

PERRY CITY COUNCIL MEETING  
PERRY CITY OFFICES  
April 14, 2022

7:00 PM

OFFICIALS PRESENT: Mayor Kevin Jeppsen presided and conducted the meeting. Council Member Nathan Tueller, Council Member Toby Wright, Council Member Blake Ostler, Council Member Dave Walker and Council Member Ashley Young.

OFFICIALS ABSENT: None

CITY STAFF PRESENT: Robert Barnhill, City Administrator  
Shanna Johnson, City Recorder  
William Morris, City Attorney  
Scott Hancey, Chief of Police  
Hyrum Anderson, Police Officer  
Tyler Wagstaff, Public Works Director  
Anita Nicholas, Deputy Recorder

OTHERS PRESENT: Richard Burns, Bob Thurgood, Michael Sumko, Jennifer Dinsdale, Melanie Barnhill, Nelson Phillips, Tolman Walker, BJ (last name unknown), iPhone (unknown), Esther Montgomery, Jeff Dinsdale, Jan Kerr, Julie Jones, Jason Burningham (LYRB), Brandon Johnson (Bond Counsel)

**ITEM 1: CALL TO ORDER**

Mayor Jeppsen called the City Council meeting to order.

**ITEM 2: PROCEDURAL ISSUES**

**A. Conflict of Interest Declaration**

None

**B. Appointment(s)**

• **Planning Commission**

Mayor Jeppsen presented to the council the appointments of the following three applicants for the Planning Commission: Blake Broadhead, Beth Thompson, and Ryan Vaughn. He asked the council if they had any questions for these applicants or if the applicants were in attendance and wanted to speak.

Council Member Wright asked if this will fill the seven seats in the Planning Commission. Mayor Jeppsen noted that there are a couple of the Planning Commission members that are near their two-year service time, but for the time being this will fill the seats.

**MOTION:** Council Member Wright made a motion to approve the appointments as presented. Council Member Walker seconded the motion.

**ROLL CALL:** Council Member Wright, Yes  
Council Member Tueller, Yes  
Council Member Ostler, Yes  
Council Member Walker, Yes  
Council Member Young, Yes

**Motion Approved.** 5 Yes, 0 No.

### **ITEM 3: PRESENTATION**

#### **A. Issuance of Sales Tax Revenue Bonds for New City Hall**

Mayor Jeppsen shared some recent statistical research he did about Perry City. He said the city population from the 1990 census was 1,250 and the 2020 census showed 5,250. He also, shared that the current city hall building was put into service in 1982 and was remodeled in 1993. This remodel included converting the bay garage into the current front offices. However, he wasn't sure if the upstairs was done at this time. He presented this information to show how Perry City has grown. With that statistical information in mind, he went into discussing how this city hall has a number of issues that have been identified and are not easily corrected.

Mayor Jeppsen said the city is considering having a justice court again and the current city hall building will not be conducive to this operation. He said that the city is losing a considerable amount of revenue by using the county for the city's Justice Court. He noted that we could double our fines and forfeitures if we could get the Justice Court back in Perry City. For example, a couple of years ago we received approximately \$90k and now we are around \$30k annual revenue. He reiterated a report from a couple of weeks ago given by our prosecutor that said the total revenue was \$126k from the Justice Court of which we only received \$30k because they manage the operations of our court. In order to house all of the city operations the current city hall building would need to be enlarged and include extra security features. However, if the proposal for the new city hall building, at The Lodge, gets approved then the current city hall would fit and be utilized by the Public Works, First Responders, and possibly Justice Court services.

Mayor Jeppsen said that in 2019, the council and administration started perusing a new city office building. They started by looking at local available properties and then they hired a consultant and an engineer firm to put together some plans. Next, they toured facilities of other cities that were close in size to Perry to get examples and ideas for a new city hall. The cost to build a new building to house the administration and police department; in addition, fit the growth and needs of the city was around \$9 million. However, this amount didn't include the cost of the property. After reviewing this information the search for a new city hall continued until recently when, The Lodge, property became a feasible option for consideration. The Lodge has been degrading over the years except for the remodeled and managed leased area. Mayor Jeppsen said this leased area which is approximately 50 percent of the ground level of the building is an advantage to the city. He pointed out that the rent for the leased part would be about half of the city's bond payment and it would offset the cost to the city. He mentioned that the current leasee has the option to renew the lease for the next ten years and they have expressed that they intend to finish the ten years.

He continued by saying that for the past several weeks the city engineers have been evaluating what it would take to remodel, The Lodge, building to make it useable for city administrations. He has also secured service agreements with Lewis, Young, Robertson, and Burningham for our financial consultants along with Brandon Johnson as the Bond Counsel. They will help us to see what it will cost and the best funding avenues for the city. The Mayor, city administrator and council have all reviewed everything suggested and the sales tax revenue bond appears to be the most appropriate for the situation. There will be more information about this going forth.

Mayor Jeppsen then proceeded to review the rules for the public hearing (printed on the meeting agenda) and highlighted that it's not a question and answer session. He reiterated that they want to hear the public opinions and concerns. However, if anyone needs to discuss their issue in more detail or to receive some type of closer they may make an appointment with City Administrator, Bob Barnhill.

## **B. Fiscal Year 2022-2023 Tentative Budget**

Ms. Johnson said that per Title 2 of the Perry City Municipal Code they are presenting the tentative budget to the council. She gave a PowerPoint presentation with the following overview for the Fiscal Year 2022-2023 Tentative Budget.

### **Planned Expenses by Fund**

#### **Operations:**

- General Fund - \$4,966,051
- Utility Fund - \$978,221
- Sewer Fund - \$1,287,623
- Increase = 8.4% (from last year)

#### **Non Operations:**

- Water Capital Projects - \$600,453

#### **Other Funds included in Tentative Budget:**

- Debt Service Fund moving to RDA Budget
- Fleet Lease Fund
- Capital Projects Funds
  - City Building
  - 1200 West (North & South)
  - Parks Equipment

Copies of the Tentative Budget are available at City Hall or online at [www.perrycity.org/finance](http://www.perrycity.org/finance)

Ms. Johnson noted that the Tentative Budget is subject to change up to final approval.

After reviewing the budget overview Ms. Johnson said you can request a paper copy of the budget through the city offices or they're available here at the meeting as well. She also mentioned that she would be available, if needed, to answer any questions on the tentative budget.

## **ITEM 4: Public Hearing (No Vote Needed)**

Opened public hearing 7:13 pm

### **A. Public Hearing Regarding the Issuance of Sales Tax Revenue Bonds**

Mike Sumko began the public comment by expressing that he is concerned with how this will impact our current property tax. He mentioned his son is moving here from Pleasant View and he said the taxes in Perry are almost twice as high as there. Mr. Sumko said we obviously need the new building but he is concerned on how it will affect the taxes in the long term.

Richard Burns said he came to the meeting to get answer to his many questions. For example, he wants backup reports that shows what the Mayor, City Administrator, and City Council have done on this project and documentation showing that building a new facility was projected to cost over \$8 million. He doesn't understand, in relation to the population growth, the need for such a large building compared to the current city office building. He asked what the cost will be to remodel the proposed new town hall compared to building a new facility. Next, he mentioned that he sees that a \$100k is budgeted every year for the shooting range and it serves only handful of people. He then said that he sees that the city plans to purchase four acres along with the new city building and wants to know how long into the future the proposed city hall will last and the long-range plan. He commented about a presumed property tax loss of \$22,800 that the city will no longer get if they purchase the Lodge and the possibility of other businesses also moving because they don't want to be located next to the city offices. He continued by saying the city only has hearsay of how long the present lease tenant in, The Lodge, will stay. Next, he said that he thinks the property will look good and is exciting that the city is doing this but he feels there needs to be more answers. His final comment was why it wouldn't be put on a ballot to get a vote of approval and endorsement from the people.

Mayor Jeppsen commented that we have an estimated cost of \$1.5 million to bring back the condition of the building and a remodel. He next addressed the gun range concerns by stating that most of the money going into that budget are grant dollars that we were receiving, with a small amount of matching dollars. And that we have to show it in the budget as cash. He noted that the actual cost to operate the gun range is approximately \$30k and that the revenue generated at the range covers this. The gun range has two part-time employees and several volunteer workers. He reminded the public that they may make appointments with the City Administrator to discuss their concerns.

Online - Jeff Dinsdale questioned the amount the city is seeking to bond. He stated that he searched all of the documentation and couldn't find the amount listed. He next asked what the benefit of a new city building is to the residents compared to repairing roads and updating the water systems. He commented that per his calculations it will cost \$10k in debt per citizen for the purchase of this new city hall.

At this point, Mayor Jeppsen wanted to intervene and explain that this building will also be an amenity to the city because we'll be able to rent out the top part of it for family gatherings. He further explained that they're working on a remodel design to accommodate these functions.

Council Member Wright said he received a forwarded e-mail with comments from Council Member Ostler and asked if this should be shared. Council Member Ostler noted that he did not know if this was intended to be shared in the public hearing. Ms. Johnson advised that comments received directly to the council already meet the purpose of us sharing comments in the public hearing. Public comments are to be heard by the council as they are making the decisions for their constituents. She also noted that the bond documents are available on-line and they do state the maximum amount, terms and interest rates for the bonds. This information is available on the city website under the icon "What's New".

Mayor Jeppsen mentioned that the majority comments received at the city offices have been positive. Ms. Johnson said that a lot of people have expressed their excitement to have a building in the community that they can be proud of. In addition, to have an area that they can use for family events.

Council Member David Walker said he's received ten positive and two negative comments about the city getting this new city hall property. The two negative comments were more concerns about the details of this transaction. There also were some comments about IT concerns and desires for the city to improve things around the area, specifically the parks.

Online - Julie Jones asked for the bond amounts for public hearing. She stated that she is for the building; she is also for fierce public transparency. She wanted to know if there will be an exterior update for the current city building.

Mayor Jeppsen responded that the intent is for the current city office building to be brought up to a higher standard. The plan is to have it house the Public Works Department and possibly the Court. Council Member Tueller pointed out that the bond information is on the city website.

Bob Thurgood said that he is in favor of this idea and feels it is a wise decision. He has full confidence in the mayor and city council with what they are planning and there isn't a need for this to be put on a ballot. He noted that the public elected them to represent them on a ballot and their decisions he supports. He did mention that a public hearing is a good thing. He feels that Mike Sumko had a good question regarding taxes. Mr. Thurgood noted that as he understood it the city would be using sales tax revenue to pay for the bond.

Mayor Jeppsen stated that sale tax was to be used as collateral for the bond. Ms. Johnson explained that the current lessee in the building is schedule to pay rent of \$119k per year and for many years the city has been making \$120k payment to a special improvement district bond that was retired last year. She said that both of these sources would be used to make the bond payment. Therefore, the city isn't planning to use sale tax or to raise taxes for this purpose. It was brought up that the city collects approximately \$1.2 million in sale tax revenue annually.

Online – Jennifer Dinsdale commented that the old city building should be sold so the city doesn't have to maintain two buildings.

Online – Jan Kerr commented that she is happy about the new building and hopes there will be space to add a library.

Online – Julie Jones again commented that it looks like the public bond amount will not exceed \$3.2 Million and thanked the city administration for providing the information on where to find the amounts on-line for her to review.

Mike Sumko then asked about the large equipment currently in the lodge. Mayor Jeppsen said that he has been in contact with Maddox and they are ecstatic about having the city as their neighbor. Maddox owns the equipment and he discussed an option for the city to purchase it, but it was decided that the equipment was too extravagant for the city's needs. This equipment will need to be removed by the tentative May 10, closing date. Mayor Jeppsen noted that the city did get a building inspection and all the repairs needed are updates (carpet, wood reconditioning, etc.) and that there was not any structural concerns.

Nathan Tueller commented as a citizen that he is excited (about the move of city hall) and never fearful of the comments he receives (from the public). He wanted to share that a lot of work has gone into this and that the staff and council hasn't rushed into any decisions. He mentioned that even six years ago the council was talking about a new city office building. He then said that he's open for anyone to talk to him about it. He loves this city and is happy about the direction it is going.

The city financial advisor, Jason Buringham, gave an update that they have received bids on the financing for the bonds. They are tabulating the bids now and will soon get them to the staff and council for their review. He stated that they were happy that it was so well received and that we have good options to look at.

The city's bond counsel, Brandon Johnson, confirmed that by providing copies of the resolution to the public and receiving the public comments with this public hearing that Perry City has done everything according to law.

Mayor Jeppsen closed the public hearing at 7:41 pm

#### **ITEM 5: ACTION ITEMS (Roll Call Vote)**

##### **A. Motion Acknowledging Receipt of the Fiscal Year 2022-2023 Tentative Budget**

Mayor Jeppsen said the council received the budget information in the work session prior to this meeting and a summary in this meeting.

**MOTION:** Council Member Tueller made a motion the Acknowledgment Receipt of the Fiscal Year 2022-2023 Tentative Budget that it's been received. Council Member Wright seconded the motion.

**ROLL CALL:** Council Member Wright, Yes

Council Member Tueller, Yes  
Council Member Ostler, Yes  
Council Member Walker, Yes  
Council Member Young, Yes

**Motion Approved.** 5 Yes, 0 No.

**ITEM 6: MINUTES & COUNCIL/MAYOR REPORTS (INCLUDING COUNCIL ASSIGNMENTS)**

**A. Approval of Consent Items**

- March 10, 2022 City Council Meeting Minutes
- March 24, 2022 City Council Meeting Minutes

**MOTION:** Council Member Walker made a motion to approve the consent items of the March 10 and March 24 meeting minutes. Council Member Tueller seconded the motion.

**Motion Approved. All Council Members were in favor.**

**B. Mayor's Reports**

Mayor Jepps said he recently met with the Mayors Association and this year there were two incumbent mayors and they elected a whole new staff. They are responsible along with the county commissioners for the corridor acquisition funding we receive from the state. He said we work a lot with them but he expects things to change. He also reported that they are spending a considerable amount of time with the city engineer to see what needs to be done on the (new city hall) building.

**C. Council Reports**

Council Member Young reminded everyone about the Easter Egg Hunt on Saturday and asked if someone would be interested in being the Easter bunny.

Council Member Walker summarized from a previous meeting that the mayor and he met with UDOT about Highway 89 and discussed creating a Corridor Agreement between them and the city. This agreement would plan out the future of Highway 89 and how it might meet the needs of both UDOT and Perry. In particular, having safe crossings of the highway. He wanted to mention May 21, is the Perry Service Day (park clean up) and we need a lot of community help.

Council Member Ostler, Wright and Tueller all said they had nothing to report.

**D. Staff Comments**

City Administrator Barnhill said he would follow up on the UDOT funding for the middle section of Historic Orchard Pathway along 1200 W. He pointed out that we received a grant of \$800k, which requires a 20% city match of \$200k for the trail.

**E. Planning Commission Report**

None.

**ITEM 7: EXECUTIVE SESSION**

None.

**ITEM 7: ADJOURNMENT**

**MOTION:** Council Member Walker proposed to adjourn the meeting.

**Motion Approved. All Council Members were in favor.**

The meeting adjourned at 7:49 p.m.

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Shanna Johnson, City Recorder

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Kevin Jeppsen, Mayor

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Anita Nicholas, Deputy Recorder