

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
June 21, 2022

City Building
55 South State Street
Clearfield City, Utah

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Nike Peterson	Councilmember
	Vern Phipps	Councilmember
	Tim Roper	Councilmember
PRESENT VIA TEAMS:	Karece Thompson	Councilmember
EXCUSED:	Kent Bush	Councilmember
STAFF PRESENT:	JJ Allen	City Manager
	Stuart Williams	City Attorney
	Kelly Bennett	Police Chief
	Adam Favero	Public Works Director
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Brad McIlrath	Senior Planner
	Rich Knapp	Finance Manager
	Lee Naylor	Accountant
	Brooke Limoges	Accounting Technician
	Shaundra Rushton	Communications Manager
	Nancy Dean	City Recorder

VISITORS: Jenna Nelson, Mark Becraft (North Davis Fire District Chief), Blaylock & Partners (2)

Mayor Shepherd called the meeting to order at 6:00 p.m.

DISCUSSION ON THE NORTH DAVIS FIRE DISTRICT (NDFD) DEVELOPMENT AGREEMENT

The North Davis Fire District (NDFD) was seeking approval of a development agreement for modifications from the Form Based Code (FBC) along with other project improvements of the redevelopment that would be important to outline between Clearfield City and NDFD. As part of the review and approval process, the Planning Commission held a public hearing on June 15, 2022, and the City Council has a public hearing scheduled for June 28, 2022.

Brad McIlrath, Senior Planner, went over the site design and planning elements. He noted that the landscaping would no longer be maintained by Clearfield City Parks and Open Space crews and would become the responsibility of the NDFD. Mr. McIlrath reviewed the requested modifications to the Form Based Code (FBC) with the Council.

- Due to the use of the site as a fire station with larger vehicles, NDFD was seeking to have a seventy percent maximum impervious coverage calculation as opposed to the sixty percent allowed by FBC.
- The FBC would require street trees along Center Street placed twenty to forty feet apart on Center within the park strip. To maintain site visibility for vehicle and pedestrian traffic and emergency response vehicles departing onto Center Street, NDFD was seeking approval to not install the street trees for the street frontage.
- FBC compliance would require, benches every 200 feet on commercial and arterial streets in the CV zoning district. The developers had included the benches along Center Street along with benches in the plaza area in the plans. The question posed to the Council was if the benches in the plaza would be sufficient or would they need to proceed with the benches along Center Street as well. There appeared to be agreement that the benches along Center Street were not necessary. Kevin Blaylock, Blaylock & Partners, requested that Council confirm the agreement was to proceed without the two benches along Center Street, Council confirmed that was the direction they would like to go.
- FBC would require a minimum Ground Story Transparency (glass) of 50 percent, which would be measured between two feet and eight feet above grade along facades with street frontage. The Center Street façade followed the FBC, however, the State Street façade had a ground floor transparency of only 36 percent. Mr. McIlrath informed the Council that there was additional glasswork outside of the measured two feet and eight feet as required by the FBC that would total forty-eight percent if allowed to be calculated that way. He confirmed staff would support incorporating the entire glasswork of the façade into the calculation.

Councilmember Peterson provided her support and mentioned it would be difficult to move things on the inside to accommodate the FBC requirements due to fire code. She noted the overall impact of glass would be significant on all three sides of the right-of-way that would have access to the site.

- The FBC required primary building materials to be used for a minimum of seventy-five percent of each façade of the building. According to the plans, all the elevations except the North Administration elevation, met or exceeded the requirement. The North Administration elevation was calculated at seventy-one percent. Mr. McIlrath pointed out that the elevation in question was not visible from Center Street and was oriented toward a semi-private terrace. He mentioned that the continuation of the brick would not flow with the desired design of the building. Council appeared to

agree that it was a different type of building and therefore it would consent to let the seventy-one percent calculation stand.

- FBC allowed for a maximum of fifteen percent of landscaped areas to contain turf grass. The plans for the NDFD displayed thirty-five percent. There were two types of grass, one was more drought resistant and required less water usage and upkeep, the second was normal turf. The drought resistant turf totaled fifteen percent while the normal turf totaled twenty percent. The public's perception appeared to be a concern for the Council. The NDFD was a public facility, therefore, it would be important to maintain the standard. Councilmember Peterson noted that landscaping would be an area the City could hold to the standard. Most of the Council appeared to agree that the total turf grass be reduced to fifteen percent to comply with the FBC.
- To comply with the FBC, the development would require 28 trees. The current plan provided seven trees on site. The request from the developer was to add an additional six trees and not be required to meet the 28-tree requirement. Mr. McIlrath demonstrated what the site would look like with the addition of the requested six trees and then increased to the FBC required minimum. The building would not be visible. Visibility was a concern for Councilmember Peterson with the placement of one of the requested six trees. The direction was to move forward with twelve of the thirteen trees proposed as an amendment.

Mr. McIlrath informed the Council that the Planning Commission had forwarded a recommendation of approval for the Development Agreement on June 15, 2022. He noted that the agreement would not have to go back through the Planning Commission if changes were made at the City Council level.

DISCUSSION ON THE PURCHASING POLICY AND THE DISPOSAL, SALE, OR SURPLUS OF CITY PROPERTY

Rich Knapp, Finance Manager, presented Council with a draft for a new Purchasing Policy and amendments to the Disposal, Sale, or Surplus of City Property for consideration. The last update was in 2009, and due to inflation, the current policy had become inefficient. Mr. Knapp explained staff desired a more succinct policy that would be easier to interpret. He noted that a point of confusion was the difference between authorization thresholds and bid requirement thresholds. Mr. Knapp informed Council the new policy identified the purchase amount that could be authorized by a division manager, a department head, and the city manager, and mirrored the current protocols as follows:

- Division Managers: \$0-\$5,000
- Department Heads: \$5,000-\$25,000
- City Manager: \$25,000 and up

Within the authorization threshold, staff could not authorize anything that was not budgeted. Once a budget has been established, then staff could authorize purchases within the budget. Mr. Knapp expressed confusion on when and if the Council would need to authorize expenditures.

The new policy, as drafted, would not generally require additional approval from the Council at the time of procurement. The City's budget detailed specific expenses and staff would assume the detailed line-items had the Council's authorization. The reallocation of funds of significance, and any procurement of significance that would exceed the detailed line-item budget, would require Council authorization through a budget amendment.

The proposal would eliminate the need to separately authorize the mayor's signature for each project or contract. Mr. Knapp questioned if the mayor needed to sign contracts or documents or if the city manager's signature would be sufficient.

Mr. Knapp addressed the bid thresholds with the Council. Purchasing thresholds dictated the need for an open market purchase, three written quotes, or formal bidding. Procurement of supplies and equipment, and professional services and construction would have different thresholds. The proposed policy would provide the following thresholds:

	Supplies & Equipment		Professional Services & Construction	
	<i>Proposed</i>	<i>Current</i>	<i>Proposed</i>	<i>Current</i>
Open Market	\$0 to \$5,000	\$0 to \$1,000	\$0 to \$50,000	\$0 to \$25,000
3 Written Quotes	\$5,000 to \$100,000	\$1,000 to \$25,000	\$50,000 to \$100,000	\$25,000 to \$50,000
Formal Bid Procedures	Over \$100,000	Over \$25,000	Over \$100,000	Over \$50,000

He shared some examples of the procurement of budgeted items with varied amounts and posed questions to help Council walk through the procurement process. Councilmember Roper suggested Council be updated on the significant budgeted procurements through quarterly reports. Council seemed to like that. The consensus appeared to be if an item had been approved in the budget and did not exceed the budgeted amount, it would not need to go before Council again for approval. JJ Allen, City Manager, affirmed that with construction projects the Council would be updated along the way.

Mr. Knapp questioned at what point contracts should require the mayor's signature. After a discussion, the consensus appeared to be anything that would require a formal bid would require the mayor's signature. During that discussion, the decision was made that the reallocation of funds, within the same department, up to \$10,000 would not need to be addressed with Council.

Councilmember Phipps questioned how to avoid fraud on purchases under \$5,000. Mr. Knapp informed him that the State Auditor performed a Fraud Risk Assessment and that during the purchasing process, several people would be involved in the purchase so there would be checks and balances.

Stuart Williams, City Attorney, highlighted a couple of changes in the policy. The term "Chief Financial Officer" would replace "Administrative Director", and the definition of a significant parcel was changed from \$75,000 to \$100,000.

DISCUSSION ON AMENDMENTS TO THE CONSOLIDATED FEE SCHEDULE

Staff presented the Mayor and Council with requested amendments to the Consolidated Fee Schedule.

Mr. Knapp, presented the proposed Utility fee changes. He recapped the garbage and recycling fees that would take effect July 1, 2022.

	Current	Proposed	
First Trash Container	\$16.75	\$16.75	0%
Additional Trash Container	\$10.00	\$10.50	5%
Clean-up Dumpsters	\$100	\$134	34%
Recycling 0% to 74%	\$4.95	\$5.50	11%

Mr. Knapp reviewed the current Utility Miscellaneous Fees and the proposed changes to the Consolidated Fee Schedule.

	<i>Current</i>	<i>Proposed</i>
Second Delinquent Notice	\$10	\$15
Water Meter Tampering	\$100-\$250	\$150
Water Meter Damage	\$100-\$250	\$500

He highlighted the delinquent notices and noted that proposed fees to the water meters would clarify the charges for meter tampering and damage. Mr. Knapp mentioned the rise in meter tampering the City had been seeing. Mr. Allen questioned if the door hanger provided a notice for tampering fees. Council agreed that it should. Brooke Limoges, Accounting Technician, confirmed the door hanger did provide that information.

Eric Howes, Community Services Director, presented amendments requested to the Consolidated Fee Schedule for Community Services. He informed Council that the implementation of the business plan for the Community Services Department provided the City with a consistent methodology for determining fees for services provided by the department. Based on the model, fee increases were recommended in the following areas:

1. Aquatic and Fitness Center Fees
 - a. Memberships
 - b. Admissions
 - c. Punch Passes
 - d. Building Rentals
 - e. Child Care
2. Facility Rentals

- a. Community Arts Center
 - b. City Hall
- 3. Field Use
 - a. Baseball and softball fields
- 4. Pavilion Rentals

Mr. Howes reviewed the proposed changes for each of the aforementioned areas and explained that the goal of the business plan for Community Services was to offset the operational expenses of the Aquatic and Fitness Center, recreation, and arts programming. The proposed fees were necessary to accomplish that goal and reduce the current subsidy of those services by the General Fund. Mr. Howes explained the Hedgehog analysis. The implementation of the fees and the revenue derived from them was in exact compliance with the business plan. He mentioned that if Council would like to proceed, the new fees would take effect as soon as possible after July 1, 2022.

Adam Favero, Public Works Director, presented amendments to the Consolidated Fee Schedule requested by Public Works. He described the purposes behind the fees and explained that the fees were intended to ensure the City was covering its costs. Amendments requested included Street Cuts Permits (Excavation Permits), Water Meter Fees, Fire Hydrant Meters, Civil Plan Review and Civil Inspections.

Kelly Bennett, Clearfield City Police Chief, presented the Police Department's proposed Consolidated Fee Schedule amendment. The requested amendment was to the contract services fee from \$65.75 per hour to \$120 per hour. He informed Council that the new fee was based upon the highest hourly wage employee paid at time and one half, employee benefits, and a twenty percent overhead cost. There would also be a two-hour minimum requirement.

DISCUSSION ON AMENDMENTS TO THE FISCAL YEAR 2022 (FY22) CITY BUDGET

Mr. Knapp asked Mayor Shepherd and the City Council to consider proposed Fiscal Year (FY22) budget amendments. He reviewed the requested amendments with the Council and disclosed that new amendment proposals and/or adjustments could be made before final approval which was scheduled for June 28, 2022. He explained that the table presented to Council contained proposed expenditures that did not have budget authority or exceeded FY22 budget authority and required budget amendments as allowed by Utah Code Title 10, Chapter 6, Sections 124 to 129. There was a discussion on the requested Wireless Communication adjustment. Councilmember Peterson asked for clarification on the need for the increase. Mr. Knapp mentioned the increase could have been due to not budgeting enough. After a short discussion, Mr. Allen told Council he would follow-up with Council on the increase with the wireless communication after further investigation.

DISCUSSION ON THE FISCAL YEAR 2023 (FY23) CITY BUDGET

Mr. Knapp updated the Council on changes since adoption of the Tentative Budget and discussed the measures of security and sustainability.

- Security

- Available General Fund cash by the end of Fiscal Year 2023 (FY23) would be twenty-four percent of revenues
- Available General Fund cash by the end of FY23 would provide 91 days of operating expenses and would be above the target of two months.
- Sustainability
 - General Fund Ongoing Revenue minus Operating Expenses contained a net surplus of \$14,000.

Mr. Knapp mentioned the changes that reduced General Fund expenditures by \$198,000:

- Health Insurance – (\$189k)
- HR Policy and Procedures – (\$9k)

He then reviewed the changes that would increase expenditures totaling \$83,000:

- PT Holiday Rate – \$20,000
 - some offset (should reduce overtime costs) Mr. Allen explained that offering part time employees time and a half to work on holidays was intended to reduce the need to pay full time employees double time for working on holidays.
- Liability Insurance - \$19,000
 - More exposure and higher rate
- Fuel Expense - \$12,000
 - Tentative planned at a 25 percent increase; 35 percent increase would equal an additional \$16,000 to fuel line items across all divisions
- Swim Team Expense - \$17,000
 - Offsetting revenue, but didn't budget enough expense
- Interdepartmental - \$14,000
 - Wireless Communications - \$7,000
 - Natural Gas - \$7,000
- Council Sponsorship of Military Affairs Patron Program \$500 (the sponsorship was \$500 and is being proposed at \$1,000 for FY23)

Mr. Knapp reviewed the Net change to the Tentative Budget:

Net surplus at time of Tentative Budget approval (measure of sustainability)	\$14,000
Decreases to General Fund expenditures	\$198,000
Increases to General Fund expenditures	-\$82,500
Net surplus after first set of adjustments	\$129,500

He informed Council of the City's top priority needs not included in the Tentative Budget that would reduce the net General Fund surplus by \$95,000:

- 2 Utility Maintenance Specialists (preventative maintenance program)
 - \$107,000 allocated to Enterprise Funds; factored into recent rate study
 - \$36,000 allocated to General Fund
- Convert part-time IT Specialist to full-time \$59,000 to General Fund

Mr. Allen revisited the Compensation Plan Implementation with the Council. He mentioned that Council had adopted a new plan in mid-year FY22 for wage increases to catch up with the rapidly escalating market. The plan had been effective with retention and recruiting; however, market pressures were persistent. Mr. Allen noted the 8.6 percent inflation in the U.S. with 9.4 percent in the Mountain region, and the 1.7 percent unemployment rate in Davis County, Utah. He reminded Council that \$500,000 was included in the Tentative Budget. After an in-depth analysis, the actual implementation would total approximately \$460,000. Step-and-grade employees would proceed as outlined in their job's "matrix, and employees on the general pay plan would be eligible for increases of up to four percent dependent on performance evaluations.

Mr. Allen presented a few options for the Council to consider:

- Council could implement the plan as described effective July 1, 2022
 - This would keep the plan on track and would require less than the budgeted amount in the Tentative Budget.
- Implement step-and-grade effective July 1, 2022 and general pay on October 1, 2022:
 - This option would essentially make the increase to the "general" group 3 percent instead of 4 percent resulting in \$65,000 saved compared to the first option.
 - Could cause compression between certain upper step-and-grade employees and lower general pay plan employees (e.g., officer and sergeant).
- Delay both groups until October 1, 2022 and get back on track July 1, 2023 (FY24).
 - Could result in a \$75,000 savings compared with the first option.
 - Would disrupt the tenure component of step-and-grade matrix.

Mr. Allen informed Council the recommendation from staff would be to implement the plan as described effective July 1, 2022. He asked for direction from the Council on what they would feel most comfortable with.

Councilmember Phipps commented that the Council should determine the amount they were willing to spend on employee expenses, and then administration would distribute that amount.

Councilmember Peterson commented on her struggle to balance the needs of the residents and employees. She stated inflation was hitting everyone hard but was glad that Council was able to address wages in January. She felt like July might be too soon to revisit the compensation plan. Mayor Shepherd commented that the increases in January were an interim measure.

Councilmember Peterson was concerned with keeping up with inflation and the sustainability of increasing wages. Councilmember Phipps agreed. He commented how inflation impacted every resident equally. He acknowledged that competitiveness was an important aspect in the workforce, however, the City needed to be able to sustain its workforce over the long term. He added if the economy retracted it could likely require layoffs. He recognized that Police and Fire were essential personnel, and their part of the discussion should be determined separately.

Councilmember Peterson commented the essential personnel encompassed more than Police and Fire, because other services provided by the City were also mandatory. Councilmember Roper commented it was just as important to create a culture where employees wanted to stay.

There was a discussion about compression issues if the compensation plan were not fully implemented. Mr. Allen stated a delay could cause problems with compression. The conversation transitioned to property tax.

Mr. Knapp described what maintaining the rate would look like from the perspectives of a resident and the City. For the residents, an average home valued at \$378,000 would have an increase of \$55.09 over last year. For the City, maintaining the rate would equate to \$621,000 of additional property tax revenue or a twenty-three percent increase.

Before venturing too far into the discussion, Mr. Knapp reviewed the Fiscal Management Practices Draft Language for Property Tax Rates, acknowledging it had not yet been adopted:

“Clearfield City should seek to maintain stable property tax revenues. Given that the City’s cost to provide services is constantly escalating (mostly due to external factors), the City should strive to keep pace with inflation by going through the “truth in taxation” process each year to hold the property tax rate constant (assuming property values are increasing). Revenue growth beyond inflation should only be considered if: 1) Operating costs are growing faster than inflation and tax growth, 2) New services are instituted to meet residents’ needs, or 3) Otherwise determined to be in the best interest of the City as determined by the City Council.”

Mr. Allen conveyed that the purpose of the review wasn’t to refine the language but rather provide context on previous discussions and the direction requested from Council regarding the tax rate.

Mr. Allen reviewed the additional personnel requests he had previously sent to the Council for consideration. He noted that the addition of the two Utility Maintenance Specialists and the conversion of a part-time IT Specialist to full-time as discussed earlier were the top priorities. He mentioned the positions were listed in order of his recommendations.

Position	Cost	Notes
Patrol Officer + vehicle / equipment	\$100,000 – ongoing \$60,000 – one time	Warranted by population growth and call volume
Full-time Dispatcher	\$50,000	Inadequate staffing; will reduce OT and PT costs
Convert PT Utility Maintenance Specialist to FT	\$5,330 (GF) \$35,670 (EF)	Currently the PT streetsweeper position
Convert PT Admin Assistant in CS to FT	\$42,000	Support for Director and Deputy Director
Convert PT Marketing Coordinator in CS to FT	\$42,000	Correlation to CAFC and Recreation revenue

Mental Health Officer	\$98,000	Increasing % of calls involve mental health.
Total	\$337,330 (ongoing GF)	

Mr. Allen asked the Council if they would like to proceed with any of the requests on the list, and if so, then how far down the list would they like to go.

Councilmember Phipps expressed his appreciation for the progression of the discussion. He commented that considering needs first then determining the costs associated with those needs was the best way to contemplate maintaining the rate. Councilmember Peterson agreed and commented she loved seeing it as a needs-based assessment.

Mr. Allen presented the options that were before the Council as follows:

- A. Accept the Certified Tax Rate: would not require “truth in taxation” and would need to be ready to approve a budget on June 28, 2022.
- B. Set the rate to generate \$2,840,494 (the amount included in the Tentative Budget): option would allow for the conversion to full-time for vacant IT position and the addition of two Utility Maintenance Specialists for preventative maintenance and would retain a small cushion in the measure of sustainability.
- C. Set the rate to generate necessary funding for some or all positions from the previous list: would be a combination of A and B and would provide for Council’s discretion as to which positions to fund and how much of a cushion to build into the measure of sustainability.
- D. Maintain the rate at 0.001437: option would provide a comfortable cushion in the measure of sustainability, could be part of a strategy to enhance the Fund Balance, and could provide a solid foundation for the demands of future growth

There was a discussion surrounding the options presented to the Council. Mayor Shepherd voiced his belief that to maintain the rate would be excessive. He stated the economy was about to shift and it still would not be enough. He commented that there were always justifiable needs, and he was most in favor of the rate set for the Tentative Budget. Councilmember Peterson commented on the difficulty in prioritizing the needs and reiterated Councilmember Phipps earlier comment of setting an amount and allowing administration to distribute from there. She mentioned the complexity of prioritizing the requested needs. Mr. Allen restated that the list of additional personnel requests presented to Council were in the order he would prioritize them.

Councilmember Thompson expressed interest in discussing option C; setting the rate to generate funding for some or all the positions. He expressed his concerns about recession and taxation and having to navigate those situations. He noted that Mayor Shepherd and Councilmember Phipps were the only ones with experience budgeting in a recession. He favored option C and would rather create a cushion for sustainability in the future.

After a discussion, it appeared that the majority favored going with the Tentative Budget and adjusting to incorporate funding for the Patrol Officer with vehicle and equipment, a full-time

dispatcher, and the conversion of a part-time Utility Maintenance Specialist to full-time. Mr. Allen stated they would solidify the numbers and notify the County to advertise the rate for a truth-in taxation hearing in August.

Councilmember Peterson moved to adjourn as the City Council and reconvene as the CDRA in work session at 8:57 p.m., seconded by Councilmember Phipps. The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Peterson, Phipps, Roper, and Thompson. Voting NO – None.

The minutes for the CDRA are in a separate location

APPROVED AND ADOPTED

This 26th day of July 2022

/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 21, 2022.

/s/Nancy R. Dean, City Recorder