

PERRY CITY COUNCIL  
MEETING PERRY CITY OFFICES  
April 28, 2022

7:02 PM

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

OFFICIALS ABSENT: Council Member Dave Walker

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

OTHERS PRESENT: Nelson Phillips, Marvin Neff, Brinton Neff

**ITEM 1: CALL TO ORDER**

Mayor Jeppsen called the electronic City Council meeting to order.

**ITEM 2: PROCEDURAL ISSUES**

**A. Conflict of Interest Declaration**

None.

**ITEM 3: PRESENTATION**

**A. Fiscal Year 2021-2022 Budget Update**

Shanna Johnson presented a Fiscal Year 2022-2023 budget update through March 2023 (see FY2022 Budget Update slides). She advised that 75% of the fiscal year has elapsed and the 109% of General Fund revenues show as collected, with the majority of property tax being collected. She noted that the revenues are also higher than normal do to the ARPA funding that has been received by the City along with two land sales at Pointe Perry. She reported that 78% of Utility Fund Revenues have been collected, and the sewer fund has received 75% of its revenues. She also reported that the City has collected 152% of non-operating revenues, due to higher than expected impact fees.

Ms. Johnson reported on expenses stating that the General Fund has spent 53.4% of its budget. She said that 77.1% of the Utility Fund budget has been expended. She then expressed the Sewer Fund has spent 65.8% of its budget. She noted that all department spending looks good however, we may be a little short in the utility fund because of compliance needs. This enterprise fund is trending very close to its budget maximum. Council Member Ostler asked and then it was discussed that some of the utilities accounts might need to have contingency funds added to them. Ms. Johnson said that this year the city had several unexpected water line issues therefore it will be our test year to implement these account increases.

Next, Ms. Johnson stated that the sales tax revenues received are \$137,800 or 15.14% higher than the same timeframe a year ago. She said we are seeing a good trend. Council Member Tueller

commented that the discretionary sales should continue to help this upward sales tax trend because of the type of businesses located in Perry. For example, Walmart, several restaurants, and gasoline stations. He also felt that people might stay and purchase local because of the high gas prices.

Then, Ms. Johnson reviewed other highlights for the quarter, noting that 50% of ARPA funding (\$310,552) had been received and the first grant report has been submitted. She advised that a budget amendment proposal would be presented later in the meeting to transfer funds needed for the down payment for the new city hall, and that future adjustments to the budget may be needed in the Utility Fund for water and storm water. She concluded by saying there might be more adjustment needed at the end of the year.

#### **B. Fiscal Year 2021-2022 Budget Amendment**

Shanna Johnson presented an overview of the Fiscal Year 2021-2023 budget amendment. She expressed that most the budget adjustments are for the proposed City Hall and its improvements. She said that the city financial advisor worked with her on finding the funds available for this project. She noted that they'd come from the General Fund, Tax Increment, Property Income, Contribution from County, and funds that had been assigned to Building Improvements at our current location now being repurposed for down payment. She explained that the City will pay \$1million for the down payment of the building. Then the balance in this account will be used to refurbish or make improvements to the new building. Ms. Johnson also indicated some General Fund adjustments that need to be done to clean up some accounts. She then advised that there will be transfers of remaining funds in the Debt Service fund to the General and RDA funds (see attached slides).

#### **ITEM 4: PUBLIC HEARING (No Vote Needed)**

##### **A. Public Hearing Regarding Resolution 2022-07 Adopting a Fiscal Year 2021-2022 Budget Amendment**

Mayor Jeppsen reviewed the public hearing rules.

Mayor Jeppsen opened the Public Hearing at 7:18 p.m.

No comments

Mayor Jeppsen closed the Public Hearing at 7:19 p.m.

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

##### **A. Resolution 2022-07 Adopting a Fiscal Year 2021-2022 Budget Amendment**

Council Member Ostler indicated that some of the totals and additional amounts in exhibit A, of the Budget Amendment paperwork was not displayed in all the columns. Ms. Johnson said she will make these corrections as needed and then she further explained the columns in the amended budget. Next Mr. Ostler asked why we were getting a contribution from Box Elder County. Ms. Johnson explained that we transferred CARES Act funds to the county for business grants. Upon learning of our efforts to improve our City Hall, the County made a contribution of CARES Act funds to us for improvements to the city office, which equaled the amount we contributed to the business grants.

City Administer Barnhill asked where the debt service \$641k came from. Ms. Johnson said it came from tax increment and assets. Mr. Barnhill then asked if we have a plan for the \$340k. Ms. Johnson responded that it will be transferred to the RDA (Perry Redevelopment Agency). The RDA manage

these types of funds and will have to decide what to do with it. She noted that the fund balance in the account does not represent just cash but may also contain assets and liabilities.

She continued explaining different types of account transfers and the reasoning behind the adjustments. Mayor Jeppsen asked about the amendments needed in the resolution that Mr. Ostler pointed out. Ms. Johnson agreed that a correction will be made and she will carry over the \$310,550 to the appropriate columns in the amended budget.

**MOTION:** Council Member Tueller made a motion to approve Resolution 2022-07 Adopting a Fiscal Year 2021-2022 Budget Amendment with the said changes. Council Member Young seconded the motion.

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

**Motion Approved.** 4 Yes, 0 No, 1 Absent

#### **B. Resolution 2022-08 Elevator Maintenance Agreement**

Mayor Jeppsen said that we were are looking for a resolution from the council on this. He indicated that we will not sign this agreement until the city has closed on the building. Mr. Barnhill noted that this should be signed and executed after the close date. He then proceeded to discuss somethings he found of interest in the contract. City Attorney Morris said he reviewed it and it's a common type of contract for maintenance agreements (see Schindler Custom Maintenance Agreement). He noted that he didn't have any issues with this agreement but the city can negotiate with Schindler Elevator Corporation if they want. Mayor Jeppsen acknowledged that the current owners of the building have used this company to bring the elevators up to standards of the state code.

Council Member Wright noticed a few things in the contract that he would prefer the wording be clearer, especially with the terms and conditions. Then the group went through the contract and discussed how they'd like it written, to be more precise. Mr. Barnhill said that he would reach out to the company about the following four concerns:

- Remove liquidated damages
- Obsolete and out of date equipment
- Clarify the billing cycle
- a more precise explanation on the maintenance performed

The item was tabled.

#### **C. Ordinance 22-C ADU Amendments**

Mr. Barnhill explained that this amendment has three main proposals. He began by reporting the desires of the Planning Commission and comments from the public hearing. He said that they felt the city should not expect the homeowner to always build a structure to match the design of the house. Next, was to change the rule for the setbacks on accessory buildings. Then the third change needs to be done per state legislation and relates to the percentage based charges for the impact fee on the ADU, he noted that fees are not allowed for accessory apartments and the code amendment reflects this change

Council Member Tueller expressed that he has already gone through this process; he gave feedback on the impact fees, and stated that ADU's are a good idea to improve affordable housing in the city.

Mr. Barnhill explained that the impact fee percentage originally set by the council was similar to the charge for an apartment but slightly reduced to encourage ADU building. The council then continued a discussion on the impact fees and why they originally adopted them.

Council Member Wright asked how administration would address the setback requirements if code was to change in the future. Mr. Barnhill said that we could add a sentence to this amendment or in a future amendment regarding grandfathered setbacks if the need arises.

**MOTION:** Council Member Wright made a motion to approve Ordinance 22-C ADU Amendments. Council member Ostler seconded the motion.

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

**Motion Approved.** 4 Yes, 0 No, 1 Absent

**D. Ordinance 22-E Zone Change for Brinton Neff from R1/3 to R1 with an overlay zone adding an additional \$1,000 fee for parks**

City Administrator Barnhill gave a summary from the staff report on this zone change request. He said the property is approximately 30 acres in size and is currently zoned R1/3 and was previously Agricultural. The applicant is requesting a change to the R1 (¼ acre lots) with a zoning overlay and offering to pay an additional \$1,000 impact fee per property to be used to improve the city parks. He recited that the property is currently used for agricultural purposes, as are most of the surrounding properties. There are a few scattered residences in the area. He then remarked on some of the suggested plans the developers have proposed.

Mr. Barnhill noted that the Planning Commission held a public hearing. Also, that they recommended approval with the development agreement option. He then mentioned some of the public concerns about this project, which were water table, culinary water supply, the legality of accepting a fee in lieu of open space, and providing enough parking.

Council Member Young asked what the lot size were in the third proposal. Mr. Barnhill answered that it is not on this plan and that they can vary. She expressed her thoughts and concerns for the proposed plans stating she would rather not take additional money for parks to allow this option.

Mayor Jeppsen asked Mr. Barnhill who will maintain the drainage and the open space in the conservation subdivision plan. It was noted that the city will handle the maintenance and there will be a special assessment area set up to help fund those areas.

Council Member Wright commented that the city has gone away from R1 and R1/3 zoning and the lot size many go as high as R1/2 acre. On a traditional subdivision, the developers may get the

density with the tradeoff of having open space areas. Subsequently, Council Member Tueller recounted the first approval of the multiple sized lots within a subdivision. He feels a couple proposals presented, especially the conservation subdivision, on this will work well with the city housing growth plan.

**MOTION:** Council Member Tueller made a motion to approve Ordinance 22-E Zone Change for Brinton Neff from R1/3 to R1 with an overlay zone adding an additional \$1,000 fee for parks. Council member Wright seconded the motion.

**ROLL CALL:** Council Member Wright, No  
Council Member Tueller, No  
Council Member Ostler, No But stated he was not sure he sure he had  
enough time to analyze the issue.”  
Council Member Young, No  
Council Member Walker, Absent

**Motion Failed.** 0 Yes, 4 No, 1 Absent

#### **ITEM 6: DISCUSSION ITEMS**

##### **A. Sale Tax Revenue Bond Selection and report**

Mayor Jeppsen reported that the decision has been made to use Webster Bank for financing the new city hall. They fit all the super resolution parameters, had the lowest interest rate, and the biggest savings to the city. He explained that the city financial analyst and the bond counsel reviewed the bid comparisons and helped verify a few things to make their bid decision.

Ms. Johnson noted that with the debt service change on the budget amendment, we would clarify the down payment amount. Council Member Ostler said that we would need to check with Jason on this because it will change the principle amounts, time, and interest rate in the contract. He also commented that he appreciates the work that has been done on the bonding process.

#### **ITEM 7: MINUTES & COUNCIL/MAYOR REPORTS (INCLUDING COUNCIL ASSIGNMENTS)**

##### **A. Approval of Consent Items**

- April 14, 2022 Work Session Minutes
- April 14, 2022 City Council Meeting Minutes

**MOTION:** Council Member Wright made a motion to approve all the consent items.

**ROLL CALL:** All in favor.

**Motion Approved.**

##### **B. Mayor's Reports**

Mayor Jeppsen reported that he attended the ULCT Conference. He said there was a lot of good information. He reported that the elected official were given a call to run for the legislature. He interpreted the call as the need for the legislature to be taken back by the people.

##### **C. Council Reports**

Council Member Young  
None.

Council Member Ostler

None.

Council Member Wright noted that he also attended the ULCT Conference and he shared a few things he learned. He said there is now bigger incentives from the state for large companies to move into rural areas. The incentives would come after the large companies could prove growth and higher paying jobs to the rural communities.

Another thing he learned was how hot water related to water conservation. He said that there is a lot of waste as a person waits for the water in the faucet to get hot. It was recommend to reduce water usage the city should put a hot water circulation line requirement into their code for new building. Additionally, he reported that it appears that Perry City is in a good place compared to the state regarding growth and expressed appreciation for good staff.

Council Member Tueller mentioned that the ULCT Conference had good information.

**D. Staff Comments**

Chief Hancey

None.

Tyler Wagstaff

None.

Shanna Johnson

None.

City Administrator Barnhill mentioned he had copies of the Utah Land Use Handbook and offered a copy to the City Council.

**E. Planning Commission Report**

None.

**ITEM 8: EXECUTIVE SESSION**

None.

**ITEM 7: ADJOURNMENT**

**MOTION:** Council Member Wright made a motion to adjourn.

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

The meeting adjourned at 8:36 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