



Clinton City Council Meeting Minutes
2267 N 1500 W Clinton, UT 84015

Special Meeting
May 26, 2010

The Clinton City Council was called to order at 7:01 p.m.

Zac Martinez led the pledge of allegiance and Jace Stanton offered the invocation.

Mayor Adams called for a roll call of all those present

Present were: Mayor L. Mitch Adams
Councilmember Blair Bateman
Councilmember Joanne Hansen
Councilmember Anna Stanton
Councilmember Cheri Reed arrived at 7:05 p.m.
Councilmember David Pearson arrived at 7:05 p.m.

Mayor Adams asked that those present sign the attendance record. In addition, he asked that during the discussion applause be withheld and comments be respectful.

Also present were: Dave Williams, Manuel Sepulveda, Mike Stanton, Jace Stanton, Amber Lindquist, Kathy Hall, Steve Hubbard, Steve Hamblin, Carol Weber, LeeAnn Powell, Terri Jenson, Karl King, Buck Walker, Shaylee Walker, Brett Gwynn, Benjamin, Nielsen, Jon Gil, Bill Chilson, Julie Chilson, Steve Parkinson, Todd Kelly, Andy Lutz, Chris Lewis, Bryan Haywood, Dave Valentine, Shannon Mullins, Kourtney BeCraft, Kathy BeCraft, Cathy Derrick, Guido Smith, Mike Child, Sharlene Stoker, Donna Petersen, Floyd Petersen, Nancy Lougy, Diane Cormier, Matt Fawbush, Justin Benevides, Ron Wehrle, Deborah Barlow, Ruth Collard, Jerred Robertson, Dave Hilliard, April Touchin, Tara Kinser, Melinda Scott, Carla Parsons, Dave Parsons, Michelle Hainline, Annamarie Allen, TJ Mitchell, Community Development Director Lynn Vinzant, City Manager Dennis Cluff and Lisa Titensor recorded the minutes.

A. DISCUSSION OF EMPLOYEE VEHICLE USAGE AND EMPLOYEE BENEFITS:

Mayor Adams commented that since he took office as Mayor, he has anticipated that the employees would eventually have to pay a portion of their health care benefits due to the significant increases in the cost to the City each year. He said for now he would be in favor of the employees only being required to pay the increase for FY 2010-11 which amounts to approximately \$51 per month for the family plan, \$38 for two people and \$16.40 for individuals. He said if healthcare costs continue to rise; those numbers may need to go up as well.

He went on to address the 401K and said that in his opinion it should not be changed at this time, but if state requirements continue to increase, this may need to be reevaluated as well.

He also addressed the employee vehicle usage. He suggested that it should be eventually changed to a 10 mile limit in one direction from the City. He suggested allowing six months for it to go into effect.

Mr. Cluff identified that he has prepared a substantial amount of information per the request of the City Council during previous discussions regarding healthcare, 401K and vehicle usage.

He identified that as identified in the proposed Tentative Budget, the anticipated revenues should cover the anticipated costs.

He explained he understands the desire for more reserve funds and street improvements and he is open to suggestions to make more improvements with less cost. He said the employees are always looking at ways to do this as well. The current economy is difficult and it is necessary to continually make changes.

He clarified that even if the City Council decides to approve the proposed Tentative Budget; it can be changed or amended if needed. In order to proceed with state requirements, it is necessary to come to a decision very soon.

Councilmember Pearson said he has reviewed the information presented by staff and would like to be fair to everyone in the City. He looked at the 401K and feels that instead of providing a percentage; the City should provide a flat dollar amount and allow the employees to match that amount. He said it would provide the opportunity for employees to contribute and save the City money at the same time. It could actually be a better benefit to the employees. He feels it would be a fair option especially for the lower paid employees.

He then addressed the medical issue. He said he agrees that the most the City should do this year is to require the employees to pay only the increase in the premiums.

He suggested that for vehicle use, employees should keep a log to keep track of business and personal use. After a period of time, it could be evaluated to determine if the employee should pay for extra mileage. He said this way it would help employees be aware of the use and not penalize some unnecessarily.

He added that he appreciates the memo from Public Works Director Mike Child identifying areas where cuts could be made to save money. He would be willing to look into the snow plow suggestion. He identified that the dumpsters are a good service to evaluate as well. If the costs are that significant, the program may need to be evaluated because not all residents use the service.

Councilmember Reed said that she is not for cutting services to the residents. She is proud of the snow plows. She questioned the figures that Mr. Child presented in the memo and suggested that if the hours he identified are saved there may not be a need for so many employees. She clarified

she is not for losing employees. She would be in favor of reducing the number of flowers to save money in the RDA Fund. She is concerned about the 7% 401K. She feels it is too high and feels it should be a matching requirement.

She went on to say she has been concerned about healthcare costs and would agree that employees should pay a percentage each month. Citizens in the community pay these costs and to be fiscally responsible to the community, she needs to address these issues for City employees.

She liked the Mayor's suggestion about the car usage issue and changing it to 10 miles. She said she doesn't feel all the employees who currently have City cars need them.

Councilmember Stanton said she understood that the Tentative Budget is balanced. She asked what the reasoning is behind asking for employee cuts.

Councilmember Reed said that the City was \$300,000 short last year and needs to borrow \$162,000 from HoDAG this year. She said the recession is not over and there will come a time that roads need to be addressed. She said the City needs more money in the reserve fund.

Councilmember Stanton agreed that everyone has been affected by the economy. She does not feel that right now is the time to take benefits away from the employees. She said this would actually be taking money out of employees' pockets. She likes the idea of looking at other options including those that were suggested by Mr. Child. She doesn't feel the City is at the point it should take benefits from the employees.

She went onto address the vehicle issue. She said she feels a 15 mile limit is acceptable with additional leniency for the Department Heads. They are depended on a great deal.

She then reported she has had in depth discussions with Mr. Cluff and he has assured her that the budget is balanced

Councilmember Bateman said he would be against removing vehicle take home privileges from the Police or Fire because he feels it is a benefit to have police cars in neighborhoods.

He said he would be in favor of suspending the dumpster program temporarily to save money.

He went on to address medical insurance. He said he does not recall a time when it did not increase and acknowledged that it will continue to increase. He said Mr. Cluff has done an excellent job in switching companies to keep the cost as low as possible and has kept the Council informed on these issues. He identified the following statistics for the increases since FY 2008/09 as reported by Mr. Cluff. For single individual the increase has been 30.49%, for two people 30.58% and for a family 24.08%. He acknowledged these costs are continually increasing and the budget is declining. He said due to the economy the City will have to evaluate this benefit and at some point the discrepancy will need to be addressed. He agreed with the Mayor that asking the employees to pay the increase in the insurance premiums is reasonable.

He said in his opinion, he does not feel it is fair to all employees to change the 401K at this time.

Councilmember Hansen commented that she is not in favor of cutting benefits to employees when the budget is balanced. She said she reviewed the memo from Mr. Child and realized that cuts can be made in other areas. The Department Heads are qualified to make suggestions to where cuts can be made. She said she would like to look into using the RDA Fund to pay for employee salaries and equipment for maintenance of the flowers as well as for purchasing the flowers.

She went on to address the huge increase in 911 dispatch fees. She said it would only cost the citizens approximately .90 cents per household to cover the costs and she would be in favor of passing those costs on to the citizens.

She went on to address the substantial increases in Animal Control fees recently. She suggested that cost to be passed onto the citizens as well.

She added that she too has seen increases in health care premiums without getting increases in salary. She is not adverse to employees paying a portion of their healthcare premiums.

She identified that property taxes have not increased in the City for many years now; however she clarified that they will increase due to the Davis County School Board raising taxes.

In summary she would like to see the RDA fund cover some of the personnel cost for maintenance; she is in favor of some of the suggestions Mr. Child made for saving money; she would like to see the 911 Dispatch and Animal Control fees passed onto the citizens. She does not feel that changing the vehicle usage will have enough of an impact on the budget and it is good to have the vehicles in neighborhoods to make them safer. She would like to rely on the Department Heads expertise to help make cuts to the budget.

She went on to address the perception that employees abuse the use of City vehicles. She pointed out that the cost to allow the Police to drive their vehicles home including the Chief is minimal compared to the benefit. She said that the Fire Trucks and Ambulances help respond to other surrounding cities and they transport patients to the hospitals, they will need to be in other cities.

She also addresses Public Works and identified that they work hard and they deserve breaks. They do their job. She said if you look around the City you can see their hard work gets done and they should be allowed to take a break. They are responsible.

Councilmember Reed questioned that the citizens should have to take cuts in service rather than take benefits from the employees.

Councilmember Stanton said some of the employees are citizens as well. She said she would prefer not to cut services either, but the moral of employees is important too. She is saddened by what has been going on. The Department Heads should be trusted to deal with employee misconduct. She agrees with making overall changes, not just taking benefits from employees.

She went on to address Chief Chilson and all the time that he gives the City. She said she believes he does so much good in the City. The cost for him to drive his vehicle home is insignificant.

Councilmember Hansen said the City has good employees. They go above and beyond their regular work schedules. If they were not dedicated employees the services in the City would definitely need to be cut.

She referred to the nationally recognized Recreation Department and gave credit to the direction of Lee Ann Powell. She said the citizens' fire insurance is low due to the outstanding Fire Department and Police Department response time. She said the Public Works Department responds to situations and gets them taken care of quickly.

She went onto to address the cost of road improvements. She identified that to complete 2 tenths a mile of road, it would require three employees to be laid off. When issues occur, there would not be enough employees to respond. She asked that the citizens remember how much the employees do and said that the Department Heads should be entrusted to help make the necessary cuts to the budget.

Mayor Adams commented on the employees. He said the City has some of the best employees in the County. He referred to the compensation statistics. He said even if Clinton is above average, the employees are above average. It is not his intent to have Clinton City an average place to work. He said health care is still an issue, and he would be against delaying the decision till next year.

Mr. Cluff explained that the majority of the items that Mr. Child suggested are funded out of special funds and is not included in the General Fund.

Mayor Adams asked for clarification from Councilmember Hansen that she is in favor of passing the costs for 911 Dispatch and Animal Control on to the citizens.

She confirmed that she is in favor of passing those costs on.

Mr. Cluff clarified that over the past few years there have been increases in both the Dispatch Fees and Animal Control costs. They have reevaluated how they charge the cities. The costs for Dispatch have increased by \$20,000 for the first six months; 42,000 for the 2nd year and next year it will be \$66,000 in addition to the 911 monies.

Councilmember Bateman clarified that these are County fees that are charged to the City.

Councilmember Hansen said that the City has been paying these fees for the citizens. It may be necessary to pass along these costs eventually. She said it would be a minimal amount of approximately \$1.50 per month per household.

Councilmember Reed said she feels the City has wonderful employees; however, she referred to a list of cities that are not providing 401k's including Bountiful, Centerville, Clearfield and

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Syracuse. She identified a few other cities do offer a match program. She explained that out of 16 cities, all are a lot less than Clinton.

Councilmember Stanton said that just because other cities aren't providing these benefits doesn't mean that Clinton shouldn't. She is concerned with moral of employees and said the Council should be working with the employees as a team effort. She doesn't feel that benefits need to be taken from employees to make Clinton more comparable to other cities.

Mr. Bateman identified that the items discussed are fairly stable other than the healthcare costs. It has been a constant increase and it will eventually need to be evaluated.

Councilmember Hansen said that he Department Heads should be able to work with the employees to determine where cuts can be made. The Council should not be making these decisions.

Councilmember Stanton said that employees came to work for the City based on a certain benefits package. She said she agrees that the recession is not over and the City is close to build out, but if benefits are taken away now, it will be very difficult to give them back.

Mayor Adams addressed the 401k. He said a \$20 an hour employee would receive \$1.40. It is a reason for the employee to stay and gain longevity. The retirement system is good for the City. Being aware of the future of long time employees is a good thing.

Mayor Adams then asked for public comment.

Fire Chief Floyd Petersen addressed the benefits and clarified that it is a total package and the hourly salaries are not as high as other cities. He pointed out that lower wages are a trade off for higher benefits.

He went on to say he appreciates the comments on the ambulances and said he takes a lot of pride in his crew.

He said that the Council has a responsibility to address the Department Heads. He encouraged the Council to meet with the Department Heads and find out their needs and what they do. He said they will find that they are doing their jobs.

Police Chief Bill Chilson echoed Chief Petersen. He informed the City Council that the cars are equipped with GPS. He invited concerns about the Police Department to be directed to him.

Steve Hamblin with Community Development read the following letter:
May 24, 2010

Letter to Clinton City Council:

In July of 2006 I had the opportunity to become the building official for Clinton City after having been employed with Layton City for nearly 30 years. At the time, my previous long term

goal was to complete my career with Layton City and retire on or about January of 2013. Although the offer meant an approximate \$15,000.00 per year reduction in yearly salary, I discovered that Clinton City offered one of the better benefit packages in the county in order offset/compensate for the lower wages available to its employees. Based on the information presented during the course of the interview along with the positive discussions with individuals currently employed by Clinton City at the time, I accepted the offer and have had no regrets as to that decision. The decision was heavily based however, on the benefit package offered by the city at that time.

It is now rumored that the city council is considering a zero salary increase as well as a possible reduction in the current benefit package. The current condition of the nation's economy has obviously had a severe impact on the budgets of local jurisdictions throughout the nation. The employees I have talked to understand that this is the case and appreciate the fact that we even have jobs. Along with that, we understand the fact that we all must tighten our belts and realize that the possibility of any increase in salary may not be considered or justified. Based on this understanding, I would hope that before reducing the employee's benefits, the council will take into consideration the fact that the individuals currently employed by the city are committed to providing the best possible service to the citizen's of Clinton City. Those same employees however, should not be held responsible to subsidize the taxes for the citizens of Clinton in order to maintain the quality of service that they are used to.

If the decision of the council is that they have no choice, but to make reductions to the current benefit package, I would request that it be both applicable and explained only to new hires effective July 1, 2010 and that those commitments made to those currently in the system continue to be recognized by the city administration.

In closing, my hope is that the commitment the city council originally made to their employees in regards to their benefit package will remain as strong as the commitment to service the employee's have demonstrated and will continue to demonstrate to the citizen's of Clinton City.

Steve Hubbard said he wanted to clarify that the health benefit is not completely paid in full for all employees. He subsidizes the plan he chose by \$50 a month.

He expressed that wages are generally a little lower, but one benefit to the City is that benefits don't incur more Federal Payroll Taxes.

Public Works Director Mike Child said when comparing salaries many variables need to be considered including responsibilities, experience, longevity and qualifications. He asked that when making these comparisons it be done in a fair manner. He asked that the budget be balanced in a fair way as well; by not putting the whole burden on the employees.

He then addressed the vehicle issue and explained that he requested vehicles for supervisors in his department for easy response to emergencies. He said there is a minimal cost for this type of response.

Dale King said he was asked to address the Council on behalf of the employees. He acknowledged that the City Council are loyal, dedicating, caring and thoughtful public servants and these are difficult issues to deal with.

He asked that the Council contemplates reducing the employee benefits to balance the budget as a last resort.

He said he would be willing to pay the pass through costs for 911 Dispatch and Animal Control. When there is a gap between revenues and expenses the people who should cover that gap are those that receive the services and not those that deliver the services. The employees should not be responsible for the sales tax revenue deficit.

He identified that there has been approximately 13 years since property tax rates have been increased. This may be time for a corrective period, and a temporary increase may be necessary. He said he is hopeful for improvement in the economy.

Mike Wilson said he came to work for Clinton City 10 years ago because of the benefits package and every year since he has heard that the budget needs to be cut. His family has had to make adjustments because of the healthcare changes.

He is a single income parent and his salary is one of the lowest for a sergeant in the County. He understands that the increasing medical costs are an issue, but said a plan needs to be put in place to continue the benefit or employees salaries need to be increased in order for employees to be able to afford to pay for the premiums.

Dave Barlow said he would like to personally thank the police and fire. He said safety is one of the reasons his family chose to live here.

He said the people who are funding these services have experienced pay cuts. Several of his neighbors have been hit particularly hard and when they are being asked to fund generous benefit packages it seems unfair. Somehow there needs to be a balance between the citizens and those who provide services.

He asked about the 911 fees and Animal Control fees mentioned above and asked how they are paid for.

Mayor Adams said they are paid from the General Fund.

Mr. Barlow said the tax payers are already paying for them then. It is tax payer money that is being spent and the citizens trust the City Council to spend wisely.

Ben Wofford said he is retired and lives on Social Security. For the past two years there have been no increases. Before passing increases onto the citizens, the Council should consider that passing on fees will affect those on fixed incomes.

Court Administrator Shannon Mullins said she has worked for Clinton City for 10 years. She said she appreciates her job and loves working for Clinton. She asked that the Council and citizens consider that many employee families have already taken reductions in salary due to the recession.

Theresa Kearl asked the Council to consider a compromise. She said many businesses pay benefits for lower wage employees and higher wage employees pay fees to offset those costs. She suggested putting a plan in place to offset upcoming costs. Come up with a conclusion to help everyone in the future. Everyone has had increases in medical benefits. Organize a compromise. Listen to the citizens. Make decisions we can all live with.

Steve Parkinson said that he would like to debate the tax payer comment and clarified that residential taxes contribute minimally to the general fund compared to commercial taxes and sales taxes. He said the commercial growth has increased significantly and will continue.

He then explained how he came to accept his position here at Clinton City. He said the benefits package was appealing. He was promised the opportunity for advancement which because of the economy has not materialized subsequently, his wife has had to go to work full time. He went on to explain that he does not regret his decision and enjoys working for Clinton. He takes pride in the commercial development.

He would appreciate the opportunity to get to know the City Council more and have the opportunity to educate them on what the employees do.

As to build out, he clarified there are still hundreds and hundreds of acres to be developed.

Brian Haywood said he started with Clinton six years ago. When he accepted the position, the pay was decent and benefits were appealing. He said he is concerned about cutting benefits because "you get what you pay for". The quality of recruits for the Police Department will be dictated by what the compensation package offers. He identified that the City has gone from 17 police officers to 15. Cuts have already been taken. He asked that the Council please take into consideration future employees.

Recreation Director LeeAnn Powell said we are all on the same team. We are here to make Clinton City the best possible place. As a Department Head, a lot of time is spent going through the budget. Right now the budget is balanced which was not an easy task. Mr. Cluff is a fiscally conservative City Manager. The employees have made cuts. They have not received Cost of Living increases or merit step increases. Each Department Head has tried to make cuts that would not affect citizens. She asked the City Council to move forward with a balanced budget with the understanding that some things need to be evaluated in the event the economy gets worse.

Dave Hilliard said he is a resident and feels that it is the best City to live in. He said there is good leadership and there are a lot of benefits to living in Clinton. Personally he and his wife's salaries have been cut. He pays \$500 a month for health insurance.

He loves the police, fire and services the City offers and acknowledged that employees work hard.

He went on to explain that the comments that concerned him most is “this isn’t the time to make changes”. He is worried that people need to be protected first. The Department Heads should trim the fat. He said 7% for the 401K is excessive and the Council should look deeper and approach it from all angles fairly and equitably to protect everyone, not just employees. The public has been experiencing this for some time and it is just now hitting the City.

Ben Nielsen a citizen and a Firefighter said that the total package is important. Everyone has been affected by the economy. He has lived both sides. Many firefighters work two or three jobs. He questioned the numbers and statistics presented and the comparisons identified by Councilmember Reed.

Mr. Cluff responded that the information came from other City Managers dealing specifically with 401K. It was a general survey.

Councilmember Reed said that research indicates that the salaries are comparable.

Councilmember Pearson said that he agrees that responsibilities and qualifications are difficult to compare but he looked on the “Right To Know” website and it identifies that the salaries are comparable. Maybe the answer is to evaluate the level of service.

Lynn Vinzant said that employees have been affected by the recession. He said a group of employees have met and expressed concerns. One of the question was when did the employees become the enemy of the citizens. He said the low morale needs to be resolved.

He addressed fees and identified that building permits, and impact fees have helped the budget in the past, but due to the economy, they have decreased which results in lower budget. He said staff has been preparing for these cuts for some time.

He said salaries have been evaluated in the past and the salaries are comparable. He explained that the Clinton City staff have many responsibilities and duties.

He said staff has made cuts in training, but some of the training is mandatory and it will save the City money in the long run.

He identified that the City has had a balanced budgets for years; the auditor has not said we have over spent.

He said if the Council is looking at making cuts to benefits it should be for future employees which would be expected. He said current employees have an implied contract with the City. The employees like working for Clinton City and have pride in the City. The benefits are important.

Assistant Fire Chief Guido Smith says he lives in Clinton City and has for many years. He said he loves the City and he would like to emphasize that decisions should be based on facts.

Councilmember Stanton stated that one fact is that employees have already taken cuts. She is sympathetic to all those that have been affected by the economy. She clarified that she does not feel it is the time to make changes to employees' benefits because there are other options to be explored. She would be in favor of putting policies in place for the future.

Dennis Simonson questioned if the Department Heads or City Council were given monies that regular employees were not.

Mayor Adams clarified that no employee or City Council members received cost of living allowances in 2009/10 nor will they receive cost of living allowances or step increases in 2010/11.

Mr. Simonson said he has spent 20 years on the Council and if the budget is balanced he recommended the Council move on from here.

Councilmember Reed clarified that the City does need to borrow \$162,000 from the HoDAG to balance the current FY budget due to the Civic Center Project.

Mayor Adams clarified that there was \$162,000 in additional costs that came in from the Civic Center project. He said there are five lots that the City could sell to compensate for the shortfall. The majority of the Council is not in favor of selling those lots.

Councilmember Bateman pointed out there will be no interest on the loan.

Councilmember Stanton said it is not uncommon for municipalities to borrow internally.

Councilmember Hansen commented that Mr. Simonson is very experienced and commented his opinion is viable. She acknowledged that Mr. Simonson was the first Chief of Police in Clinton.

Deborah Barlow said that if her son is taken to the hospital she is charged for it. She suggested that animal control should be a user fee. She said she doesn't want to pay for her neighbors dogs.

She is concerned about the roads and suggested that the City save up for improvements. She would rather have streets than a street sweeper. She was injured in a pot hole in Clinton City which is still there. There comes a time that pot holes and roads need to be fixed.

Councilmember Pearson suggested that the Department Heads should again consider budget cuts in addition to considering reducing benefits for new hires and bring it back to the City Council in six months.

Councilmember Pearson made a motion to adopt the Tentative Budget as proposed with the condition that it be re- evaluated in six months with the intent of increasing reserve funds and asking the Department Heads to identify additional potential cuts if necessary in six months.

There was discussion on the motion.

Councilmember Hansen questioned Mr. Vinzant on his statement regarding implied contract.

Mr. Vinzant replied that the employees accepted positions based on certain expectations.

Mr. Cluff clarified implied contract means that it is not a written contract, but what is expected by the employee. It is based on benefits that have been provided and expected for a number of years.

Councilmember Hansen asked for clarification on the motion that the Department Heads are to look at what additional cuts could be made.

Councilmember Pearson confirmed it is.

Mr. Cluff said that he has asked for cuts to the budget and will continue to do so.

The motion was restated.

Councilmember Stanton seconded the motion. Voting by roll call is as follows. Councilmember Reed, no; Councilmember Hansen, aye; Councilmember Pearson, aye; Councilmember Stanton, aye; Councilmember Bateman, aye.

Councilmember Reed said she voted no because she feels it is time for the employees to pay the 5% increase in their health care premiums and she feels the vehicle mileage limit should be changed to 10 miles as a more equitable solution as suggested by the Mayor.

Councilmember Bateman said that the constant increases in medical costs may require future reevaluation.

He said he would welcome the opportunity to meet with all the Department Heads.

Councilmember Hansen thanked the public for their ideas.

Mayor Adams said that Clinton has outstanding employees and although some of the ideas presented are not popular, they are necessary to consider.

Councilmember Stanton made a motion to adjourn the meeting. Councilmember Bateman seconded the motion. All voted in favor of the motion.

The meeting adjourned at 9:20 p.m.