

PERRY CITY COUNCIL BUDGET WORK SESSION
PERRY CITY OFFICES
JUNE 9, 2011

6:15 PM

OFFICIALS PRESENT: Mayor Jerry Nelson presided and conducted the meeting.
Tom Peterson (arrived at 6:30pm), Boyd Malan, Karen Cronin

CITY STAFF PRESENT: Duncan Murray, City Administrator
Shanna Johnson, Chief Deputy Recorder

OTHERS PRESENT: Lani Braithwaite

CALL TO ORDER

Mayor Nelson called the meeting to order.

A. BUDGET WORK SESSION (FISCAL YEAR 2011-2012 TENTATIVE DRAFT BUDGET)

Shanna Johnson presented three budgets options to the council

1. Version 2: included an employee wage increase (up to 3%) based on performance rating.
2. Version 5: included a flat rate wage increase base on performance ratings as detailed below:
 - Full Time: \$250-Meets; \$350-Exceeds; \$500-Above Exceeds
 - Part Time: \$125-Meets; \$175-Exceeds; \$250-Distinguished
3. Version 6: included a slightly higher flat rate wage increase base on performance ratings as detailed below:
 - Full Time: \$250-Meets; \$500-Exceeds; \$750-Distinguished
 - Part Time: \$125-Meets; \$250-Exceeds; \$375-Distinguished

Shanna advised she made a few other changes to the budget for compliance reasons, per our current accountant McEwan & Associates:

- \$45,431 was moved from the Administration Department Suspense account and moved to Contributions to Fund Balance.
- She removed the negative fund balance from this year, the accountant said this did not need to be listed in the fiscal year 2011-2012 budget.
- \$135,000 was added to the parks department to cover expenses for the Centennial Soccer Park. She advised grant monies would cover \$108,000 of the expenditures; the balance will come from impact fees.
- Shanna stated she added additional training monies to the admin and police departments. Money was also placed in the streets department for some street light poles.

Karen Cronin asked to review pay increase rate differences. Shanna projected the pay rate increase options.

Mayor Nelson asked if the amount could be paid in a lump sum rather than as a wage increase, stating he is less inclined to see such a small amount stretched out over a year. Shanna advised this is an option, but would not carry forward the following years in the employees pay. She stated she could see doing this as a one-time option would not recommend for long term; she explained employees will not stay with city making the same hourly rate each year with a one time bonus pay out.

She reviewed total costs for payroll based on type of increase:

- Payroll costs with a percentage based increase would total \$650,000;
- Payroll costs with the flat rate option (ranging from \$125-750) \$647,000;
- Payroll costs with the flat rate option (ranging from \$125-500) \$646,000.

Mayor Nelson said it comes down to if we want to give pay increases this year or just a bonus. He explained schoolteachers lost 2.5 days of wages this year and last year. He said many people are losing pay and we need to be careful with pay increases. Shanna advised she would rather see a day furlough, than not get a pay increase, because with a pay increase you are still moving forward instead of making the same rate of pay for years to come. Susan Obay stated a pay increase, no matter how small, still affects retirement and would rather see this as an increase than a one-time pay out. Council Member Peterson said he thinks the City should go with the \$250-\$500-\$750 flat rate increase option, and pay this as part of their salary. Mayor Nelson said he would rather see the \$250-\$350-\$500 option and more training opportunities, such as lunch and learns or recognition. Shanna advised this would only open up \$1,000 for additional training or recognition. She said the city already has budgeted for quarterly recognition and the annual holiday party. Council Member Cronin asked if the flat rate increase would cover the increase in health insurance. Shanna said yes. Council Member Malan and Council Member Cronin stated they agreed with Council Member Peterson and would recommend the \$250-\$500-\$750 flat rate increase. Shanna advised she would present version 6 of the fiscal year 2011-2012 budget as the final budget up for approval at the Council Meeting.

ITEM 11: ADJOURNMENT

Mayor Nelson closed the work session at 6:50 PM. The City Council gave unanimous consent (no member opposed).

Susan Obay, City Recorder

Jerry Nelson, Mayor

Shanna Johnson, Chief Deputy Recorder