



CLEARFIELD CITY COUNCIL
AGENDA AND SUMMARY REPORT
July 30, 2024 - WORK SESSION

Meetings of the City Council of Clearfield City may be conducted via electronic means pursuant to Utah Code Ann. § 52-4-207 as amended. In such circumstances, contact will be established and maintained via electronic means and the meetings will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

55 South State Street
Third Floor
Clearfield, Utah

6:00 P.M. WORK SESSION

Discussion on the New National Opioid Settlement with Kroger Co. (Smith's Grocery in Utah)

Discussion of an Amendment to the Lakeside Apartments Development Agreement

Discussion to Authorize a Resolution for 2024 Utah State Infrastructure Bank Loan

Discussion on Proposed FY25 Budget Changes

****ADJOURN THE CITY COUNCIL WORK SESSION AND RECONVENE AS THE
COMMUNITY DEVELOPMENT AND RENEWAL AGENCY (CDRA)****

Posted July 25, 2024.

/s/Chersty Titensor, Deputy City Recorder

The City of Clearfield, in accordance with the 'Americans with Disabilities Act' provides accommodations and auxiliary communicative aids and services for all those citizens needing assistance. Persons requesting these accommodations for City sponsored public meetings, service programs or events should call Nancy Dean at 801-525-2714, giving her 48-hour notice.

The complete public notice is posted on the Utah Public Notice Website - www.utah.gov/pmn/, the Clearfield City Website - clearfield.city, and at Clearfield City Hall, 55 South State Street, Clearfield, UT 84015. To request a copy of the public notice or for additional inquiries please contact Nancy R. Dean at Clearfield City, nancy.dean@clearfieldcity.org & 801-525-2714



STAFF REPORT

TO: Mayor Shepherd and City Council Members

FROM: Stuart Williams, City Attorney

MEETING DATE: August 6, 2024

SUBJECT: New National Opioid Settlement with Kroger Co. (Smith's Grocery in Utah)

RECOMMENDED ACTION

Staff recommends that the city join in the proposed New National Opioid Settlement with Kroger Co. prior to August 12, 2024, and ratify said position in a city council policy session on a date thereafter.

DESCRIPTION / BACKGROUND

The city previously joined a national opioid settlement with all 50 states, Washington D.C., and five U.S. territories as part of a \$26 billion dollar settlement agreement with the nation's three major pharmaceutical distributors — Cardinal, McKesson and AmerisourceBergen — along with Johnson & Johnson, which manufactured and marketed opioids (\$271 million was earmarked for the state of Utah).

This New National Opioid Settlement with Kroger Co. will pay up to \$1.4 billion over 11 years nationally, with up to \$1.2 billion for state and local governments where it operates and \$36 million to Native American tribes. It is anticipated that the proposed settlement will return at least \$44 million to Utah, if all cities and counties participate in the settlement.

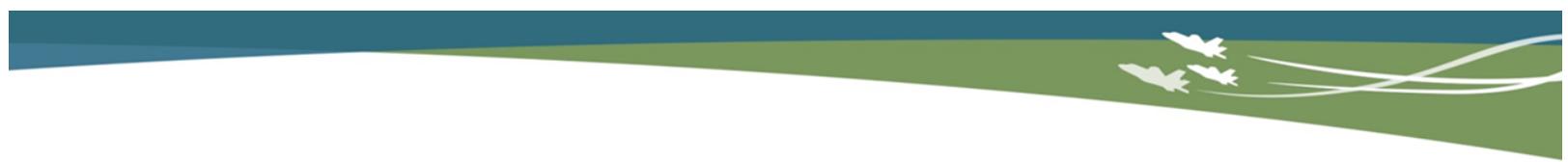
It is anticipated that most of the settlement money is to be used to address an overdose epidemic linked to more than 80,000 deaths a year in the U.S. in recent years, with most of the latest deaths connected to illicit synthetic drugs such as fentanyl rather than prescription painkillers. Like the prior national opioid settlement, the settlement funding is not expected to directly reach our city in the way of monetary infusion. Decisions on how settlement funds will be allocated within each state is subject to the intrastate agreements and state statutes, which under the previous similar settlement resulted in the money going to the state and the counties since they are the political entities most responsive in providing the human services.

Additional Information:

Additional information regarding the New National Opioid Settlement with Kroger Co. can be found at: <https://nationalopioidsettlement.com/kroger-co-settlement/>

CORRESPONDING POLICY PRIORITIES

- Providing Quality Municipal Services
- Improving Clearfield's Image, Livability, and Economy



HEDGEHOG SCORE

Since the City is not required by law to join the settlement and is not anticipated to benefit directly from the terms of the settlement, a hedgehog analysis was not conducted. However, Staff has determined that there is little to no downside in joining the settlement, which is anticipated to increase the allocation of settlement funding provided to the state and counties.

FISCAL IMPACT

Clearfield City: There is no negative fiscal impact by registering and participating in the National Opioid Settlement. State & Counties: By registering and participating in the National Opioid Settlement, the state and counties may receive a larger portion of the nationwide settlement.

ALTERNATIVES

Subject to alternative direction given by Council, Staff presents the following alternatives:

1. Instruct the Mayor to sign all necessary documents to join in the proposed New National Opioid Settlement with Kroger Co. and schedule a motion to ratify said settlement thereafter.
 - Our next regularly scheduled city council policy session is August 13, 2024. As such, Staff is recommending Alternative #1 due to the August 12, 2024, due date to enter the settlement.
2. Instruct Staff to schedule further discussion regarding the proposed New National Opioid Settlement with Kroger Co. at a work or policy session.
3. Instruct Staff to inform the Utah Attorney General's Office that the city will not be participating in the New National Opioid Settlement with Kroger Co.

SCHEDULE / TIME CONSTRAINTS

The city is required to join the settlement of the New National Opioid Settlement with Kroger Co. by August 12, 2024, or risk delaying or negatively affecting the settlement funding allocated to the state. The need to sign the settlement agreement and ratify said agreement at a subsequent date is the result of the original request for the city's position being filtered into the city's junk email and not discovered until city council policy session scheduling limitations.

LIST OF ATTACHMENTS

- Example New National Opioids Settlement – Kroger Co.

New National Opioids Settlement: Kroger
Opioids Implementation Administrator
opioidsparticipation@rubris.com

TO LOCAL POLITICAL SUBDIVISIONS:

THIS PACKAGE CONTAINS DOCUMENTATION TO PARTICIPATE IN THE NEW NATIONAL OPIOIDS SETTLEMENT. YOU MUST TAKE ACTION IN ORDER TO PARTICIPATE.

Deadline: August 12, 2024

A new proposed national opioids settlement ("*New National Opioids Settlement*") has been reached with Kroger ("*Settling Defendant*"). This *Participation Package* is a follow-up communication to the *Notice of National Opioids Settlement* recently received electronically by your subdivision.

You are receiving this *Participation Package* because the State of Utah is participating in the Kroger settlement. Your town, city, or county previously participated in settlements with pharmaceutical manufacturers, distributors, and pharmacy chains.

This electronic envelope contains:

- The *Participation Form* for the Kroger settlement, including a release of any claims.

The *Participation Form* must be executed, without alteration, and submitted on or before August 12, 2024, in order for your subdivision to be considered for initial participation calculations and payment eligibility.

Based upon subdivision participation forms received on or before August 12, 2024, the subdivision participation rate will be used to determine whether participation is sufficient for the settlement to move forward and whether a state earns its maximum potential payment under the settlement. If the settlement moves forward, your release will become effective. If a settlement does not move forward, that release will not become effective.

Any subdivision that does not participate cannot directly share in the settlement funds, even if the subdivision's state is settling and other participating subdivisions are sharing in settlement funds. Any subdivision that does not participate may also reduce the amount of money for programs to remediate the opioid crisis in its state. Please note, a subdivision will not necessarily directly receive settlement funds by participating; decisions on how settlement funds will be allocated within a state are subject to intrastate agreements or state statutes.

You are encouraged to discuss the terms and benefits of the *New National Opioids Settlement* with your counsel, your Attorney General's Office, and other contacts within your state. Many states are implementing and allocating funds for this new settlement the same as they did for the prior opioids settlements with McKesson, Cardinal, Cencora (formerly AmerisourceBergen), J&J/Janssen, Teva, Allergan, CVS, Walgreens, and Walmart but states may choose to treat this settlement differently.

Information and documents regarding the *New National Opioids Settlement* and how it is being implemented in your state and how funds will be allocated within your state can be found on the national settlement website at <https://nationalopioidsettlement.com/>. This website will be supplemented as additional documents are created.

How to return signed forms:

There are three methods for returning the executed *Participation Form* and any supporting documentation to the Implementation Administrator:

- (1) *Electronic Signature via DocuSign*: Executing the *Participation Form* electronically through DocuSign will return the signed form to the Implementation Administrator and associate your form with your subdivision's records. Electronic signature is the most efficient method for returning the *Participation Form*, allowing for more timely participation and the potential to meet higher settlement payment thresholds, and is therefore strongly encouraged.
- (2) *Manual Signature returned via DocuSign*: DocuSign allows forms to be downloaded, signed manually, then uploaded to DocuSign and returned automatically to the Implementation Administrator. Please be sure to complete all fields. As with electronic signature, returning a manually signed *Participation Form* via DocuSign will associate your signed forms with your subdivision's records.
- (3) *Manual Signature returned via electronic mail*: If your subdivision is unable to return an executed *Participation Form* using DocuSign, the signed *Participation Form* may be returned via electronic mail to opioidsparticipation@rubris.com. Please include the name, state, and reference ID of your subdivision in the body of the email and use the subject line Settlement Participation Form - [Subdivision Name, Subdivision State] - [Reference ID].

Detailed instructions on how to sign and return the *Participation Form*, including changing the authorized signer, can be found at <https://nationalopioidsettlement.com/>. You may also contact opioidsparticipation@rubris.com.

The sign-on period for subdivisions ends on August 12, 2024.

If you have any questions about executing the *Participation Form*, please contact your counsel, the Implementation Administrator at opioidsparticipation@rubris.com, or Kevin McLean, Assistant Attorney General, kmclean@agutah.gov, 801-440-4680.

Thank you,

New National Opioids Settlement Implementation Administrator

The Implementation Administrator is retained to provide the settlement notice required by the New National Opioids Settlement and to manage the collection of the Participation Form.

Subdivision Participation and Release Form

Governmental Entity:	State: UT
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated March 22, 2024 (“*Kroger Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the Kroger Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Kroger Settlement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the Kroger Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at <https://nationalopioidsettlement.com/>.
3. The Governmental Entity agrees to the terms of the Kroger Settlement pertaining to Participating Subdivisions as defined therein.
4. By agreeing to the terms of the Kroger Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Kroger Settlement solely for the purposes provided therein.

6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Kroger Settlement. The Governmental Entity likewise agrees to arbitrate before the National

Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Kroger Settlement.

7. The Governmental Entity has the right to enforce the Kroger Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Kroger Settlement, including without limitation all provisions of Section XI (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Kroger Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Kroger Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Kroger Settlement.
10. In connection with the releases provided for in the Kroger Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it ~~knows, believes, or assumes to be true with respect to the Released Claims,~~ but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Kroger Settlement.

11. Nothing herein is intended to modify in any way the terms of the Kroger Settlement, to which Governmental Entity hereby agrees. To the extent this Participation and Release Form is interpreted differently from the Kroger Settlement in any respect, the Kroger Settlement controls.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____



STAFF REPORT

TO: Mayor Shepherd and City Council Members

FROM: Spencer Wayne Brimley, Community Development Director

MEETING DATE: July 30, 2024

SUBJECT: Public Hearing, Discussion and Possible Action on DA 2024-0601 for an Amendment to the Lakeside Apartments Development Agreement for the proposed mixed-use project to clarify the Development Agreement's permitted successors and assigns. Location: 325-375 South State Street (TIN: 12-003-0283). Parcel Area: 5.85 Acres. Zone: U-C (Urban Core Commerce). (Legislative Action).

RECOMMENDED ACTION

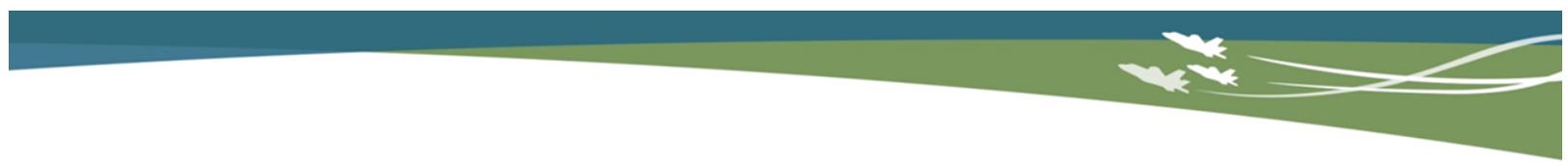
Staff recommends that the Planning Commission forward a recommendation of approval to the Clearfield City Council, for an amendment to the Lakeside Apartments Development Agreement ("DA"), DA 2024-0601, for the project located at 325-375 South State Street (TIN: 12-003-0283). This recommendation is based upon the discussion and findings outlined in this report. This recommendation is based upon the findings and discussion of the staff report; however, as the advisory body to the Clearfield City Council, the Planning Commission may make a different recommendation on its own based upon careful consideration and analysis of the request.

PLANNING COMMISSION RECOMMENDATION OPTIONS: After careful consideration and analysis of the information presented, the Clearfield City Planning Commission moves to: 1. Move to recommend approval of DA 2024-0601, to the Clearfield City Council. 2. Move to recommend denial of DA 2024-0601, to the Clearfield City Council. 3. Move to table DA 2024-0601, to request additional time to consider the request.

DESCRIPTION / BACKGROUND

BACKGROUND

The applicant, Chuck Cowley, plans to construct a mixed-use project with three (3), six story, mixed use buildings on the north side of a new private street named Waterfront Way. This development will include 296 residential units and approximately 27K square feet of commercial/retail space. The development agreement for this project was executed in February of 2023, and was preceded by the site plan review that was granted approval on December 21, 2022, with conditions. The development team has been finalizing plans to submit for and obtain final land use approval. They are also preparing final plans for permit submittal. During this preparation the developer discovered an issue that was missed when adopting the DA. This oversight applies to how successors or assigns were provided for in the event the need should arise. The developer is requesting an amendment to



the executed DA to address this issue and provide the needed clarity for their team. No other sections, except those shown in the DA amendment and listed below will be impacted as a product of this request.

Amendment Request

The applicant is requesting an amendment to the Development Agreement to clarify its language that provides for successors or assigns of the DA. Below, staff provides the language included in the DA and further provides redlines which detail the requested changes.

Article 1 - Definitions

1.3 Definitions:

The term "Developer" means Lakeside Development Partners, LLC, or any special purpose LLC, its affiliates, successors or assigns as set forth in Section 4.7

Article 4 – Miscellaneous Provisions

4.7 Successors and Assigns of Developer

4.7.1. The rights and responsibilities of Developer hereunder may be assigned in whole or in part, by Developer. Developer shall give the City Notice of any assignment within ten (10) days after the event has occurred. Such Notice shall include providing the City with all necessary contact information for the newly responsible party. Developer’s assignment of all or any part of the Developer’s rights and responsibilities hereunder to any entity not “related” to Developer (as defined by regulations of the Internal Revenue Service in Section 165), shall be subject to the City’s approval, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, any assignment of Developer’s rights hereunder to Lakeside Capital Group, LLC or Property Owner for any purpose will not require City approval in any form.

4.7.2 Any assignee of all or any part of Developer’s rights and responsibilities under this Agreement shall consent in writing to be bound by the assigned terms and conditions of this Agreement as a condition precedent to the effectiveness of the assignment.

From the included language you will see all affected sections of the DA that are to be amended have been identified in the document as well.

PUBLIC NOTICE AND PUBLIC HEARING REQUIREMENTS

Similar to a zoning text amendment, a development agreement changes the standards for a specific development and therefore should be subject to the same level of public participation and public process as an ordinance amendment. Therefore, because this development agreement includes modifications from FBC standards, a public hearing must be held with the Planning Commission and with the City Council as part of the review and approval process of the amendment.

Notice has been provided on site as well as circulated in accordance with public noticing requirements. No public comment has been received to date.



STAFF RECOMMENDATION/CONCLUSION

Staff recommends that the Planning Commission forward a recommendation of APPROVAL of the proposed development agreement amendment to the City Council regarding the requested clarification for the successors and assigns within the development agreement. This recommendation is based upon the following findings:

1. The proposed development agreement is consistent with the development standards and process of the Downtown Clearfield Form-Based Code.
2. The proposed development agreement complies with the standards for development agreements outlined in City Code.

CORRESPONDING POLICY PRIORITIES

- Improving Clearfield's Image, Livability, and Economy

HEDGEHOG SCORE

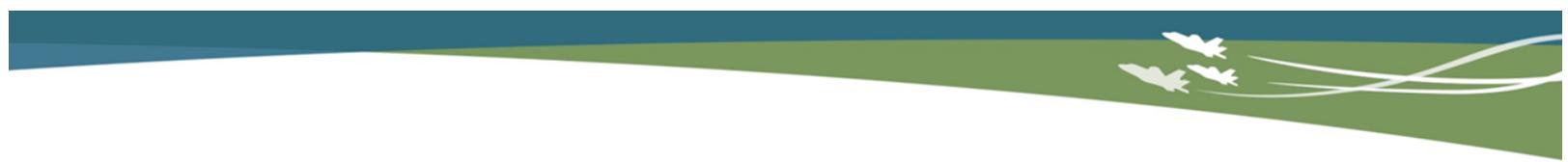
FISCAL IMPACT

ALTERNATIVES

SCHEDULE / TIME CONSTRAINTS

LIST OF ATTACHMENTS

- DRAFT Amendment to the Development Agreement



RECORDING REQUESTED BY &
AFTER RECORDING, RETURN TO:

Clearfield City
Attn: City Recorder
55 South State Street
Clearfield, UT, 84015

With a copy to:

Lakeside Capital Group, LLC
Attn: Chuck Cowley
578 Washington Blvd., Suite 1197
Marina del Rey, CA 90292

Tax Parcel Nos.: 12-003-0306, 12-003-0307

(space above for Recorder's use)

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
Lakeside Square**

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) is made and entered into as of this ___ day of _____ 2024 (the “**Amendment Effective Date**”), by and between LAKESIDE DEVELOPMENT PARTNERS, LLC, a Utah limited liability company (“**Developer**”), and CLEARFIELD CITY, a body corporate and politic of the State of Utah (“**City**”). The Developer and City shall at times be referred to herein individually as “**Party**” and collectively as “**Parties.**”

RECITALS

A. City and Developer entered into that certain Development Agreement approved by the City Council on February 21, 2023, as Ordinance No. 2022-25, which Development Agreement was recorded on February 27, 2023, as Entry No. 3518962, in the office of the Davis County Recorder (the “**Development Agreement**”).

B. The Development Agreement, as amended, affects certain real property located in Davis County, Utah, as legally described in the original Development Agreement incorporated herein by reference (the “**Property**”).

C. City and the Developers now desire to amend the Development Agreement as provided for herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree to amend the Development Agreement as follows:

1. **Recitals; Defined Terms.** The recitals above are hereby incorporated herein by this reference as if fully set forth in this Section. All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Development Agreement.

2. **Developer.** Section 1.3 of the Development Agreement is replaced in its entirety with the following:

1.3 **Developer**

The term “**Developer**” means Lakeside Development Partners, LLC, ~~or including~~ its affiliates, successors, or assigns as set forth in Section 4.7.

3. **Successors and Assigns.** Section 4.7 of the Development Agreement is replaced in its entirety with the following:

4.7 **Successors and Assigns of Developer**

4.7.1. The rights and responsibilities of Developer hereunder may be assigned in whole or in part, by Developer. Developer shall give the City Notice of any assignment within ten (10) days after the event has occurred. Such Notice shall include providing the City with all necessary contact information for the newly responsible party. Developer’s assignment of all or any part of the Developer’s rights and responsibilities hereunder to any entity not “related” to Developer (as defined by regulations of the Internal Revenue Service in Section 165), shall be subject to the City’s approval, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, any assignment of Developer’s rights hereunder to Lakeside Capital Group, LLC or Property Owner for any purpose will not require City approval in any form.

4.7.2 Any assignee of all or any part of Developer’s rights and responsibilities under this Agreement shall consent in writing to be bound by the assigned terms and conditions of this Agreement as a condition precedent to the effectiveness of the assignment.

4. **Confirmation.** Except as amended and revised by this Amendment, all terms and conditions in the Development Agreement remain unchanged and in full force and effect. In the event of any conflict between the terms of this Amendment and the Development Agreement, this Amendment shall control. This Amendment may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Developer and City have executed this Amendment as of the Amendment Effective Date.

[Signatures and Acknowledgements Follow]

CITY:

CLEARFIELD CITY,
a body corporate and politic of the State of Utah

By: _____
Name: Karece Thompson _____

Its: Mayor Pro Tempore _____

STATE OF UTAH)
) ss.
COUNTY OF DAVIS)

The foregoing instrument was acknowledged before me this ____ day of _____ 2024,
by Karece Thompson as Mayor Pro Tempore of CLEARFIELD CITY, a body corporate and politic of the
State of Utah.

Notary Public

Attest:

Nancy Dean, City Recorder

Approved as to form:

City Attorney



STAFF REPORT

TO: Mayor Shepherd and City Council Members

FROM: Rich Knapp, Chief Finance Officer

MEETING DATE: July 30, 2024

SUBJECT: Authorizing Resolution for 2024 Utah State Infrastructure Bank Loan

RECOMMENDED ACTION

Work session discussion only.

DESCRIPTION / BACKGROUND

In 2021, we completed a Utility Rate Study that projected future costs and outlined the necessary revenues to cover those costs. However, all costs have since risen beyond the study's projections. The most significant increases have been in the cost of large projects essential for system maintenance. Additionally, Weber Basin Water has raised their water charges to the city, and these rates are expected to continue rising for at least the next three years, exceeding our original utility rate study projections.

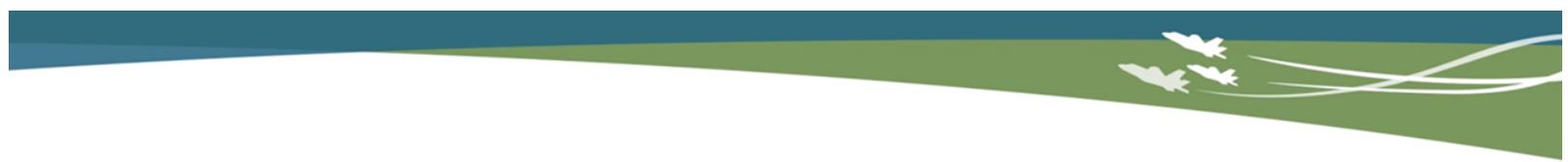
During the April 30th work session, we debated several scenarios and settled on a plan of action. This plan involves proceeding with most of the planned projects and covering the costs through increased rates and financing while maintaining adequate cash reserves.

On May 21, we reviewed several financing options to fund water and sewer projects, and the SIB loan emerged as the preferred option.

Authorizing Resolution

This resolution will initiate the process to borrow from the State Infrastructure Loan (SIB). The parameters are broad to cover various possibilities, which is why the amount, term, and interest rate might appear higher than previously discussed and are listed as "not to exceed" amounts. These parameters represent a "worst-case scenario." We plan to borrow approximately \$9.5 million with an anticipated interest rate of 3.59% over a 15-year term.

The purposes of this loan are as follows:

- 
- Finance water and sewer projects identified in the capital facilities plan and clarified in discussions with the Mayor and Council.
 - Maintain adequate cash reserves.
 - Cover the cost of issuance.

Approval of this resolution is scheduled for the August 13 meeting. The City will provide notice of this loan and allow a thirty-day period for any person to contest.

CORRESPONDING POLICY PRIORITIES

- Improving Clearfield's Image, Livability, and Economy
- Providing Quality Municipal Services

HEDGEHOG SCORE

This resolution is legally required to issue debt.

FISCAL IMPACT

The exact loan amount and payment schedule will be finalized before the loan is issued. The annual debt service is estimated to be \$800,000.

ALTERNATIVES

Delay or stop water and sewer projects.

SCHEDULE / TIME CONSTRAINTS

The next SIB Committee meeting is on August 16. We aim to have this resolution completed and available for consideration at that meeting.

LIST OF ATTACHMENTS

- Resolution
- We do not have a loan contract/agreement with SIB, but hope to soon.

RESOLUTION

A Resolution authorizing an infrastructure loan in an amount not to exceed \$11,000,000 for water and sewer projects.

*** *** ***

WHEREAS, Clearfield City, Utah (the “City”), a municipal corporation and political subdivision of the State of Utah considers it necessary and desirable and for the benefit of the City to enter into a loan for the purpose of (a) paying all or part of the costs of the acquisition, construction and improvement of its water and sewer systems (the “Project”), and (b) paying the costs incurred in connection with obtaining the loan pursuant to authority contained in the Transportation Finances Act, Chapter 2 of Title 72 (the “Act”), Utah Code Annotated 1953, as amended (the “Utah Code”), and other applicable provisions of law;

WHEREAS, for the purposes set forth above, the City has determined (a) to enter into a loan in an amount not to exceed \$11,000,000 (the “Loan”), and (b) to use the Loan for the Project;

WHEREAS, in the opinion of the City Council, it is in the best interests of the City partner with the State Infrastructure Bank for such Loan and enter into such terms and conditions as will be set forth in a loan agreement or contract, a form of which is included here as *Exhibit A*;

WHEREAS, the Act requires the City to publish a notice of its intention to obtain an infrastructure loan at least once in accordance with Section 11-14-316 of the Utah Code (the “Notice”), the City desires to cause the publication of such Notice at this time in compliance with the Act and in accordance with said section, a form of which is included here as *Exhibit B*;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Clearfield City, Utah, as follows:

Section 1. Obtaining a Loan. (a) For the purposes set forth above, it is hereby authorized and directed that staff enter into a Loan in an amount not to exceed \$11,000,000.

(b) The form of the Loan will be set forth in a loan agreement or contract agreeable to the City and is hereby approved.

(c) The Loan shall be a special obligation of the City, payable from legally available water and sewer revenues as and if received by the City. The Loan shall not be secured by either the faith and credit nor the ad valorem taxing or appropriation power of the State or any political subdivision thereof, including the City. The Loan shall not constitute a general obligation of the City or any other entity or body, municipal, state or otherwise.

Section 2. Loan Details. (a) The Loan shall mature in the year and in the amount, and shall bear interest at the rate per annum and commencing on the dates, all as provided in a loan agreement or contract entered into by the City and the State Infrastructure Bank.

(b) There is hereby delegated to the City Manager and Finance Director (*the “City Staff”*), the power to determine and finalize the following with respect to the Loan and City Staff are hereby authorized to make such determinations and finalizations:

(i) the principal amount of the Loan necessary to accomplish the purpose of the Project set forth in the recitals hereto; *provided* that the amount of the Loan shall not exceed \$11,000,000;

(ii) the maturity date or dates and principal amount of each maturity of the Loan; *provided, however*, that the Loan will mature in less than 30 years from the date entered into;

(iii) the interest rate on the Loan and the date on which payment of such interest commences, *provided, however*, that the interest rate shall not exceed 4.00%;

(iv) the prepayment terms, if any apply;

(v) the use of the proceeds of the Loan; and

(vi) any other provisions deemed advisable by them not materially in conflict with the provisions of this resolution.

After determinations as provided above are made, the City shall execute a loan agreement or contract containing such terms and provisions of the Loan, which execution shall be conclusive evidence of the action or determination of the City as to the matters stated therein. The provisions of the loan agreement or contract shall be deemed to be incorporated in this Resolution.

Section 3. Approval and Execution of the Loan Agreement or Contract. The loan agreement or contract in substantially the form attached hereto as *Exhibit A*, is hereby authorized and approved, and the Mayor or the Mayor Pro-Tem is hereby authorized, empowered and directed to execute and deliver on behalf of the City, and the City Recorder or any Deputy City Recorder is hereby authorized, empowered and directed to affix the seal of the City and to attest such seal and countersign such agreement or contract as necessary, with such changes from the form attached hereto as are made by City Staff, with his or her execution thereof to constitute conclusive evidence of such approval. The provisions of the loan agreement or contract, as executed and delivered, are hereby incorporated in and made a part of this resolution.

Section 4. Taxable Loan. The Loan is a taxable loan and exempt of federal laws relating to tax-exempt obligations and other provisions of federal securities laws.

Section 5. Other Actions With Respect to the Loan. The City Staff shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transaction contemplated hereby and shall take all action necessary in conformity with the Act to carry out the execution of the Loan, including, without limitation, the execution and delivery of any forms or other documents required to be delivered in connection with the Loan. Without limiting the

generality of the foregoing, the officers and employees of the City are authorized and directed to take such action as shall be necessary and appropriate.

Section 6. Prior Acts Ratified, Approved and Confirmed. All acts of the officers and employees of the City in connection with obtaining the Loan are hereby ratified, approved and confirmed.

Section 7. Notice. In accordance with the provisions of Section 11-14-316 of the Utah Code, the City Recorder shall cause the Notice, in substantially the form attached hereto as *Exhibit B*, to be published on the Utah Public Notice Website, the City's official website, and in a public area likely to be seen by residents and as and if required under the Legal notice publication requirements.

For a period of thirty (30) days from and after publication of the Notice, any person in interest shall have the right to contest the legality of this Resolution or the Loan hereby authorized, or any provisions made for the payment of the Loan. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Resolution or the Loan or any provisions made for the payment of the Loan for any cause.

Section 8. Resolution Irrepealable. Following the execution and delivery of the loan agreement or contract, this resolution shall be and remain irrepealable until the Loan and the interest thereon shall have been fully paid, cancelled, and discharged.

Section 9. Severability. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

Section 10. Effective Date. This resolution shall be effective immediately upon its approval and adoption.

(Signature page follows.)

ADOPTED AND APPROVED by the City Council of the Clearfield City Corporation, Utah, this
_____, 2024.

CLEARFIELD CITY CORPORATION, UTAH

Mayor

ATTEST:

City Recorder

EXHIBIT A

[ATTACH FORM OF LOAN AGREEMENT OR CONTRACT]

EXHIBIT B

NOTICE OF INTENT TO OBTAIN A LOAN

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 11-14-316, Utah Code Annotated 1953, as amended, that on _____, 2024, the City Council (the “*Council*”) of Clearfield City, Utah (the “*City*”), a municipal corporation and political subdivision of the State of Utah, adopted a resolution (the “*Resolution*”) in which it authorized and approved its intent to obtain and execute a loan (the “*Loan*”) from the State Infrastructure Bank in an amount of not to exceed \$11,000,000 to bear interest at a rate not to exceed 4.00% and to be repaid not more than 30 years from the Loan closing. The Loan will be subject to such terms and conditions as contained in a loan agreement or contract.

Pursuant to the Resolution, the Loan will be used for the purpose of financing all or a portion of the cost of the acquisition, construction and improvement of its water and sewer systems (the “*Project*”) and paying the costs incurred in connection with obtaining the Loan.

The repayment of the Loan will come from legally available water and sewer revenues as and if received by the City. The City has no other obligations outstanding similar to the Loan.

The Loan, if approved and repaid as planned, will cost approximately \$12,451,000.

A copy of the Resolution is on file in the office of the City Recorder at City Hall, 55 South State Street, Clearfield, Utah, where the Resolution may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. The Resolution shall be so available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

NOTICE IS FURTHER GIVEN that pursuant to law for a period of thirty (30) days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the Resolution of the City or the Loan authorized or any provisions made for the security and payment of the Loan. After such time, no one shall have any cause of action to contest the regularity, formality or legality of the Resolution, the Loan or the provisions for its security or payment.

DATED _____, 2024.

CLEARFIELD CITY CORPORATION, UTAH



STAFF REPORT

TO: Mayor Shepherd and City Council Members
FROM: Rich Knapp, Chief Finance Officer
MEETING DATE: July 30, 2024
SUBJECT: Proposed FY25 Budget Changes

RECOMMENDED ACTION

Discussion and guidance on proposed changes.

DESCRIPTION / BACKGROUND

The attached table outlines the proposed changes since the tentative budget passed in May. If approved, these changes will be included in the Final FY25 Budget, scheduled for approval on August 13. An updated budget summary, that reflect these changes, will be available during the work session.

CORRESPONDING POLICY PRIORITIES

- Improving Clearfield's Image, Livability, and Economy
- Providing Quality Municipal Services
- Maintaining a Highly Motivated and Well-Trained Workforce

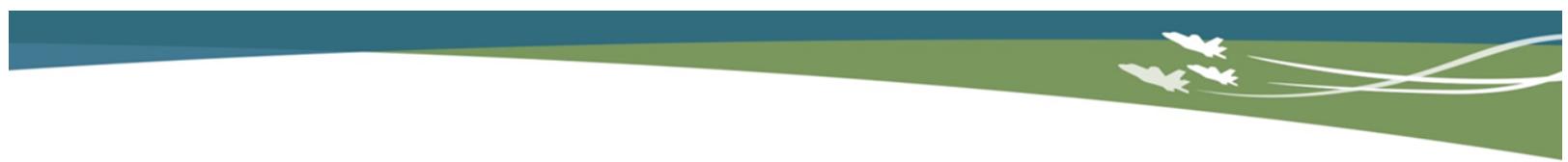
HEDGEHOG SCORE

FISCAL IMPACT

These changes will refine the budget to better align with actual data.

ALTERNATIVES

Modify or reject some or all proposed line items.



SCHEDULE / TIME CONSTRAINTS

LIST OF ATTACHMENTS

- Changes Since Tentative Budget

Changes Since the Tentative Budget

Account Description	Description			FY25 Tentative	New FY25	Change	
New							
Finance-Bank Fees	Wells-sweep account	104143	631004	1,000	5,000	4,000	new POS softwares, higher fees
CS-Bank Fees	Online Payments	104144	631004	5,000	9,000	4,000	new POS softwares, higher fees
Intergov-Nat Gas		104151	627002	170,000	180,000	10,000	higher than projection
Intergov-Contracted	Public Defender	104151	631006	40,000	50,000	10,000	
CAFC-bank fees	Online Payments	104565	631004	28,250	36,000	7,750	new POS softwares, higher fees
Inspections-contracted	Growth driven contracted inspect	104642	631006	75,000	45,000	(30,000)	Just in case budget, amend higher if needed
Bonds-Bank Fees	Paying Agent	104711	631004	4,575	1,700	(2,875)	Over budgeted
Court-retirement	Judge retirement adj	104121	613201	52,247	34,649	(17,598)	not needed
Police-Fleet	Trailer 14' x 7' enclosed aluminum	104212	673001	-	14,500	14,500	Crime scene equipment, accident recreation
Facilities-OT	Stanby Pay	104161	611201	-	10,000	10,000	new benefit
Water-Bank Fees	Online Payments	515101	631004	24,000	29,000	5,000	new POS softwares, higher fees
GF Rev-Trans from EF	Internal water charges	100000	381005	110,000	120,000	10,000	non cash
Water-Nonoperating Tra	Internal water charges	515101	691008	110,000	120,000	10,000	non cash
Sewer-Misc Services	NDSO payment	525201	662001	3,100,000	3,350,000	250,000	growth not updated...offsetting revenue
Risk Management	Rate increase & Active Sh	634443	631006	441,875	465,103	23,228	cost throughout all funds
Roll from FY24							
Streets-vehicle replace	2009 10 Wheel	104413	674003	-	320,000	320,000	
Parks-vehicle replace	F250 Bed & Upfit	104521	674003	-	13,000	13,000	
IT-Equipment Purchases	backorder - panic buttons	104142	625002	-	20,000	20,000	
IT-Annual Maint	VOIP setup	104142	624204	-	32,000	32,000	
Council Expense	Clear coat on planes	104111	664001	-	5,000	5,000	
Park Projects Changes							
Capital-Facilities	Slide Project	454161	673001	150,000	52,000	(98,000)	
PARAT	Park Pavilion Concrete Pads	104570	673001	300,000	340,000	40,000	
Capital-Parks	Fisher Skate Park & Lighting	454521	673001	165,000	205,000	40,000	CDBG funded \$46k
Capital-Facilities	CAFC Turnstiles (add ADA door open	454561	673001	60,000	70,000	10,000	CDBG funded \$60k
Capital-Parks	Steed Park lighting control	454521	673001	-	8,000	8,000	
Net Park Projects				675,000	675,000	-	