

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 PM WORK MEETING
March 24, 2026

City Building
55 South State Street
Clearfield City, Utah

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PRESIDING: Mayor Pro Tem Megan Ratchford

PRESENT: Councilmember Karece Thompson, Councilmember Nike Peterson, Councilmember Megan Ratchford, Councilmember Dakota Wurth

ABSENT: Mayor Mark Shepherd, Councilmember Danielle King

STAFF PRESENT: City Manager JJ Allen, Assistant City Manager Spencer Brimley, City Attorney Stuart Williams, Community Services Director Eric Howes, Sergeant Detective Josh Carlson, Public Works Director Adam Favero, Finance Manager Rich Knapp, Finance Department Lee Naylor, Community Development Director Stacy Millgate, Planner Tyson Stoddard, City Recorder Nancy Dean, Deputy City Recorder Chersty Titensor, Community Relations Amber Benitez

Mayor Pro Tem Ratchford called the meeting to order at 6:00 p.m.

DISCUSSION ON THE FISCAL YEAR 2027 PROPOSED BUDGET

The City Council convened in a work session to discuss utility rates and the financial sustainability of the City's Enterprise Funds. Rich Knapp, Finance Manager, presented an overview of the meeting schedule, noting that utility rate discussions would continue with the intent to develop decision scenarios at the next meeting on April 14, 2026.

Mr. Knapp first addressed updates related to waste management services, including green waste and recycling rates. It was reported that the City's waste provider agreed to limit the rate increase to 4.8% plus a \$1 surcharge, rather than implementing a significantly higher increase that would have applied if participation thresholds were not met. The updated cost to the City for green waste services was presented as \$11.88 per can per month, while the City was currently charging \$10.50, resulting in a potential shortfall of \$1.38 per can per month if rates were not adjusted. Recycling costs were also discussed, with the City's cost at \$6.86 compared to the current charge of \$6.50. He emphasized that the figures were presented for Council consideration and that direction was needed regarding potential rate adjustments.

Council discussion followed regarding whether the City should subsidize green waste and recycling services. Councilmember Peterson expressed concern about subsidizing the services and emphasized the importance of maintaining financial stability, particularly given existing challenges in the water fund. Councilmember Wurth questioned whether the services constituted a true subsidy, noting that revenues from other garbage services, such as first and second cans, might offset costs. Staff clarified that while some administrative and program costs were supported by the garbage fund, the fund overall was likely still operating at a net positive position. JJ Allen, City Manager, confirmed that enterprise funds supported additional indirect costs, including administrative wages, beyond direct service costs.

The Council discussed the timing of any potential fee adjustments. Staff noted that incorporating changes into the current fee schedule would require additional noticing if modifications were made. Councilmember Peterson expressed a preference for implementing any rate changes effective July 1 in alignment with the budget cycle and to ensure appropriate public notice.

Mr. Knapp then presented a broader overview of utility rates and enterprise fund performance. It was noted that overall utility rates were projected to increase modestly, with an estimated \$2.55 monthly increase beginning January 2027. External provider costs were reviewed, including a planned increase from the North Davis Sewer District to \$26.50 by July 2027, while Wasatch Integrated Waste showed no anticipated change. Mr. Knapp also reported that enterprise fund cash balances were generally meeting the City's target of 150 days of cash on hand, although the storm water fund continued to face challenges due to project demands. As a result, certain storm water projects, including portions of H Street Phase 2, were delayed.

Adam Favero, Public Works Director, provided input on project cost trends, indicating that recent bids had come in lower than anticipated, though staff remained cautious due to market volatility, particularly related to fuel costs. Mr. Knapp further explained that changes to storm water billing calculations, specifically Equivalent Service Units (ESUs), were under review, and staff intended to return to the Council with recommendations once sufficient data was available.

Water revenue projections were also discussed. Mr. Knapp indicated that projected revenues had been reduced by \$100,000 to account for anticipated conservation efforts. Mr. Favero reported that regional discussions regarding potential water restrictions were ongoing, with a decision expected following an upcoming meeting. Staff indicated that any resulting impacts on water usage and revenues would be brought back to the Council for further consideration.

Mr. Knapp reviewed long-term financial sustainability, noting that while enterprise funds were generating positive net revenue, they were not currently meeting the levels needed to fully fund infrastructure replacement on a 65-year cycle. It was acknowledged that this challenge is common among municipalities nationwide. The Council discussed bonding capacity, and staff reported that the City maintained a bond coverage ratio sufficient to support additional borrowing if needed, though existing debt obligations, including a prior loan for meter replacement, reduced overall capacity.

A detailed review of enterprise fund cash balances and capital project funding was provided. Mr. Knapp highlighted that water fund reserves were strong, while the storm water fund was meeting

minimum targets only through project deferrals. Mr. Allen confirmed that staffing additions for sewer and storm water operations had been incorporated into projections.

Mr. Knapp then presented an overview of the City's outstanding debt. It was reported that the City would reduce total debt by approximately \$2 million, or 4.4%, in fiscal year 2027. Progress on existing obligations was noted, including significant repayment of water and sewer bonds and the nearing completion of an energy loan. The Aquatic Center bond was projected to be fully paid by fiscal year 2029. Debt per capita was reported at approximately \$1,200. Staff also clarified that while the City is not directly responsible for certain obligations related to UTOPIA, it remained contingently liable. Finally, Mr. Knapp reported that health insurance costs for the upcoming year resulted in no increase, contrary to the previously anticipated 7 percent increase. The outcome was noted positively by the Council.

Councilmember Wurth moved to adjourn at 6:19 p.m., seconded by Councilmember Ratchford.

RESULT: Passed [4 TO 0]

YES: Councilmember Thompson, Councilmember Peterson, Councilmember Ratchford, Councilmember Wurth

NO: None

ABSENT: Mayor Mark Shepherd, Councilmember Danielle King

The minutes for the CDRA are in a separate location

**APPROVED AND ADOPTED
This 28th day of April 2026**

/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, March 24, 2026.

/s/ Nancy R. Dean, City Recorder