

PERRY CITY COUNCIL
MEETING PERRY CITY OFFICES
JUNE 9, 2022

7:03 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
Dave Freeze, Sergeant
Tyler Wagstaff, Public Works Director

OTHERS PRESENT: Nelson Phillips (BENJ), Melanie Barnhill

ITEM 1: CALL TO ORDER

Mayor Jeppsen called the City Council meeting to order.

ITEM 2: PROCEDURAL ISSUES

A. Conflict of Interest Declaration

None.

ITEM 3: PRESENTATION

Chief of Police Scott Hancey announced that Sergeant Dave Freeze was nominated and received Officer of the Year in 2021. He said there was a delay in him receiving this award but would like to present it to him at this meeting. Chief Hancey then read the following from the nomination letter.

Dave goes above and beyond as for the employees he supervises and the citizens he serves. Dave is selfless and always is adjusting his schedule to cover shifts. He will cover days or graveyards for the employees or their family planned vacations and occasionally worked all these shifts in the same week to make these events happen. Dave works tirelessly to insure the police department has the equipment training and the coverage needed to insure we can provide the best service possible to the city. Dave is dedicated to each citizen he serves and approaches everyone not just as a position of authority but also as a fellow human being. In their numerous years of law enforcement they have not observe many supervisors who care or give them as much as Dave Freeze.

Chief Hancey said he agrees with what was written and is proud to work with him. The congregation then gave him a standing ovation and Mayor Jeppsen thanked him for his service.

A. Fiscal Year 2021-2022 Budget Amendment

For reference Ms. Johnson presented a chart that showed two year budget amounts and the proposed budget amendment (See attached Slide 14). She noted that the city has done one amendment prior to this to allocate funds for the new city office building. She said this second

amendment is to clean-up some accounts on the books for this year. She detailed the amendment changes (See attached Slide 15).

B. Fiscal Year 2022-2023 Budget

Ms. Johnson presented a PowerPoint presentation detailing the Fiscal Year 2022-2023 Budget (see attached). She reviewed the budget timeline for the FY2023 budget planning. She explained the General Fund revenue and expenses included in the proposed budget. She said for more details there are copies of the budget workbooks available at the city office.

Ms. Johnson reported the details of the Utility Fund. She noted that the city water has an automatic annual rate increase of 3 percent. This will bring the base monthly charge to \$20.09. She mentioned the utility fund expenditures were higher than the prior year due to inflation. Ms. Johnson announced that there will be a public hearing in the next meeting to address revenue short falls in storm drain. She said the main cause of the short fall was storm drain expenses related to MS4 permit compliance. (She remarked that as the city grew it entered into a new level of state storm water regulations, which will cost the city additional money in order to comply.

Ms. Johnson reviewed the Sewer Fund revenue and expenditure breakdown which shows that the city has a 134 percent debt coverage ratio and is meeting the bond debt ratio requirements.

Ms. Johnson indicated that the General Fund has a 12.3 percent increase to budget, Utility Funds budget increased 6.7 percent, and the Sewer Fund budget increased 8.1 percent. She expressed that the total combined budget increase was 9 percent which is indicative of the current inflation percentage.

She brought up the New City Hall building and wanted to address where the revenues for the new building was coming from. She noted that the city is not planning to use future property tax funds to pay for this building. She explained that the city has already allocated funds for the bond payments as shown below.

- Revenues being Used to make Bond Payment:
 - Lease Revenue (building tenant) = \$119,056
 - Sales Tax prev. used for Pointe Perry SID (Special Improvement District) Bond = \$120,000
 - Sales Tax Previously used for current bldg. O&M = \$12,312
 - Total Available = \$251,368
 - Building Payment = \$251,368

Next she presented the General Fund projects which are planned in FY2023 and included on the proposed budget (See Slide 12).

- Street Projects = \$458,643
- Compensation & Benefit Increases = \$145,907
- Police Staffing (Additional Officer) = \$134,648
- New Building Operations & Maintenance = \$81,720
- Street Light LED Conversion = \$25,000
- Mountain View Park Equipment = \$40,000 to Capital Project funds w/ \$350,000 avail for install
- Mowing Services = \$19,200
- 1200 West North Grant Savings = \$34,706
- Rotation of Fleet Vehicles = \$18,300

She explained that overall we are seeing inflation just like everywhere and that the Consumer Price Index (CPI) is at 8.3 percent. She said she included a fuel increase of 57% and is concerned that this

may not be enough of an increase this year. The total budget requests for projects or increased expenses was \$909,349. She said some of the prior year projects were saving money or were a onetime expense, so the total operations increase was \$513,391.

Then Ms. Johnson showed the FY2022-2023 Enterprise Fund project list. The list included capital improvements for water and sewer. She explained that the state budget forms shows how these projects are being funded in the cash flow section of each budget.

C. Fiscal Year 2022-2023 RDA Budget

Ms. Johnson reviewed the state budget form for the Perry Redevelopment Agency (RDA). She explained the RDA Fund receives revenue from property and sales tax increment that have been pledged by participating tax entities (Perry City & Box Elder County) to the RDA for improvements to the project area. She said property tax income for Fiscal Year 2023 is projected to be \$35,842 and sales tax increment is projected to be \$153,559. Instead of that going into new improvements, it will be contributed to the city to reimburse the \$1.3 million in bond payments and collection costs incurred by the city over time due to the default and foreclosure of a former developer. As part of our amended agreements with the taxing entities this use has been added in order to pay back the city and make the city whole.

ITEM 4: PUBLIC HEARINGS

A. Resolution 2022-10 Adopting a Fiscal Year 2021-2022 Budget Amendment

Mayor Jeppsen opened the Public Hearing at 7:10 pm.

No public comments

Mayor Jeppsen closed Public Hearing at 7:11 pm.

B. Resolution 2022-12 Adopting a Fiscal Year 2022-2023 Provisional or Final Budget

Mayor Jeppsen opened the Public Hearing at 7:21 pm.

No public comments

Mayor Jeppsen closed the Public Hearing at 7:22 pm.

C. RDA Resolution 2022-01 Adopting a Fiscal Year 2022-2023 Budget

Mayor Jeppsen opened the Public Hearing at 7:25 pm.

No public comments

Mayor Jeppsen closed the Public Hearing at 7:26 pm.

ITEM 5: Action Items (Roll Call Vote)

A. Resolution 2022-10 Adopting a Fiscal Year 2021-2022 Budget Amendment

Council Member Ostler asked for clarification on the budget increase for inspections and whether or not the revenue received from permits covers the cost of inspections. Ms. Johnson explained that permit revenue is higher than the inspection expenses, but because the expense is projected to be higher than what was budgeted in community development an amendment is needed to reflect this so that the budget is in compliance by the end of the fiscal year.

MOTION: Council Member Wright made a motion to approve Resolution 2022-10 Adopting a Fiscal Year 2021-2022 Budget Amendment. Council Member Walker seconded the motion.

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

Motion Approved. 5 Yes, 0 No

B. Resolution 2022-11 Adopting a Final or Proposed Tax Rate for the 2022 Tax Year

Ms. Johnson mentioned that this resolution is meant to be adopted if the council is going to adopt the certified tax rate as well as a final. She explained that if the council desires to approve a proposed property tax rate and begin the truth in taxation process they would want to table this resolution and go to the next agenda item, which would allow them to adopt a proposed tax rate and provisional budget. She said if the council wants to go into a Truth and Taxation they will want to table this resolution and move on to the next one.

Mayor Jeppsen tabled Resolution 2022-11 with no dissent from the council.

Motion was Tabled

C. Resolution 2022-12 Adopting a Fiscal Year 2022-2023 Provisional or Final Budget

Ms. Johnson said that in this resolution the council would be able to adopt a provisional budget and proposed tax rate. She informed the council that they would need to assign the proposed tax rate, and that will be advertised as the maximum rate that could be passed in the Truth and Taxation public notices. She advised this resolution includes them accepting the provisional budget as presented. There will be another public hearing before the final approval of the tax rate and budget.

MOTION: Council Member Tueller made a motion to approve Resolution 2022-12 Adopting a Fiscal Year 2022-2023 Provisional Budget with the property tax rate posted in the resolution as .002175 and that we will enact Truth and Taxation. Council Member Wright seconded the motion.

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

Motion Approved. 5 Yes, 0 No

D. Resolution 2022-13 Amending the Perry C.E.R.T. Bylaws

Ms. Johnson remarked that after she sent the packet, which had the paperwork to amend the bylaws to the council members, she was informed by Paula Smith that the C.E.R.T. team had not fully improved the red line items.

Item was Tabled

E. Discussion/Action Regarding Setting Juneteenth (June 19) as One of the Cities 12 Paid Holidays

Ms. Johnson explained that the city has twelve paid holidays in the policy. And about a year ago the federal government set Juneteenth as a holiday. Then this past March our Governor Cox approved it as a state holiday. So a lot of cities have been adopting it as one of their holidays as well. She noted that currently Perry City has ten holidays and two floating holidays. She said the council has several

options to acknowledge or give this as a paid holiday for the employees or not do anything. Council Member Walker asked if they knew the desires of the staff for this holiday. Ms. Johnson said we have not gathered staff input on this. Mr. Barnhill suggested the council also look at the holiday recognition from a political position. He said if they do not adopt it how will it look to the public. It was decided that a survey will be given to the employees and the holiday will be set if employees desires it, replacing one of the floating holidays.

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

A. Approval of Consent Items

- May 12, 2022 City Council Work Session
- May 12, 2022 City Council Meeting Minutes
- May 26, 2022 City Council Meeting Minutes

MOTION: Council Member Walker made a motion to approve all the consent items listed on the agenda. Council Member Wright seconded the motion.

Motion Approved. All Council Members were in favor.

B. Mayor's Reports

Mayor Jeppsen said Brigham City presented Perry City with an updated contract proposal for fire and ambulance protection. After review Mayor Jeppsen made a proposal to them that we will maintain the contract this year with a 10 percent increase to cover inflation. And that both parties will come up with a more equitable solution. Brigham City agreed and then gave some suggestion for future options. He said that this fall they will be having a meeting with several Mayors to look into other alternatives.

C. Council Reports

Council Member Young thanked Shanna Johnson for the work on the budget.

Council Member Walker gave an update from the meeting they had with UDOT. They met to discuss the corridor agreement for the portion that passes along Highway 89 through Perry City. He said they identified some funding needs and ways we can get that funding. Some actions are going to come through to see what funds are available from UDOT to help pay for the study of the corridor improvements. He mentioned that the next step is for the city is to come up with a vision of what they would like Highway 89 corridor through Perry to look like.

Council Member Ostler, Wright and Tueller had no info to report.

D. Staff Comments

Chief Hancey said they did a trafficking operation last week and made four arrest for prostitution and drug related offenses. He said this was a successful operation.

E. Planning Commission Report

Mayor Jeppsen attended the Planning Commission meeting last week and said it went well. He said they did a great job. He mentioned that he appreciates Mr. Barnhill and Ms. Bischoff for administrating the planning meeting.

ITEM 7: EXECUTIVE SESSION

None.

ITEM 8: ADJOURNMENT

MOTION: Council Member Wright proposed to adjourn the meeting. Council Member Tueller seconded the motion.

Motion Approved. All Council Members were in favor.

The meeting adjourned at 7:52 p.m.

Shanna Johnson, City Recorder

Kevin Jeppsen, Mayor

Anita Nicholas, Deputy Recorder