

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
March 28, 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
	Spencer Brimley	Development Services Manager
	Kelly Bennett	Assistant Police Chief
	Curtis Dickson	Community Services Deputy Dir.
	Summer Palmer	Administrative Services Director
	Rich Knapp	Finance Manager
	Lee Naylor	Accountant
	Trevor Cahoon	Communications Coordinator
	Nancy Dean	City Recorder
	Wendy Page	Deputy Recorder

VISITORS: Kathryn Murray, Brady Jugler – Planning Commission Chair

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

DISCUSSION ON INCREASING THE CONTINGENCY FOR THE STEED PARK
BALLFIELD ELECTRICAL UPGRADE PROJECT

Curtis Dickson, Community Services Deputy Director, explained that the City contracted with Hidden Peak Electric to upgrade the ballfield lighting system at Steed Park. The contract was originally approved by the City Council for a total project cost of \$87,300 which included a \$10,000 contingency fund. Due to unforeseen problems with the current electrical system, an additional \$5,000 was needed to finish the project and bring the ballfield lighting system up to code. The original budget for the project was \$125,000 and the new funding request would bring the total project cost to \$92,300.

DISCUSSION ON THE ESTOPPEL AGREEMENT BETWEEN CLEARFIELD CITY, 888 ASSOCIATES, LLC, AND ZIONS BANK RELATING TO PROPERTY LOCATED AT 888 SOUTH UNIVERSITY BOULEVARD

JJ Allen, Assistant City Manager, explained that 888 Associates, LLC, owned the office building at 888 South University Park Boulevard and was in the process of refinancing a loan. He stated 888 Associates, LLC, leased property from the City and CDRA to provide additional parking for its building so Zions Bank, the lender, required the owner of the land (the City and CDRA) to consent to Zions' ability to lien the ground leases because they were a key aspect of the building's function. He emphasized Zions Bank would lien the ground leases not the property itself.

Councilmember Peterson commented a lien against the lease versus the property appeared to be unusual. Mr. Allen responded the intent of a lien against the lease was so the lienholder would have continued use of the parking lot should the borrower default on the loan.

DISCUSSION ON PLAYGROUND EQUIPMENT INSTALLATION

Curtis Dickson, Community Services Deputy Director, reminded the Council that the goals and objectives for the City's playground project was to use a portion of the PARAT Tax revenue to replace worn out or missing playgrounds, add playgrounds to parks without them, add variety to the amenities at City parks, and create unique play areas.

Mr. Dickson reviewed the playground equipment designs for the following parks: Train Watch Park, North Steed Park, Island View Park, Central Park, Fisher Park, Barlow Park, Cornerstone Park and 200 South Park. The designs included two electronic playgrounds, swing additions at multiple parks, and a variety of activities for various ages and abilities.

There was a discussion on each park and the equipment designs. Councilmember Bush wondered if the playground designs shown would fit into the current areas at each park. Mr. Dickson indicated that the existing playgrounds areas at most of the parks would have room enough for the proposed equipment and the equipment would meet the necessary regulations. Central Park and Cornerstone Park would need new areas created for the installation of the equipment because none had previously been at those parks.

Mr. Dickson explained the process for receiving proposals for the playgrounds. He stated staff solicited proposals that met a general criteria and asked vendors to provide designs that would meet the goals of the projects. He noted staff estimated the cost for the project would be a total of \$365,000. He continued following the award the selected vendors were asked to provide a final design of the playgrounds that included site preparation and installation. He stated following final design the cost for the project was determined to be \$463,204 when the playgrounds were installed by the vendors. Staff determined Train Watch Park, Central Park, and Island View Park playgrounds could be installed as community builds which slightly reduced the total cost of the project but still did not get the project within budget. He indicated the other parks would need to be installed by the vendors because of the complexity of their construction. He provided two options for proceeding with the project. The first option was to budget additional funding for the

project from the PARAT Tax revenue and the second was to reduce the scope of work by eliminating the two electronic playgrounds.

Mayor Shepherd commented he liked the idea of doing all the playgrounds as part of one project because it emphasized to residents what was being done in different locations throughout the City. Councilmember Peterson agreed and suggested if the City were to cut from the project, the electronic playgrounds being considered at Fisher Park and Barlow Park were good choices because those parks had existing amenities. She noted if the two playgrounds were cut, the City was still able to install six new playgrounds throughout the City.

Councilmember Bush mentioned he suggested to staff that removing some of the individual features from the playground designs might be another option for reducing the cost. He suggested those individual features could be added at a later date. Mr. Dickson explained the construction costs had impacted the budget significantly. He indicated concrete cost had significantly impacted the budget because they were so much higher than in past years. Councilmember Bush suggested creating the walls from cinder block rather than concrete to keep costs down.

There was a discussion on the option of increasing the PARAT Tax allocation to fund the entire project versus reducing the scope of each playground to reduce costs. The Council suggested eliminating the electronic playground at Barlow Park as a cost reducing measure. The Council also directed staff to have the electronic playground at Fisher Park installed prior to the Fourth of July celebration.

DISCUSSION ON THE HEALTH INSURANCE BENEFIT

Summer Palmer, Administrative Service Director, informed the Council that health insurance premiums for the City by its current carrier were projected to increase thirty percent. She reviewed changes the City had made to its health insurance plan over the last few years to contain costs. She expressed concern that Federal healthcare laws were in flux and there appeared to be no real reform for containing healthcare costs.

Ms. Palmer reviewed options for the City to contain its costs for the upcoming budget year which included the following: 1) staff started the bid process to see if another vendor could provide the service at a lower cost, 2) the City could consider plan design changes to reduce its costs, and, 3) the City could consider changing its premium split model. She indicated it might be necessary for the City to use a mix of all three options to get costs down. She cautioned changing the premium split could potentially impact recruitment. She also explained the City had received one bid back which was an eighteen percent increase to the premium and would require employees to utilize the IHC network.

Ms. Palmer reported on the benefit of an employer offering a plan that provided a Health Savings Account (HSA). She explained employers generally offered those types of plans with reduced or no premium contribution by the employee and then diverted the premium savings to the employees' HSAs. She indicated those types of plans were growing in popularity in the industry because they helped shift costs to the employees.

JJ Allen, Assistant City Manager, explained the discussion was important because it impacted the City's budgeting long term. He asked if there was a desire from the Council to change its premium split model. Councilmember Phipps stated the City's healthcare options were a great benefit for employees. He continued medical costs were constantly changing and there appeared to be an emphasis by employers on sharing those costs with employees. He suggested it might be time for the City to consider gradual changes to its premium split model. Ms. Palmer commented she liked shifting the cost to the consumer using the service through plan changes such as higher deductibles before considering changes to the premium split model. Councilmember Phipps suggested it was important to look at the long term effects to the City. Councilmember Young commented it would be important for the City to offer a competitive benefits package for recruitment. He suggested there was a need to review the data annually to address the issue for the long term.

Councilmember Bush moved to adjourn the work session and reconvene in policy session at 6:57 p.m., seconded by Councilmember Peterson. All voting AYE.

The meeting reconvened at 9:12 p.m.

DISCUSSION ON THE 2017/2018 FISCAL YEAR BUDGET

Rich Knapp, Finance Manager, reviewed the 2017/2018 fiscal year budget with the Council. He noted work was still being done on the budget and it was possible for some of the information to change before it was formally adopted. He stated staff budgeted conservatively on General Fund revenues and expenditures. He explained the budget would spend down 1.5 million dollars of the City's unrestricted fund balance leaving 2.6 million in that fund which represented 17.1 percent or two months of operating expenses as recommended by the GFOA (Government Finance Officers Association). He highlighted the following projections in the budget:

Revenues

- A \$300,000 Increase to Sales Tax Revenue
- Policy effect of the Amazon Sales Tax issue was currently unknown so it was not factored into the budget
- An increase of \$150,000 in property tax revenue - fiscal year 2016/2017 was too conservative
- An \$85,000 decrease to Muni Telecom Tax revenue
- A \$47,000 decrease to Class C (Fuel Tax) revenue
- A \$62,000 increase to Aquatic Center Revenue
- A \$200,000 increase fines & forfeiture revenue
- \$1.52 million use of unrestricted fund balance
- Impact Fee revenue reduced except for parks
- Pass through Increase of 16 percent from the North Davis Sewer District (\$3 per month)
- City utility rate increase in January 2018 (.86 cents per month)
- Garbage & recycling collection revenue remains neutral

Personnel

- Market/merit Increase

- Estimated 28 percent health insurance increase
- Full-time Community Relations position (was two part-time)
- Part-time Marketing/Graphic Design position for Community Services
- Full-time Planner position (was part-time)
- 2 full-time Police Officer positions
- Creation of the Customer Service Division--no new headcount
- Expanded training opportunities

Capital Projects

- \$400,000 Street Surface Treatment Project - Fiscal year 2017 \$200,000 was budgeted
- \$3.9 million Maintenance & Operation Center Phase 2 Project
- \$425,000 for 1425 West, 975 South to 1150 South Project - \$155,000 from the General Fund
- \$840,000 250 North, North Main to 300 North Project- \$205,000 from the General Fund
- \$36,000 Hawk Crossing Lights at the 300 North Rail Trail Project
- \$500,000 Freeport Pumphouse Upgrade Project - Water Enterprise Fund
- \$473,000 State Street, 700 South to 1300 South 10" Main Project - Water Enterprise Fund
- \$350,000 Freeport "G" Street, 3rd Street to 5th Street Phase 1 Project - Sewer Enterprise Fund
- \$60,000 Pacific Street Project - Storm Enterprise Fund, \$340,000 total project cost

Other

- Election Year \$35,000 Expenditure
- First full year to recognize savings from the Energy Performance Project
- Creation of a traffic school
- No new debt

The meeting adjourned at 9:49 p.m.

APPROVED AND ADOPTED
This 23rd day of May, 2017

/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, March 28, 2017.

/s/Nancy R. Dean, City Recorder