep the weeds down throughout the right-of-way areas and 20 feet would be adequate for the frontage as well as the other property lines if the Council was comfortable with it.

The Council had no concerns with the proposal.

Councilmember Bush questioned if those property owners with less than 0.75 acres of undeveloped property would have to keep the weeds and grass below the six inches. Mr. Crowton confirmed they would. He added for the larger properties the interior areas would need to be maintained below 36 inches because anything longer than that tended to become unsightly. Councilmember Bush commented it was also a fire hazard to have such long weeds. Mr. Crowton stated that was one of the reasons for ensuring a setback distance to help reduce those impacts for neighboring property owners.

Stuart Williams, City Attorney, asked if staff had checked with the Fire District about any known height restrictions. Mr. Crowton responded in speaking with the administration at the North Davis Fire District, there were no concerns expressed or limits in height mentioned. Mr. Williams recommended staff double check on any fire standards.

Mayor Shepherd indicated the proposed changes for the ordinance were good in concept and when all the details were ready the topic could be revisited for consideration by the Council.

Mr. Allen mentioned some members of the Council had been contacted recently in regards to complaints about code enforcement and matters related to trimming trees. He requested there be some discussion or direction for staff regarding code enforcement efforts.

Councilmember Peterson recalled in the past the Council had prioritized the various categories of code violations and ranked them according to priority for enforcement. She thought issues relating to public health and safety were to be given the highest focus along with problem properties that were visibly an eye sore and the technical violations of grass length or tree limbs would be lower on the list. She acknowledged this prioritization was done so that those efforts would be focused on neighborhoods where education was apparent and much needed problems existed and then worked into other areas of the City towards lifting the overall appearance of neighborhoods.

Mayor Shepherd pointed out if the code compliance officers were sent to investigate a complaint in a specific neighborhood and then found other violations in the area, they should take action. Mr. Salazar stated he understood what Councilmember Peterson was saying about focusing on

safety and eye sore issues; however, staff responded primarily to complaints. He reported typically other areas within the same neighborhood were pointed out during enforcement visits that were out of compliance. He mentioned staff had to enforce all cases equally rather than being discriminatory in issuing violations. Councilmember Peterson acknowledged that was a fair point.

Councilmember Roper voiced his desire for staff to continue to go through the ordinances and find areas of flexibility. Councilmember Phipps voiced his opinion the principles to be applied towards code enforcement were consistency and fairness. Mr. Salazar reported staff was attempting to apply both consistency and fairness with its code compliance efforts. Mayor Shepherd expressed appreciation to staff for its efforts with code compliance.

Councilmember Thompson moved to adjourn as the City Council and reconvene as the CDRA in work session at 9:07 p.m., seconded by Councilmember Peterson. The motion carried upon the following vote: Voting AYE – Councilmember Bush, Peterson, Phipps, Roper, and Thompson. Voting NO – None.

The minutes for the CDRA are in a separate location

**APPROVED AND ADOPTED
This 11th day of August, 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, June 16, 2020.

/s/Nancy R. Dean, City Recorder