

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
December 5, 2017

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Kent Bush	Councilmember
	Nike Peterson	Councilmember
	Vern Phipps	Councilmember
	Tim Roper	Councilmember
	Bruce Young	Councilmember
STAFF PRESENT:	Adam Lenhard	City Manager
	JJ Allen	Assistant City Manager
	Stuart Williams	City Attorney
	Scott Hodge	Public Works Director
	Greg Krusi	Police Chief
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Spencer Brimley	Development Services Manager
	Summer Palmer	Administrative Services Director
	Rich Knapp	Finance Manager
	Lee Naylor	Accountant
	Terrence Jackson	IT Manager
	Trevor Cahoon	Communications Coordinator
	Nancy Dean	City Recorder
	Wendy Page	Deputy Recorder

VISITORS: Johnathan Ward – Zions Bank, Karece Thompson – Councilmember Elect

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

DISCUSSION ON CONSIDERING A PARAMETERS RESOLUTION SPECIFIC TO THE
ISSUANCE OF DEBT FOR REDEVELOPMENT PURPOSES

JJ Allen, Assistant City Manager, introduced Johnathan Ward, Zions Bank Public Finance, and explained the Council recently held a Closed Session wherein staff was directed to explore funding options that could be used for redevelopment purposes. He indicated staff met with Zions Bank Public Finance and bond counsel to discuss the alternatives that would best suit the City's needs. He stated originally it was thought bonding could be initiated through the Clearfield Community Development and Renewal Agency (CDRA) but it was determined bonding through a taxable sales tax revenue bond, as the City, was the preferred option to fund the opportunities given time constraints. He explained the limited number of years available to capture tax increment in Redevelopment Area (RDA) 7 and Redevelopment Area (RDA) 8 was the main reason for the determination as well as insufficient time available to create a Community Reinvestment Area (CRA).

Jonathan Ward, Zions Bank Public Finance, informed the Council that the CDRA could be the financing mechanism used to sell bonds to investors for City projects. He indicated the advantage for that structure was that the CDRA could lose money relative to redevelopment purposes but cities could not. He reported the bond attorneys were consulted in making a determination that there were enough government purposes associated with the transaction to justify using the City as the issuer of the debt because they specialized in tax law and State bond laws. He indicated the bond attorneys proposed that sales tax revenue bonds would be appropriate for the transaction and provide the quickest result given the fluidity of the proposed transaction. He emphasized the bonds would be taxable because tax law did not allow tax exempt financing for private entities for private use.

Mr. Ward explained the proposed parameters resolution for consideration by the Council would provide notice to the public of bonds to be issued that would be published in a newspaper of general circulation two times and set a public hearing date for the Council to receive public comment on the issuance. He continued residents would be given a 30-day window to contest the issuance of debt, which contest period would begin after the date of the second publication of the mentioned notice. He stated the public hearing would be set for a policy session in January 2018. He further explained the resolution would also lay out the parameters wherein staff could negotiate financing terms for the debt through a committee as long as those terms fit within the parameters identified by the Council. He indicated the City wanted the bonds to have maximum flexibility regarding prepayment so Zions Bank would be looking for a single buyer willing to meet that parameter rather than putting the bonds out on the public market. He acknowledged the bond market was currently experiencing high supply so investors were not as interested but the January market should improve the viability for the type of financing required by the City for the proposed issuance.

Mr. Allen anticipated the issuance of the bonds would most likely occur in February or March. He identified the options available to the City for redevelopment of property purchased with the bond proceeds:

- The City could sell property to the CDRA at fair market value.
- The City could sell property to a developer at fair market value and if there was a gap between value and sales price, the CDRA could potentially fill that gap through some of the tools available to it.
- The City would need to be made whole under the terms of the financing mechanism being used.

Councilmember Phipps asked if the bonds would be easily marketable. Mr. Ward commented there was always risk and that was why it was proposed to use sales tax as collateral for investors. He added investors wouldn't be as willing to purchase the bonds if repayment was based on the speculation that development of the area would generate enough tax increment to make the payments. He stated some of the features the City would be looking for, such as a prepayment option, might limit those that would be looking to participate in the transaction.

Councilmember Phipps asked if there was a specific dollar amount in mind yet. Mr. Allen said the City would issue debt to purchase properties in a general area, provide for capitalized interest, as well as some operation and possible cleanup of the areas, so staff was recommending

financing 7.5 million dollars. Mr. Ward anticipated a taxable interest rate between six and seven percent contemplating a 15 year term with an option to prepay the bonds as the properties were sold. He also commented that if some of the properties were sold but there was a lingering piece the 15 year term would give the City additional time to determine how to approach those debt payments. Councilmember Phipps asked for clarification about if any remaining debt after selling pieces of property could be financed over the 15 year term. Mr. Ward explained the City would have to address through the budget process how it meet the debt service.

Councilmember Young asked why the City was considering a 15 year term. Mr. Ward responded the term was associated with the City's cash flow and its ability to cover the debt service over a particular period of time. Rich Knapp, Finance Manager, explained the term of the debt service was still flexible in the parameters resolution. Mr. Ward clarified that the maximum number of years for the term of the bonds needed to be declared in the parameters resolution. He stated the City could always reduce the term later just not increase the term above the parameters set by the resolution. He commented a 15 year term appeared to be enough for the City to manage the debt payment.

Councilmember Phipps asked if the City prepaid a portion of the debt would the remaining payments be based on the original issue amount or the remaining debt. Mr. Ward explained the bond documents would be set up as to allow the City to determine how those payments would occur. He indicated the City could identify prepayment option through the bond documents such as take the prepayment off the tail end of the bonds or strip a portion off the payment every year to the pay off period. Mr. Allen informed the Council that the parameters resolution would be included for the Council's review in the agenda packet for December 12, 2017.

Councilmember Peterson asked what the payment would be annually if the City had to hold the properties for a period of time. Mr. Ward explained the parameters of the transaction included a two year capitalized interest period; therefore, no payments from the General Fund for two years after which the City would need to meet an annual payment of \$744,000 on 7.1 million dollars over a 15 year term. Councilmember Phipps asked if the 7.1 million dollars was just a possible maximum amount but the City might not actually end up needing to borrow that amount. Mr. Ward responded that was correct.

Mr. Allen indicated the parameters resolution would be written broadly enough to provide flexibility for the City to use the bond proceeds for the acquisition of particular properties as well as other governmental purposes. Councilmember Phipps asked if the funding would be geographically constrained to a particular area. Mayor Shepherd stated it would be anticipated for a particular area but the bonding would not require that stipulation.

The consensus of the Council was for staff to move forward with preparation of the parameters resolution.

Councilmember Peterson moved to adjourn the work session and reconvene in CDRA work session at 6:23 p.m., seconded by Councilmember Bush. The motion carried upon the following vote: Voting AYE – Councilmembers Bush, Peterson, Phipps, Roper, and Young. Voting NO – None.

The work session reconvened at 6:26 p.m.

DISCUSSION ON AMENDMENTS TO THE FISCAL YEAR 2017/2018 BUDGET

Rich Knapp, Finance Manager, presented amendments to the fiscal year 2017/2018 budget. The amendments included expenses for the Airshow Sponsorship, Americold Mural Project, Better City Redevelopment Plan for Mabey Place, Station Area Plan for Clearfield Station Project, taking the deposit to the bank, and Council compensation.

Councilmember Young expressed his concern for budgeting the Americold Mural Project during the current budget year. He suggested it might be more prudent to move the project to the future when the City had a better idea what the development plan was for the Clearfield Station area so that the mural would more fully complement it. He commented the mural alone was not place making. Mayor Shepherd expressed his opinion the mural would enhance Clearfield Station. Councilmember Young agreed the mural would be a positive attraction but questioned the timing for the project. Mayor Shepherd expressed his opinion that the mural was intended to highlight Clearfield rather than a business or development.

Councilmember Phipps agreed the City wouldn't want the mural to clash with the Clearfield Station development but he didn't believe that would happen given the scope of work. He did question funding if it were appropriate to fund the project with PARAT (Parks, Arts, Recreation, Aquatics and Trails) Tax revenue. Trevor Cahoon, Communications Coordinator, explained the mural was part of the arts category qualifying if for that revenue, if the Council decided that was the direction it wanted to take. He noted there were other revenues that could fund the project as well. Councilmember Young commented the mural was not currently part of the PARAT Tax prioritization process. There was consensus from the Council that the General Fund was the preferred source of funding for that project.

Mayor Shepherd asked if the project was being capped at \$20,000. There was a discussion about the cap for the project. The consensus of the Council was to bid the project and then adjust the expense higher later if necessary.

There was a discussion about the \$80,000 expense to create the Clearfield Station Area Plan. JJ Allen, Assistant City Manager, explained the total cost for the project was projected to be \$80,000 with the City and Utah Transit Authority (UTA) splitting the cost equally at \$40,000.

Councilmember Young suggested it was a good time to review compensation and see if there needed to be any changes. He expressed his opinion that increases to Council compensation should be linked to economic conditions in order to remove any arbitrary considerations. He continued he did not believe the compensation should make people wealthy by serving but rather be enough to encourage people to run for office without creating a hardship for their families.

Councilmember Phipps expressed his opinion that running for office was a public service and compensation should only make up for personal financial sacrifices rather than be viewed as a salary. He suggested it might be more appropriate to consider reducing the compensation. He

expressed his opinion any increases should not be automatic but rather addressed publicly for accountability.

Councilmember Young expressed his opinion that compensation was a contractual obligation that obligated public officials to do what was necessary to get the job done. He agreed some individuals would do the work for no compensation but it was appropriate to pay individuals for doing the job. He expressed his opinion tying any increases to the economy was less arbitrary. Mayor Shepherd agreed.

There was a discussion about the possibility of increasing the pay. The Council reviewed compensation in other cities throughout Weber and Davis counties. Adam Lenhard, City Manager, suggested the Council consider putting device acquisition, wireless data service and cell phone reimbursements in the compensation package rather than continuing to submit receipts for reimbursement. He commented it was less burdensome for staff and the members of the Council. Summer Palmer, Administrative Services Director, informed the Council it was important to remember that moving the reimbursement to a stipend would make it taxable income. The consensus from the Council was device acquisition was reimbursement for a periodic expense and not to be considered as additional compensation. The Council was comfortable running device acquisition, wireless data service and cell phone allowances through payroll.

The Council took a break at 7:10 p.m.

The work session reconvened at 7:24 p.m.

STRATEGIC PLANNING SESSION FOR THE FISCAL YEAR 2018/2019 BUDGET

Mayor Shepherd stated it was time for members of the Council to give direction to staff regarding priorities for the fiscal year 2018/2019 budget.

Councilmember Young expressed his opinion the City was doing a good job with long term planning. He commented there were a lot of projects being pursued to improve the livability of the City. He cautioned expanding the project list too much and over extending the City's focus. He recommended the following:

- Complete the projects being pursued.
- Continue to pursue excellence and efficiency.
- Continue to pursue downtown redevelopment.
- Continue to improve services to residents.

Councilmember Bush recommended the following:

- Build a veterans monument in the City.
- Amend the nuisance ordinance to more aggressively address unsightly properties.
- Improve communication with residents about projects the City was funding and seek donations when appropriate, i.e. veterans monument and advertising on ballfield fences.
- Include beautification as part of the redevelopment process from 800 North to 700 South along State Street.

- Improve the City's Christmas decorations along the business district on the State Street corridor.

Councilmember Peterson recommended the following:

- Stay the course in maintaining a highly motivated and trained workforce.
- Improve the emphasis on emergency preparedness with a complete overhaul of the Emergency Operations Plan (EOP) that separately addressed the role of professionals, staff and residents.
- Continue the emphasis on streamlining recreation processes and looking for ways to attract sponsorships to offset rising costs.
- Conduct an assessment of the recreation facilities and identify funding sources to improve those facilities.
- Use the PARAT Tax to upgrade recreational facilities and equipment more quickly than currently planned.
- Make sure the replacement of the equipment shed at Fisher Park is on the Capital Facilities Plan.
- Facilitate partnerships between community groups like Open Doors, Circles, Hope Church, etc. Create a page on the website that acts as a clearinghouse for information on community programs and groups.
- Pursue meetings with local legislators and other city councils in the local area. Find ways to work together to improve communities.
- Amend the land use ordinances to address removing conditional use permits, formalizing the process to enforce site plan requirements, and mitigating negative impacts to neighboring businesses.
- Continue the publication process for small area plans which would include an education piece regarding density and how it is relative to the discussion.
- Address the specifics of design standards and how to enforce them maybe by more development agreements.
- Go after the boldest of all responsible options. Continue pursuing properties along the downtown corridor while being mindful of thresholds for what the budget could sustain.
- Pursue the ropes or challenge course for the SR 193 area.
- Analyze costs for State Street corridor beautification by working with Utah's Department of Transportation (UDOT) to address the issues as changes occur.
- Given no constraints to budget and/or probability, she mentioned working to save the big red church on old Main Street across from the Public Works Shops because of its historical value to the City.
- Resurrect the Beautification Committee.

Councilmember Phipps expressed his passion for Clearfield as his home. He recommended the following:

- Continue to work on improving the community feel for Clearfield.
- Continue to work on helping residents feel safe by investing in public safety and emergency preparedness.

- Continue to pursue development opportunities that make Clearfield City a destination. He pointed to the possibility of building a ropes course with PARAT Tax revenue as an example.
- Complimented the strides to improving communication but believed there was still improvement to be made. Be more aware of the different ways to communicate with all five generations that live within the City.
- Generate support for and more fully support local businesses.
- Create opportunities to make Clearfield a destination by using PARAT Tax revenue and other budget revenue for big, bold projects.
- Pursue building a veterans monument in the City.
- Continue to capitalize on relationships and opportunities with Hill Air Force Base (HAFB) and its workers.

Mayor Shepherd addressed the building of a veteran's monument. He suggested directing staff to budget for the design of a veteran's monument.

Councilmember Roper recommended the following:

- Stay the course on the opportunities currently being pursued.
- Continue to improve communication with residents and engage their involvement in shaping the course for the City.
- Simplify ordinances so residents could understand them and know how to remain compliant.
- The City created the Youth Commission in 2017. He expressed a desire to put them to work by finding meaningful ways to put them into action. Meet jointly with the Youth Commission and explore having youth members serve on some of the other City commissions. He commended the quality of the youth stepping up to serve the City.

Mayor Shepherd recommended the following:

- Address the excess gravel issue on some of the City streets.
- Address removing snow from cul-de-sacs in a quicker timeframe.
- Address the beautification of the State Street corridor.
- Facilitate getting the necessary parties together to improve interchange improvements, traffic patterns, and business development and access along 650 North and I-15.
- More aggressively promoting Clearfield's assets.
- Continue working to improve Clearfield's image with the outside world.

Councilmember-elect Thompson recommended the following:

- Work toward enticing more corporate restaurants to develop in the City.
- Create better development opportunities around Clearfield's transportation corridors.
- Continue to improve public safety employee benefits.
- Review ordinances and update them appropriately.
- Pursue a process for the Youth Commission to work with troubled youth.
- Pursue offering a boxing program for the youth of the community.
- Create a walkable, plaza feel to the Mabey Pond area.

Adam Lenhard expressed his gratitude for the Council's efforts and ideas. He stated staff would work toward addressing the issues as it prepared for budget discussion with the Council.

There being no further business to come before the Council, **Councilmember Bush moved to adjourn at 8:37 p.m., seconded by Councilmember Young. The motion carried upon the following vote: Voting AYE – Councilmember Bush, Peterson, Phipps, Roper, and Young. Voting NO – None.**

The minutes for the CDRA are in a separate location

**APPROVED AND ADOPTED
This 13th day of February, 2018**

/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, December 5, 2017.

/s/Nancy R. Dean, City Recorder