

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
May 7, 2013

PRESIDING:	Don Wood	Mayor
PRESENT:	Kent Bush	Councilmember
	Kathryn Murray	Councilmember
	Mike LeBaron	Councilmember
	Mark Shepherd	Councilmember
	Bruce Young	Councilmember
STAFF PRESENT:	Adam Lenhard	City Manager
	JJ Allen	Assistant City Manager
	Brian Brower	City Attorney
	Bob Wylie	Administrative Services Director
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Scott Hodge	Public Works Director
	Kim Dabb	Operations Manager
	Jessica Hardy	Accountant
	Nancy Dean	City Recorder
	Kim Read	Deputy City Recorder

VISITORS: James Schroader – North Davis Sewer District (NDSD) Accountant

Mayor Wood called the meeting to order 6:04 p.m.

DISCUSSION ON AN AMENDMENT TO THE NORTH DAVIS SEWER DISTRICT AGREEMENT

Councilmember Bush introduced James Schroader, North Davis Sewer District (NDSD) accountant, and informed the Council he was in attendance to explain the proposed amendments to the City’s contract with the Sewer District. Mr. Schroader distributed a handout and announced the NDSD was planning to issue revenue bonds to fund capital improvement projects at the NDSD. He explained one of the issues identified by the rating agency when discussing the finances of the District was the need to lengthen the term of its contract with the City.

Mr. Schroader explained the current contract had extended its terms of service for the City to 2032 and the term for the proposed bonds would extend beyond the term of the contract for services. He stated bond counsel suggested amending the contract to extend the term of service beyond the term of the bonds. He reported the NDSD had an excellent rating which translated into cost savings for the citizens by not having to pay interest at a higher rate.

He reported Felshaw King, NDSD attorney, had prepared the ordinance and explained the amendment to the contract would extend the contract to 2062. He pointed the language in the

contract had been amended to reflect how issues would be resolved with the NDSB Board as well as language pertinent to decommissioning the facilities should another option for sewage treatment become available.

Councilmember Murray requested clarification about the extension of the bonds. Brian Brower, City Attorney, clarified the agreement for services was being extended to the year 2062 which would allow for new bonds to be issued. Councilmember Murray inquired what would happen if the City didn't agree to the contract amendment. Mr. Brower responded the City would have to provide its own sewer treatment services.

Mayor Wood explained his knowledge specific to decommissioning a facility as he served on the Wasatch Integrated Waste Facility Board. He commented the Board was required to designate funds in a specific account which would be used for closing the facility and inquired if the NDSB had a similar policy in place. Mr. Schroeder responded it didn't at this time. He explained at some point the landfill would meet its life expectancy; whereas, the NDSB could continue to make improvements similar to roads extending its viability. Mr. Schroeder briefly explained the process when some of the NDSB infrastructure had to be closed.

Mr. Brower stated he had reviewed the contract and reported from a legal perspective it was sufficient to meet the requirements of code.

Councilmember LeBaron inquired if the NDSB was classified as a treatment or storage facility in that it was generating hazardous waste. Mr. Schroeder emphasized the District was generating Class B bio solids, which was not a hazardous waste but a solid waste. He continued there were no regulations specific to disposal of Class A bio solids; however, there was a plan in place as to how bio solids could be disposed. Councilmember LeBaron clarified the Class B bio solids which were created by the treatment plant were being stored on site. Mr. Schroeder responded the bio solids were stored on site for a time prior to disposal for agricultural application. Councilmember LeBaron commented he wasn't aware of any exemptions for entities creating solid waste to not have a D&D Plan and requested further explanation at a future meeting. Mr. Schroeder explained if the waste were properly removed at the time the Plant was decommissioned, the cost would be spread over 50-100 years. He added the dollar amount was not significant. Councilmember LeBaron still had a difficult time understanding why the NDSB wouldn't have to have a closure plan and fund to protect participating entities. Mayor Wood expressed concern with the potential liability to the participating cities and asked if they could be held accountable for the costs.

Mr. Schroeder responded the NDSB had to have a closure plan in order to be licensed and indicated it was compliant for a significant amount of licenses. Mayor Wood inquired whether the age of the facility or if new technology became available, or some catastrophic event took place which disabled the facility, what could the potential future impacts be on the participating cities.

Mr. Schroeder explained the District currently had a reserve fund consisting of approximately 26 million dollars which was designated for such purposes in addition to reserves and insurance designated for those types of events. He continued if there were a complete closure of the plant,

the citizens of the area would be impacted and the City Councils would have to deal with that issue at that time. Councilmember LeBaron believed many facilities had full closure plans in place.

Mayor Wood expressed his opinion there was a difference between what was required and what was prudent and suggested the NDSB Board address the issue because there was the potential for an unbudgeted amount from an unforeseeable event that could significantly impact the participating municipalities. Councilmember LeBaron believed there was a state law which required a closure plan.

DISCUSSION ON THE AWARD OF BID FOR THE 700 SOUTH SEWER PROJECT

Scott Hodge, Public Works Director, reported the bid opening for the 700 South Sewer Project had taken place earlier in the day. He stated \$619,000 had been appropriated for the project, based upon the City Engineer's estimate of work and costs; however, all bids were substantially higher than that amount and reported the project would be scaled down.

He stated the highest priority would be completing the portion of sewer line at the intersection with the second priority being the most eastern part of the line on 700 South. He reminded the Council that the sewer line in 700 South had experienced some failure so spot repairs would be needed. He believed the slip lining repair option would most likely be eliminated. He indicated approval of the bid would come before the Council during the May 14, 2013 City Council meeting. He explained the City Engineer would need to review the bids and visit with the contractor to determine how much of the work could be completed. He reported the apparent lowest bid was \$790,000.

Councilmember Murray inquired if there were funds available elsewhere which could be used to complete the project. Bob Wylie, Administrative Services Director, reported he had requested Steve Guy, City Treasurer, to review the fund balance to determine if additional funds could be recognized. Mr. Hodge believed if the City decided to proceed with the proposed bid and allow for a contingency fund, the total project cost would be approximately \$900,000.

Councilmember Shepherd inquired as to why the estimated amount was so far off from the bid amount. Mr. Hodge believed it had to do with the time constraints of the project associated with UDOT's work schedule at the same intersection in addition to the pumping of the sewer. He reported there was a significant sewer flow at that location and explained the pumping process which would be needed to complete the construction. He believed both issues elevated the construction costs. Mayor Wood inquired if there was a possibility to complete the portion of the project which was time sensitive and then expand the allowable time for the project to be completed in its entirety at a reduced cost. Mr. Hodge didn't believe that would have a significant decrease in cost as the slip line portion of the project was approximately \$80,000 of the bid. He explained part of the bid required a sewage pumping plan in addition to a traffic control plan and believed both of those contributed to higher bids. Councilmember Young pointed out the slip line repair was a less evasive approach.

Mr. Hodge reviewed the four options which had been brought to the Council. Mr. Wylie reported the uncommitted fund balance in the sewer fund was approximately \$700,000 and stated it would take almost the entire remaining fund balance to complete the project as originally proposed. Councilmember Young inquired about the possibility the sewer line could be compromised to the point a slip line repair in the future wouldn't be possible. Mr. Hodge expressed his opinion the sewer line would last for a couple of years.

Mayor Wood inquired about the quality of the end product if the project was completed in pieces as Mr. Hodge was now suggesting. Mr. Hodge believed the intersection was the most critical area and would no doubt have a failure if no repairs were completed. A discussion took place regarding possible options and the Council directed staff to only complete the critical areas including the intersection extending east.

DISCUSSION ON THE FREEPORT WATER TANK PROJECT

Scott Hodge, Public Works Director, distributed a handout reflecting tank capacity comparisons. He reminded the Council about discussions specific to repairing the Freeport water tank or possibly replacing the water tank. He reviewed the handout and costs associated with replacing the water tank reflecting three different materials.

Mr. Hodge emphasized there would be maintenance costs associated with the concrete water tank. He stated the City Engineers had recently worked with Riverdale City who had two steel water tanks and they had determined that painting both the interior and exterior of the tanks was important.

He shared the thought process in considering an increase in the tank size which would possibly prolong the life of the HAFB well. He reported Weber Basin had installed a glass fused steel bolted water tank approximately 11 years ago and staff had visited with its staff about that project. He requested the Council determine whether it desired to repair the current well or replace the well. He reminded the Council it had toured the pump house at the Freeport Center last fall.

Mayor Wood inquired about the possibility of sharing some costs of a new well with Syracuse City as it would also benefit from a new water tank and suggested contact be made because there was the potential for significant growth in that City. He believed a conversation should take place with Syracuse City about a possible cost sharing of the facility.

Mr. Hodge reported he had inquired if there were low interest loans available through the State for these types of projects. He reported funds were available consisting interest rates of about two to four percent for 10 to 20 years and the application process would take approximately three to six months. Councilmember Murray asked if the State had any preference with the three options of materials for the project. Mr. Hodge responded any of the materials would be an acceptable product.

Councilmember Young believed the glass fused option would be the best option and inquired if there were any reason to eliminate that option. Mayor Wood suggested staff proceed with the

glass fused 1.5 MG water tank and visit with Syracuse City and/or West Point City to see if there was interest in sharing costs. Councilmember Bush believed it would be in the best interest of the City to spend the extra funds to purchase the larger water tank.

Bob Wylie, Administrative Services Director, reported the water fund was extremely healthy and could accommodate the expenditure of the larger tank. The Council was in agreement to proceed in purchasing the larger tank.

DISCUSSION ON THE CLEARFIELD HIGH SCHOOL SCHOLARSHIP

Nancy Dean, City Recorder, distributed a handout outlining the proposed scholarship requirements and Mayor Wood reviewed them with the Council.

He explained a question had been asked of the high school which could potentially impact an individuals' ability to receive the scholarship and use it in a timely manner, such as military or religious opportunities. He mentioned some of the universities were awarding scholarships and deferring them until the service commitments by the recipient had been met. He asked the Council if it would be receptive to deferring the City's scholarship if the recipient could demonstrate the need for a deferment.

Ms. Dean indicated she and Brian Brower, City Attorney, had drafted some language which allowed the scholarship to be deferred for up to five years because a military obligation would be for four years and the additional time might be needed to complete registration. She added the applicant would also need to apply for the deferment in writing with a copy of the commitment letter or contract from the charitable institution. She stated if the scholarship was not claimed within five years it would be forfeited.

Councilmember Murray pointed out it was announced Clearfield High School was the winner of the Utah Highway Patrol's seatbelt campaign in which the City had contributed \$500. Mayor Wood commented that was entirely different from the \$1,000 college scholarship. Councilmember Murray inquired if students had already applied for the scholarship. Ms. Dean reported students had and Clearfield High handled all administrative paperwork. She stated Bob Wylie, Administrative Services Director, had already identified how the scholarship would be earmarked in the budget for deferment purposes. The Council agreed to add the deferment language.

Mr. Brower suggested some additional language be included referring to government entity. Ms. Dean informed the Council she had also included "successfully" served as a member of the Youth City Council. She suggested a certificate be presented to those who had "successfully" served on the YCC. The Council was in agreement with the proposed changes.

The Council took a break was taken at 6:55 p.m.

The meeting resumed at 7:05 p.m.

DISCUSSION ON THE FREEPORT WATER TANK PROJECT CONT'D

Mayor Wood expressed concern about potential issues regarding shared costs associated with the sharing of the water tank and asked for Council's input. A discussion took place and the Council expressed agreement with Mayor Wood's concerns and directed staff to proceed in purchasing the tank on its own.

DISCUSSION ON THE 2013/2014 TENTATIVE FISCAL YEAR BUDGET

Adam Lenhard, City Manager, pointed out the proposed tentative budget was a balanced budget of 31.1 million dollars in total of all funds. He pointed out the General Fund consisted of approximately 15.3 million dollars. He reviewed the changes specific to personnel reflected in the proposed budget. He pointed no merit increase for employees had been appropriated but anticipated a healthy unreserved fund balance in the General Fund and expressed his hope for a possible one time lump sum benefit which would be performance based. He stated a market analysis would take place and where appropriate some adjustments could be made for certain positions. He stated there was a mandated increase from Utah Retirement Systems and reported the City would have to absorb that increase. He stated there would be some changes to the health insurance as the City would be going with PEHP with a high deductible option combined with a health savings account.

Mr. Lenhard distributed a handout reflecting seven main areas of focus identified by the Council during 2013 New Year Kickoff identifying the Council's Goals and Priorities. He believed many of the items had been addressed or would be addressed in the proposed budget.

Bob Wylie, Administrative Services Director, shared a visual presentation specific to the tentative budget and reported it would be presented to the Council for adoption during the May 14, 2013 policy session. He emphasized he was presenting a balanced budget. He shared specifics associated with the General fund. Mr. Lenhard emphasized the tentative budget didn't propose a property tax increase for City residents. He reviewed the Enterprise Funds, Internal Service Funds and General Fund with the Council. He also reviewed Donation Revenue with the Council specific to expenditures at the Aquatic Center.

Mr. Wylie reviewed the proposed Capital Projects and the identified appropriated costs associated with each.

Councilmember LeBaron moved to adjourn as the City Council and reconvene as the CDRA in a work session at 7:32 p.m., seconded by Councilmember Shepherd. All voting AYE.

The minutes for the CDRA are in a separate location

**APPROVED AND ADOPTED
This 28th day of May, 2013**

/s/Don Wood, 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, May 7, 2013.

/s/Nancy R. Dean, City Recorder