

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
March 6, 2012

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| PRESIDING: | Mark Shepherd | Mayor Pro Tem |
| PRESENT: | Kent Bush | Councilmember |
| | Mike LeBaron | Councilmember |
| | Bruce Young | Councilmember |
| EXCUSED: | Don Wood | Mayor |
| | Kathryn Murray | Councilmember |
| STAFF PRESENT: | Adam Lenhard | City Manager |
| | JJ Allen | Assistant City Manager |
| | Greg Krusi | Police Chief |
| | Scott Hodge | Public Works Director |
| | Kim Dabb | Operations Manager |
| | Eric Howes | Community Services Director |
| | Bob Wylie | Administrative Services Director |
| | Steve Guy | City Treasurer |
| | Jessica Hardy | Accounting Technician |
| | Nancy Dean | City Recorder |
| | Kim Read | Deputy City Recorder |

VISITORS: There were no visitors.

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

DISCUSSION ON A CONTRACT WITH THE STATE FUEL SYSTEM

Scott Hodge, Public Works Director, reported the City was considering participating in the State Fuel System program and changing the City's facilities at the Public Works Shops to be part of the system. He indicated the State had visited the City's facility and expressed interest in the City's participation. He stated the City's participation would require entering into an agreement and an additional increase for fuel at approximately three cents per gallon. He reported the price difference would result in an increase of approximately \$10,000 per year for the City's fuel; however, the State would take over the maintenance of the fuel tanks, pump, computers, etc. He emphasized the property would remain with the City.

Mr. Hodge reported Layton City and Syracuse City were on the program and more and more entities were choosing to participate in the State's fuel system. He expressed his opinion this would be a benefit to the City.

Councilmember Young inquired what the City's current maintenance costs were for the equipment. Mr. Hodge responded there currently wasn't much in the form of maintenance costs; however, the pumps were considered "older." He informed the Council that if the City incurred a fuel spill it would be very expensive to clean up. He added the City hadn't invested significant funds in the past few years and the system's infrastructure was aging.

Councilmember LeBaron inquired about the costs to upgrade the facility. Mr. Hodge responded he hadn't been made aware what improvements the State would be making to upgrade the facility.

Mr. Hodge explained the specifics of the agreement to the Council. Mr. Lenhard pointed out certain costs associated with the fuel system would be incurred by the City whether or not it entered into an agreement with the State. He emphasized the City's current system was functioning at the current time. He commented the City could enter into the State program at any time as well as cancel its participation.

Mr. Hodge informed the Council consideration for entering the program would come before the Council for approval at the next policy session. Councilmember LeBaron requested the projected costs to upgrade the City's current system as opposed to participating in the State's fuel system before the Council considered it for approval. Councilmember Shepherd asked how old the City's fuel tank was. Mr. Hodge responded it was approximately 20 years old. Councilmember LeBaron clarified the fuel storage tank was above ground.

DISCUSSION ON THE 2012/2013 FISCAL YEAR BUDGET

Bob Wylie, Administrative Services Director, reported staff had been working on the 2013 fiscal year budget for approximately six weeks. He stated the evening's discussion would be specific to the enterprise fund which consisted of utility, water, sewer, storm sewer and solid waste.

Mr. Wylie distributed the working budget and directed the Council to the first page. He pointed out there were no new full time employee positions proposed for the funds. He explained the difference between the utility admin fund and the water meter fund and how the late fees related to both funds. He explained there were approximately 1000 residents paying their utility bills late and reported during the month of January the City started mailing the late notices as opposed to delivering door hangers. He explained the procedures used by staff in attempting to collect the late payments and stated 150 out of those 1000 were being shut-off.

Mr. Wylie reviewed all other utility accounts with the Council and stated it was anticipated water rates would need small increases for several years in the future to pay for the identified water capital projects. Scott Hodge, Public Works Director, reviewed with the Council the proposed water capital projects which would need to be completed. Mr. Wylie pointed out how the identified projects would be funded and the resulted impact to the water enterprise fund.

Councilmember Bush inquired how a rate increase from Weber Basin Water would affect the City's proposed rate increase. Mr. Wylie responded the City had a contract designating the specific acreage of water for the City's purchase. Mr. Hodge added the water itself was a contracted amount but there could be an increase if overhead or maintenance costs increased.

Mr. Wylie reviewed the sanitary sewer revenue and indicated staff was proposing a small two percent increase until 2014 in order to complete infrastructure improvements. He pointed out the North Davis Sewer District (NDS) had indicated it would be proposing a rate increase beginning in July and stated the figures didn't include that increase. He reminded the Council the last time the District experienced a rate increase the City passed it straight through to the resident. Mr. Hodge reviewed the proposed sanitary sewer capital projects with the Council. He clarified how each project was prioritized. Mr. Wylie pointed out how cleaning out the sewer and storm sewer lines on a rotational basis had benefited the City.

Mr. Wylie reviewed the revenues associated with the storm sewer account and Mr. Hodge reviewed the proposed capital projects for the storm sewer account. Mr. Wylie emphasized the account had sufficient funds to complete the identified projects. He added small rate increases had been included in the presented scenarios. Mr. Lenhard suggested the City request some reimbursement from Utah Transit Authority (UTA) for the 24-inch storm drain line which would directly benefit any future development at the Transit Oriented Development (TOD) site.

Mr. Wylie reviewed the solid waste fund with the Council and reported the City was currently in the bid process for solid waste collection services. He expressed his opinion the account was healthy. He stated he was hopeful a new contract would be awarded in March and the new contract rates would be included in the tentative budget. He indicated there were no capital projects identified for the fund and staff would not be proposing any rate increases.

Adam Lenhard, City Manager, distributed two handouts. He reminded the Council about the handout which had been previously used at the budget retreat. He stated the City had eight different project areas. He explained the City's approach during this year's budget process had been to separate the funds specific to each area. He reviewed the prepared budget summary with the Council and explained how the numbers had been assembled and additionally reviewed the identified projects and expenditures associated with each EDA or RDA project area.

- EDA 1 – Cowley Adams @ Legend Hills
- EDA 2 – 1700 South
- EDA 3 – ATK
- RDA 6 0 North Freeport
- RDA 7 – West Side CBD
- RDA 8 – North Gate East Side CBD
- RDA 9 – South CBD
- RDA 10 – Wilcox Farms

A lengthy discussion took place regarding the identified project areas and Mr. Lenhard requested direction from the Council regarding allocation of funds specific to EDA 1. The Council determined to fund the proposed water projects in EDA 1 using increment funds as the funding source. Mr. Lenhard suggested since there were no new planned projects for EDA 2, the funds could be appropriated for the Sales Tax Bond Payment. He pointed out the City didn't have discretion regarding project funds for EDA 3, the ATK project area. He reviewed project area RDA 6 with the Council and suggested reimbursement to the general fund associated with the 200 South/Center Street bridge which was a direct economic development expense; furthermore, he emphasized those funds should be specifically designated toward economic development. Mr. Lenhard explained RDA 7 also encompassed part of the 200 South/Center Street bridge and pointed out the same strategy could be used. Councilmember Bush inquired if the landscaping of the bridge could be a qualified use of the funds. Mr. Lenhard responded in the affirmative and indicated that project should be identified when appropriating funds.

Councilmember Bush inquired if the designated RDA areas could be refigured. Mr. Lenhard responded the City couldn't change boundaries of the designated areas without approaching the taxing entity committee. He added the City had a significant number of RDA's and cautioned the Council about doing that. Councilmember Bush pointed out residential homes were included in RDA 6 and expressed his opinion the inclusion of Freeport Center extending to 1000 West would be a greater benefit to the City. Mr. Lenhard suggested the City would want to designate a project area for the Utah Transit Authority (UTA) property in the future and believed that request would be more beneficial.

Mr. Lenhard stated the City was obligated to pay the revenue bond debt service specific to RDA 8, which encompassed the area near the Municipal Campus including Lakeside Square. He added the new 650 North interchange in conjunction with Falcon Hill was also included in the area. Councilmember Shepherd inquired what contribution the City would be obligated to contribute to the 650 North improvements. Mr. Lenhard responded the Utah Department of Transportation (UDOT) would complete all improvements with the exclusion of landscaping, which could be an allowed improvement. Mr. Lenhard pointed out it that even though the intersection was not geographically included in the RDA area, there would be a direct economic benefit because the intersection was a significant gateway to the City.

Mr. Lenhard explained how RDA 9 would be affected with the SR 193 extension and the possibility to fund the \$200,000 Depot Street Improvement Project with remaining funds to be appropriated to the Sales Tax Revenue Bond payment.

Mr. Lenhard commented the Wilcox Farms area, RDA 10, would be developed sometime in the future.

Mr. Lenhard directed the Council to the colored chart reflecting each project area and reviewed each area's budget. A lengthy discussion took place regarding possible projects and the Council agreed to appropriate the following:

- 10" water line in EDA 1 project area for approximately \$204,500.
- 18" water line in EDA 1 project area for approximately \$234,500.
- Depot Street Improvement Project for RDA 9 project area for approximately \$200,000 and the remainder appropriated for the Sales Tax Bond payment.
- Sales Tax Bond payment for RDA 10.
- Appropriate all other the fund balance for future transfers to the general fund to be appropriated toward future projects once operation costs, Sales Tax Bond payment, for RDA's 6, 7 and 8 were paid.
- EDA 2 - appropriate funds toward the Sales Tax Bond payment.

Mr. Lenhard emphasized the appropriations would result in a remaining balance of approximately one million dollars which could be used for future projects within the RDA areas.

The meeting adjourned at 8:25 p.m.

APPROVED AND ADOPTED
This 10th day of April, 2012

/s/Mark Shepherd, Mayor Pro Tem

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 6, 2012.

/s/Nancy R. Dean, City Recorder