#### **CLINTON CITY COUNCIL MEETING MINUTES - SPECIAL MEETING**

**Date:** August 5, 2025

**Time:** 6:00 PM

**Location:** 2267 N 1500 W, Clinton, UT 84015

Mayor Stanger led the Pledge of Allegiance and provided a prayer.

Mayor: Brandon Stanger

City Council: Spencer Arave, Marie Dougherty, Austin Gray attended electronically, Dane

Searle, Gary Tyler

**Staff:** City Manager Trevor Cahoon, Chief Financial Officer Aaron Price, Police Chief Shawn Stoker, Fire Chief Jason Poulsen, Recreation Director Brooke Mitchell, Community Development Director Peter Matson, Deputy Recorder Amy Durrans, Treasurer Steve Hubbard, and City Recorder Lisa Titensor

**Attendees:** Hannah Klebe, Mary Frederickson, Fred Mitchell, Kelly Mitchell, Dona Gallegos, Jared Hainline, Adam Larsen, Scott Parke, Ava Elmore, David Jones, James Moffett, Daniel Martinez, Jennifer Christensen, Chris Danson, Sam Hummel, Carl and Erika Stark, Shelby Montgomery, Dereck Bauer

**Electronic Attendees:** Breanne, JMD, Maxxwell Starks, Robert Eberhard, Brandi, Lin, Chris, Ranae Stoker, Clinton 6<sup>th</sup> Ward, SM, Ashley Waters, Stephanie Patterson, Joe, Shawn, Carol Leatham, Terry's IPad, Mr. Hummel, OOP, Shepherd, Clinton, Deanna Larsen

#### 1. CALL TO ORDER

Mayor Stanger called the meeting to order at 6:00 PM.

He expressed appreciation for staff for their hard work and to the residents for helping make Clinton a better place.

### 2. ROLL CALL

Mayor Stanger, Councilmembers Arave, Dougherty, Gray attended electronically, Searle and Tyler

#### 3. BUSINESS ITEMS

Mayor Stanger directed the Council to agenda item B.

3A. <u>PUBLIC HEARING – TRUTH IN TAXATION PUBLIC HEARING FOR PROPOSED TAX INCREASE TO INCREASE ITS PROPERTY TAX BUDGETED REVENUE BY 7.06% ABOVE LAST YEAR'S PROPERTY TAX BUDGETED REVENUE EXCLUDING ELIGIBLE NEW GROWTH.</u>

This item is to conduct a Truth in Taxation public hearing as required under the Utah Code to consider a proposed increase to the property tax budgeted revenue for the upcoming fiscal year. The proposed increase is 7.06% above the previous year's property tax budgeted revenue, excluding new growth.

A separate public hearing will also be held to consider executive salary increases for FY 2025-26 and to adopt the final budget and certified tax rate via Resolution 8-25.

City Manager Cahoon gave an explanation on the Truth in Taxation process noting that the County determines the certified tax rate each year.

Finance Director Aaron Price explained that due to state statutes, municipalities must hold a public hearing to raise property taxes beyond the certified rate. Sales tax revenues are trending downward and do not automatically adjust for inflation.

Mr. Cahoon, Mr. Price, and Mayor Stanger emphasized that budgets are conservative and based on projections 12–16 months ahead. The average household would see a tax increase of approximately \$38.46 annually.

Mayor Stanger opened the public hearing at 6:35 pm. In addition to addressing the Council in person he invited the citizens present to write comments on 3x5 cards.

Deputy Recorder Amy Durrans read comments from online participants:

Chris - There are so many unemployed people that want good government jobs. If an employee wants to leave let them. There are tons of people that would love the benefits. People shouldn't just be entitled to more pay than they should work for that and that's why there are merit increases. That is the appropriate place to pay employees more for doing more. Not just giving it out because of inflation. Maybe we need to cut the fat a little bit. I'm sure Clinton city has government waste just like all other government agencies.

Chris - With so many new businesses coming to Clinton adding more sales tax like home depot and tractor supply. Once more sales tax come in, will you lower are property city tax? Does the council have any data or analysis on the sales tax that will come in with these new businesses in the next year?

Ashley Waters - If the sales tax income projection was off, what has been done to analyze the projection and correct those numbers for future? Is the city estimating too high of revenue from sales tax for the current/future year?

Lil Ackley stated she has some concerns. Any business that falls short on business, it falls back on citizens. She said fast food restaurants don't necessarily increase sales tax it just transfers it from another fast-food restaurant. She would like to see businesses come in that are not in nearby cities.

She is a crossing guard at 1300 N and 1500 W. She feels an additional crossing guard is needed in this area. Due to the construction, this is an extremely difficult area.

Adam Larsen questioned whether small yearly increases would become the norm. He feels there will always be future needs, at what point would tax increases stop.

Cameron Frick challenged the sales tax revenue projections. According to his calculations, the sales tax revenue is in line with the robust numbers collected in FY 2022-23. He feels that raising property taxes on families that are already struggling is not responsible.

Chris Danson stated that as he reviewed the budget, this increase will place Clinton City as one of the highest taxed cities in the County. The property tax will be about 40% of the city's revenue compared to other cities in the County that are at about 25%.

Fred Mitchell stated his family has been in Clinton since 1890. The City was founded by people who could live within their means. He asked the Council to tighten their budget rather than increase taxes.

James Moffitt feels that necessary items such as a crossing guard and emergency vehicles should be included in the budget. He asked the Council to meet the needs of the City and cutting services is not the answer.

Jennifer Christensen appreciates Mr. Moffitt and Mr. Larsen's comments. She wants to see the money spent responsibly and transparently. If equipment and personnel are needed, they need to be added to the budget and taxes be increased if necessary. This will promote a long-term fiscally responsible vision. Consider what is lacking. She understands that no one likes tax increases. When you live in a nice place, you need to pay for it. Attracting good businesses is a responsibility to increase property tax.

Kelly Mitchell expressed concern about construction affecting sales tax revenue. Increases in property taxes will affect lower sales tax. Although it may not be a significant amount per household, it does affect people. She asked the City Council to consider looking at ways to live within our means.

Hannah Klebe expressed appreciation for the service of the City Council. She feels that \$38 will place a burden on citizens. Seniors and citizens on fixed incomes are being impacted. Costs are increasing for everything, so every little bit has an impact

Jarred Hainline works in the public sector and understands how it works. He sees waste in the public entity that he works for. He feels that some cuts need to be made, and the tax increase should be decreased. He would like the Council to consider cutting things from the budget and only increasing taxes for what is needed, take a balanced approach.

Mary Frederickson appreciates the time and effort the Council has put into this issue. She would prefer not to have an increase but realizes a lot of time, effort and thought has gone into it.

Dave Jones commented that these are not extravagant increases. He has observed how the budget process was managed and feels that it was very transparent. He has had over 50 years' experience working with property tax functions. He clarified the tax valuation notices come from the county. There is a difference between residential and business

proportions. He encouraged citizens to read their tax valuation reports and said they are highly informative.

Daniel Martinez understands the concern for residents on fixed incomes. He appreciates transparency. He would like to see the infrastructure considered when approving the new businesses and the concern of traffic. He would like the Council to go about this with compassion for those on fixed incomes.

Donna Gallegos asked the Council to consider the sewer increases and other fees that are also increasing this year in addition to the school district fees.

With no further public comment, Mayor Stanger closed the public hearing at 7:12 pm.

Mayor Stanger went on to explain that the City cannot dictate what businesses come to Clinton. If a business wants to come into an area and it meets the code requirements, there is nothing that can stop them. The City does not own the land; they enforce the code requirements.

He said he appreciates the request for a new crossing guard and asked Chief Shawn Stoker to address this.

Chief Stoker explained this discussion takes place frequently. It would cost approximately \$6,000 to hire an additional crossing guard. It has been a part of the budget discussions. Safety is always a consideration. In this specific intersection there is a lot of unknowns due to the construction. It has always been part of the plan to evaluate it more after the school year started.

The City runs extremely lean. He has been an officer in Clinton for 18 ½ years. He is also a citizen. The budget process is taken extremely seriously. He is proud of the culture that has been built within the city and the police department. The City Manager and Finance Director have worked hard to find ways to cut. He appreciates the time, discussions and research that took place in the initial stages of the process. For example, they have made a change to the health insurance which still provides employees with a quality benefit which has saved the City \$400,000 in this budget.

Chief Stoker stated that he appreciates Mr. Cahoon's leadership. He feels the budget process has been significantly improved and is much more transparent than in previous years.

City Manager Cahoon explained the process is to work together and understand each other's needs. A lot of effort goes into making cuts that make sense but still meet the needs of each department and the City.

Councilmember Searle agreed and said the Council has had to make tough decisions on budget cuts.

Mayor Stanger introduced Finance Director Aaron Price. He asked him to discuss sales tax revenue and budget cuts and increases.

Mr. Price explained that sales tax is evaluated over several years to look at trends. Staff tries to be conservative and responsible when forecasting it for the upcoming budget. It is important not to overestimate the revenue. State and National economy reports are also evaluated. Currently, the sales tax revenue is trending down.

As far as budget cuts are concerned, the change in health insurance for example, resulted in \$400,000.00 in savings. Staff was notified by our broker there was a potential of a 7½ percent increase. Staff evaluated and researched the plan and realized that only a small number of the employees were taking advantage of their full potential. Staff implemented an additional plan in conjunction with the traditional plan and provided employees with a choice. Previously with the traditional plan, the city paid for everything including deductibles. Now they have a choice of the traditional plan or a 90/10 split plus a health saving plan.

Mr. Cahoon added that some of the additional cuts were also made to some capital projects and in personnel through attrition. Staff is feeling confident in the projections for this upcoming budget.

Mayor Stanger stated as far as planning goes, it is important to plan not just for this year but for three or five years down the road. Growth is declining and cannot be counted as in the past to balance the budget and pay for capital improvement projects.

Mr. Price explained that capital project projections are a work in progress. A lot of this is in public works. In the upcoming year there is \$9 million in projects. Public Works and the Engineer work hard to get grants. Staff is constantly trying to find revenue from other sources.

Mr. Cahoon added the goal for this upcoming year is for public works to update their capital project lists. They have done an excellent job of maintaining the enterprise funds and the utilities, but the general fund and parks capital improvement plans need to be solidified. There are a lot of other projects and items staff sees as a direct need such as building maintenance IT infrastructure upgrades. It is important for the revenues to match the operating expenses and not to depend on savings to maintain the operating expenses.

The discussion turned to the City's reserve funds. Staff clarified that state law requires cities to maintain a General Fund balance between 5% and 35% of annual revenues. In addition, financial best practices recommend maintaining at least 89 days of operating funds to provide stability in the event of a crisis.

Mayor Stanger turned the time over to the council.

Councilmember Arave expressed appreciation to everyone in attendance. He explained at the beginning of the year the council was informed that increases in the enterprise fund fees would be necessary. Eventually the decision was to increase the fees by \$9. His feeling from the beginning was that due to the large tax increase last year and the increase in fees this year, he wasn't comfortable raising taxes this year. He feels it would be more appropriate to use the fund balance this year to fund the capital projects and keep the

money in the taxpayers' pockets. He suggested cutting the \$500,000 transfer to capital projects. He feels this is reasonable for now. He clarified he would prefer to fund the general fund with the fund balance rather than increase taxes. He supports allowing the reserve funds to go below 25% just for the time being. He is relieved that the proposed tax increase was increased from 10% to 7% through the process.

Mr. Cahoon cautioned that when postponing projects, there is a risk of paying more for them in the future.

Councilmember Gray stated he appreciates the public input. He said he feels the tax increase is necessary to continue providing all the necessary services for the residents and plan for unforeseen circumstances. This increase will allow us to continue to provide the essential services and continue running the city efficiently and financially responsible. He feels smaller increases more regularly is appropriate and will provide good outcomes for the City.

Councilmember Searle said he empathizes with the public comments on both sides of the issue. He has worked with budgets his whole career. That was the primary reason he joined the Council. He assumed there was a lot of waste going on in the City. He has found the opposite. The City is understaffed and under budgeted. For years Clinton was the lowest taxing entity in the state. That is not sustainable. The latest published report by the Utah Taxpayer Association shows that Clinton is third from the bottom, and only \$2 per household, per year from being the lowest. He asked the citizens to consider if they themselves would pull from their savings month after month to make their payments and consider that a balanced budget? He feels this increase is necessary.

Councilmember Dougherty thanked the citizens for their comments. She addressed some of them:

- She explained the overall tax revenue doesn't change unless the City raises taxes, but individual taxes may change if their specific property values go up or down, it may not be the same for everyone.
- She appreciated the comments for compassion for people in different financial situations.
- Although there are no automatic increases in property taxes to account for inflation, sales tax and other revenue sources do fluctuate and if positive it could help compensate for some inflation.
- The City does not specify which businesses are bringing in a certain amount of sales tax revenue. The Council appreciates that our finance director is conservative in estimating sales tax revenue.
- Clinton has one of the lowest taxes and fees per capita. Other cities may have
  lower property tax than Clinton but when you look at the number of residents we
  have the actual revenue that we bring in from taxes and fees overall is less. Clinton
  has been fiscally restrained for a long time, which has benefitted the taxpayers'
  pocketbooks over all these years.

Regarding the current budget, it is a difficult position to be in. Initially, she was not willing to consider an increase this year due to the substantial increase last year and the increase in enterprise fund fees this year. However, after a great deal of thought and lengthy discussion amongst staff and the council, and the declining sales tax revenue, she is willing to implement a 5% increase or \$4.3 million now.

She clarified why there has been some variation in the total revenue anticipated from the increase because the City hadn't gotten the official new growth numbers from the County yet. There will be a 10% increase but only 7% will be covered by the taxpayers. She would prefer to discuss it in terms of the overall revenue.

Councilmember Tyler stated he is extremely sensitive to taxes and the hardships it may impose. However, he was elected to represent the entire city. He has studied the budget in depth, and spoken with department heads, the city manager, and the finance director. They are all professional competent individuals who are passionate about Clinton City, and they are saying the City needs to act. He feels it is important to listen to them, and he trusts their expertise. He does not want to keep kicking the can down the road and not responding to the needs of the City. He represents all the citizens and staff in Clinton City, he has benefitted personally from the services the City provides, and he feels a responsibility to make sure that the City has the personnel, equipment, facilities, equipment and training they need to continue to provide important services to the community. He feels comfortable with the 7% tax increase.

Councilmember Dougherty clarified that regarding the fund balance, the state requires a 5% minimum fund balance and up to a 35% maximum fund balance for reserve. The State recently increased the maximum from 25% to 35%. She is in favor of a 5% tax increase and pledging \$50,000 of the fund balance. She is still in favor of the \$500,000.00 transfer for capital improvement projects.

Councilmember Tyler stated he is willing to meet with some of the individuals and help them find county resources for property tax relief. He said he would be willing to help them personally cover the tax increase.

During the hearing, cards were passed out to citizens in case they had questions that didn't get answered.

Mayor Stanger reviewed some of the questions. He explained that some of the increases in certain departments were due to moving items from one account to another and simplifying some areas of the budget.

Mr. Cahoon added that the addition of a few employees including the new Finance Director and an HR Generalist has also contributed. Regarding the fire department overtime, by adding an extra position to each shift in the Fire Department, it will increase response time significantly and save money on overtime. He explained that staff has and will continue to look at efficiencies within the organization.

Mayor Stanger explained some of the expenses for the flower baskets and some banners included in the budget will be funded by RDA funds. He also addressed walkability and explained that funds are being set aside for upcoming projects to improve the safety and functionality of this in the future. He went on to report that staff is working to evaluate and consolidate employees. Staff has worked hard to stretch dollars and utilize staff to the best of their ability. He also addressed several other items from the notecards including:

- Staff is working to make sure that Clinton is competitive in wages to keep and attract top candidates especially in police and fire. Employees are receiving cost of living increases based on the Federal rate, although we are just a bit behind.
- Capital projects including streets are being planned for and included in the budget.
   According to the City Engineer, we should be putting in twice as much as we are and we are working toward that.
- He reported there are services available for seniors on fixed incomes and directed them to the Davis County website.
- We contract out for certain services when it makes more sense including janitorial, pest control and even some snow removal.
- The City does try to encourage business growth when it makes sense.
- If the Council votes for a 5% tax increase instead of the 7% tax increase, it will reduce the budget by approximately \$85,000 which would result in taking approximately \$65,000 from the reserve funds.

Mayor Stanger expressed his sincere appreciation for all the hard work that goes into the preparation of the budget. He stated that unfortunately, inflation continues year after year and will need to be dealt with. He feels strongly that future planning continue. He closed the public hearing and directed the Council to agenda item C.

#### 3B. PUBLIC HEARING - EXECUTIVE SALARY INCREASES FOR FISCAL 2025-26

SB 91, titled the "Local Government Officers Compensation Amendments," was introduced and passed during the 2024 Utah State Legislative Session. The intent of the bill is to revise the compensation structure for local government officers.

The bill requires compensation for local government officers to ensure fairness and competitiveness; it requires regular reviews of compensation levels to meet market rates and cost of living changes along with promoting transparency in the process of adjusting pay scales.

Mr. Cahoon explained this follows the standard wage structure increases for that of all the staff, a 2.5% cola and potential 2% merit for regular employees and a potential 3% merit for public safety. He acknowledged a mistake that was found from the previous year in payroll where the mayor and city council mistakenly received a merit increase in addition to the cola increase. The mayor and city council should only receive cola increases. The Council can decide how to address that clerical discrepancy.

He went on to explain the City is currently in the process of implementing a true merit system where merit increases are only given if they are earned.

Clinton City FY 2026 Executive Wage Increases		
City Manager	2.50%	2.00%
Finance Director	2.50%	2.00%
Police Chief	2.50%	3.00%
Fire Chief	2.50%	3.00%
Community Development Director	2.50%	2.00%
Public Works Director	2.50%	2.00%
Recorder	2.50%	2.00%
Recreation Director	2.50%	2.00%
Assistand Police Chief	2.50%	3.00%
Deputy Fire Chief	2.50%	3.00%
City Treasurer	2.50%	2.00%
Public Works Assistant Director	2.50%	2.00%
Mayor	2.50%	0.00%
City Council Members	2.50%	0.00%

#### Mayor Stanger opened the public hearing at 6:10 pm.

Cameron Frick asked for clarification if these increases are strictly for the position.

Mr. Cahoon responded yes.

Mr. Frick proposed removing the merit increases for executive staff. He feels leadership is a privilege and they should redirect the funds to employees.

Jim Moffitt expressed his appreciation to the Council for their efforts. He explained that the leadership of the organization sets the culture and that they should receive their increases. He strongly requests that the merit increase be provided to all employees that deserve it.

Mary Frederickson said as a personal business owner, she has had to make cuts to the costs of her services, she does have a concern with the cost-of-living allowance.

Mayor Stanger clarified that the mayor and city council only receive cola increases, not merit increases. He closed the public hearing at 6:17 pm.

There was a discussion that the budget numbers need to be corrected and reduced by 1% because a merit was mistakenly given to the council in the 2025 budget.

Councilmember Searle stated that Clinton employees deserve their increases. They need to feel valued and appreciated

Councilmember Dougherty said she feels the merit increase provides a way to reward the employees for their loyalty and dedication.

Councilmember Arave likes that the city is moving to a more merit-based evaluation.

Councilmember Tyler explained that the department heads are dedicated and willing to go above and beyond for the community and citizens.

Councilmember Dougherty suggested that moving forward it may be a good option to determine a specific method for determining merit increases.

#### **MOTION:**

Councilmember Dougherty moved to adopt Ordinance 25-08, approving compensation increases for its executive officers for the FY 2026 Budget. Councilmember Tyler seconded the motion. Voting by roll call: Councilmember Arave, aye; Councilmember Dougherty, aye; Councilmember Gray, aye; Councilmember Searle, aye; Councilmember Tyler, aye.

Mayor Stanger directed the Council back to Agenda Item A.

## 3C. <u>PUBLIC HEARING - RESOLUTION 8-25, CERTIFICATION OF TAX RATE AND</u> ADOPTION OF FINAL BUDGET FOR FISCAL YEAR 2025-26

The Resolution provides for the approval of the Final FY 2026 budget and the new Tax Rate certification.

#### MOTION:

Councilmember Tyler moved to adopt Resolution 08-25, approving the Final Budget for FY 2026 and adopting the Certified Tax Rate of .002159 in addition to adding one additional crossing guard and having staff modify the budget reducing the City Council increase to accommodate for the error from last year. Councilmember Searle seconded the motion.

Councilmember Searle encouraged the citizens to stay involved and educated about the budget process.

Councilmember Dougherty commented it is fascinating how differently individuals look at things such as the budget.

Voting by roll call is as follows: Councilmember Arave, no; Councilmember Dougherty, no because it pushes a little too far for her; Councilmember Gray, aye; Councilmember Searle, aye; Councilmember Tyler, aye.

The meeting adjourned at 9:00 PM.

# Reviewed and Approved by the Clinton City Council this 26th of August 2025

/s/Lisa Titensor Clinton City Recorder