CLINTON CITY COUNCIL WORK SESSION MINUTES

Date: May 26, 2026

Time: 6:00 PM

Location: 2267 N 1500 W, Clinton, UT 84015

Staff present:

City Manager Trevor Cahoon, Finance Director Cory Christensen, Assistant Public Works Director Kasey Jensen, Parks & Recreation Director Brooke Mitchell, Fire Chief Jason Poulsen, Police Chief Shawn Stoker, Deputy Recorder Amy Durrans, Recorder Lisa Titensor

Attendees: Kirby Crowley

Elected Officials:

Mayor: Marie Dougherty

Councilmembers Present: Spencer Arave, Chris Danson, Adam Larsen, and Dane Searle. Councilmember Jennifer Christensen was excused.

CALL TO ORDER

Mayor Dougherty called the work session to order at 6:00 PM.

DISCUSSION

Future Fire Truck Lease/Purchase Options

Finance Director Cory Christensen presented information regarding financing options for the future purchase of a replacement fire truck and reviewed several scenarios related to timing, financing structure, projected savings, and long-term budget impacts.

Mr. Christensen explained the City could either:

- order the truck and begin lease payments immediately, or
- order the truck now and delay financing until delivery, which is anticipated to occur in approximately 36 to 42 months.

He noted that beginning the lease immediately would allow the City to lock in current financing rates and receive a prepayment discount estimated at approximately $173,000. He explained that the City currently has approximately $220,000 available in the motor pool fund that could be applied toward the purchase, reducing the financed amount to just under $1.5 million under one modeled scenario.

Mr. Christensen further explained that if the City delayed financing and instead saved funds over the next several fiscal years, the City could potentially accumulate nearly $1 million to apply toward the purchase upon delivery, thereby significantly reducing the amount financed and overall interest costs. However, he cautioned that delaying financing also carried the risk of higher interest rates in the future.

Discussion followed regarding the comparative savings between financing immediately versus delaying financing and continuing to save funds annually. Mr. Christensen estimated projected savings could range from approximately $77,000 to over $300,000 depending on interest rates, loan terms, and the amount ultimately available for a down payment.

Councilmember Searle asked whether funds would need to be formally encumbered during the waiting period if the City chose to delay financing. Mr. Christensen stated he would need to verify whether State Code required that action.

Councilmember Danson expressed support for ordering the truck now while delaying financing, noting the approach would provide greater flexibility and allow the City to continue evaluating financing options over the next several years. He commented that if revenues improved, the City could potentially contribute additional funds toward the purchase before delivery.

Councilmember Searle stated he could see merit in both approaches but leaned toward beginning payments immediately to secure the guaranteed prepayment discount and eliminate uncertainty regarding future interest rates.

The Council discussed historical interest rate fluctuations, uncertainty in future financial markets, and the difficulty of accurately forecasting rates several years into the future.

Mayor Dougherty stated she initially favored moving forward immediately but also recognized the value of maintaining flexibility while the City evaluated long-term budget strategies.

Mr. Christensen emphasized that regardless of which option the Council selected, the City would eventually need to identify additional long-term revenue sources to fund future large equipment replacements. He explained that current revenues were not sufficient to absorb an additional annual payment of approximately $200,000 without either increasing revenues or reducing expenditures elsewhere in the budget.

City Manager Trevor Cahoon noted that beginning discussions with residents several years in advance regarding future revenue needs could help prepare the public for eventual adjustments that may be necessary to support long-term capital replacement planning.

Mr. Christensen further explained that replacing the current ladder truck illustrated the long-term inflationary impact on emergency equipment. He stated the existing truck had cost approximately $500,000 twenty years ago, while a comparable replacement today would cost nearly $2 million.

Councilmembers discussed the importance of developing a comprehensive long-term motor pool replacement strategy that would account for future replacement needs for fire apparatus, dump trucks, sewer trucks, sweepers, and other large equipment. Councilmember Searle expressed concern regarding the number of major vehicles that could require replacement over the next 10 to 20 years and emphasized the need for long-range planning.

Mr. Cahoon stated he would like to see a detailed long-term replacement schedule developed that identified the annual amount needed to maintain a sustainable replacement cycle for City vehicles and equipment.

Discussion continued regarding the benefits of maintaining financial flexibility versus locking in current financing terms and discounts.

Mayor Dougherty noted that the City's current ladder truck was nearing the end of its useful service life and emphasized that the City could not function without a replacement truck being planned well in advance due to the extended manufacturing timeline.

Fire Chief Poulsen and staff briefly discussed the anticipated resale value of the existing truck, noting older apparatus often sell for relatively modest amounts depending on condition and market demand.

The Council also discussed the City's available fund balance and the possibility of applying additional reserves toward the purchase to reduce financing costs. Mr. Christensen cautioned that maintaining adequate reserves remained important in the event of major emergencies or unforeseen infrastructure failures.

Mr. Cahoon noted that major facility repairs or catastrophic events could quickly consume reserve funds and emphasized the importance of maintaining adequate financial protection for the City.

Mayor Dougherty concluded the discussion by asking Councilmembers to continue evaluating the financing options and provide direction prior to the June 16 budget meeting so staff could incorporate the selected option into the proposed budget.

Discussion Regarding Transportation Utility Fee (TUF) and Road Funding

At approximately 6:37 p.m., the discussion transitioned to road funding strategies and the potential implementation of a Transportation Utility Fee (TUF).

Mayor Dougherty stated she would like the Council to consider removing the City's current slurry seal funding allocation from the General Fund and instead funding road maintenance through a Transportation Utility Fee structure. She explained this approach could free General Fund revenues to address other pressing needs, including police wage adjustments and other operational deficiencies.

The Council discussed the relationship between the proposed TUF and existing property tax revenues currently dedicated toward streets. Mayor Dougherty explained concerns regarding how State law restricts the use of TUF revenues and requires municipalities to demonstrate that TUF revenues supplement rather than replace existing road funding.

Councilmembers discussed the complexity of the recently adopted State legislation governing Transportation Utility Fees, including concerns regarding future audits, compliance reporting requirements, and the interpretation of the law's "supplement versus supplant" provisions.

Discussion also focused on public perception and the importance of clearly communicating to residents how any future TUF revenues would be utilized. Councilmembers expressed concern that residents could perceive the fee as duplicative if existing property tax revenues dedicated to roads remained in place without a clear explanation of the City's long-term infrastructure funding strategy.

Councilmember Larsen stated he generally favored purpose-specific revenue sources because they provide greater accountability to taxpayers and help ensure funds are spent for their intended purpose. He noted that residents are often more supportive of fees when they clearly understand what services or infrastructure improvements the fees will support.

Councilmembers further discussed the challenge of balancing long-term street maintenance needs with other growing operational expenses, including employee compensation adjustments, vehicle replacement planning, and ongoing infrastructure demands throughout the City.

Councilmembers discussed the City's growing number of financial and operational needs and questioned whether implementing a Transportation Utility Fee alone would sufficiently address the City's broader long-term budget challenges.

Councilmembers acknowledged that future property tax increases and additional transportation funding discussions may ultimately be necessary to address long-term infrastructure and operational needs.

No formal action was taken during the work session.

ADJOURNMENT

The meeting was adjourned at 6:59 pm.

Approved by the Clinton City Council
this 9th day of June 2026

/s/Lisa Titensor, Clinton City Recorder