

PERRY CITY COUNCIL WORK SESSION
PERRY CITY OFFICES
May 15, 2025

6:32 PM

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

OFFICIALS ABSENT: None

CITY STAFF PRESENT: City Recorder/Financial Director Shanna Johnson, City Administrator Bob Barnhill, Police Chief Scott Hancey and Deputy Recorder Misty Moesser

OTHERS PRESENT: None

ON-LINE: None

ITEM 1: CALL TO ORDER

Mayor Jeppsen welcomed everyone and called the City Council work session to order.

ITEM 2: DISCUSSION ITEMS

A. FY2025-2026 Budget Proposals

Financial Director Shanna Johnson presented changes to the budget since the last council meeting. She reported that the elections budget increased by \$1,656 to \$8,155.80 based on updated pricing from the Elections Office. For streets, \$639,000 was moved from the current fiscal year to FY2026 under road repair, as not all funds will be spent before June 30th. The First Responders' equipment transfer was increased to \$11,000 as requested by the council. Revenue adjustments were made to Class C Road Funds and the fund balance use to account for the street funding changes.

In the capital projects fund, \$500,000 for the 1200 West Central Trail Project was moved to FY2026. The parks equipment and improvements budget was updated to include a \$270,000 outdoor recreation grant and \$42,000 Box Elder grant. An additional \$13,794 in impact fees was added to cover the remaining project costs.

For the sewer fund, charges for service were adjusted based on predicted new home connections. Additional staffing costs were added for a new technician position and training for the assistant operator. Materials, supplies and lease expenses were also updated.

Council Member Tueller asked for clarification on the \$639,000 moved for streets. Ms. Johnson explained this was due to the bidding process timeline, so projects will start in July instead of before June 30th. The total road repair budget for FY2026 will be \$1,639,000. City Administrator Bob Barnhill noted some of the funds are for 1200 West improvements not covered by the trail project.

Council Member Ostler inquired about the sewer revenue adjustments. Ms. Johnson clarified these were based on customer count projections, not rate changes. She estimated 20 new homes connecting and made adjustments to impact fees, connection fees, and ERU collections. The additional revenue helps offset some of the new staffing costs.

Ms. Johnson presented slides showing proposed community essential expenses like fire and facilities, as well as large impact requests for roads, landscaping, and staff increases. For police, she noted the difference between the current \$243,000 budgeted for market/COLA/performance increases versus the \$302,000 requested by the Police Chief Hancey. Applying that higher increase across all staff would total \$432,000.

Chief Hancey explained the rationale for the higher police pay increase, noting Perry officers handle nearly double the caseload of surrounding agencies. He said morale is impacted by officers knowing they are paid less while doing more work than neighboring departments. Chief Hancey expressed concern about potentially having to hire less qualified candidates if unable to offer competitive wages.

The Council discussed the challenges of keeping up with wage competition from larger agencies, while also being fair to other city departments. They debated the pros and cons of targeted increases versus across-the-board raises. Chief Hancey noted the police proposal would still use the existing performance evaluation matrix, just with a higher overall increase to reach market rates of the top 3 local agencies.

After extensive discussion, Mayor Jeppsen directed Shanna Johnson to include a 13% across-the-board increase for all staff in the draft budget for further review, while noting adjustments may still be made. The Council requested to see how this would compare to regional averages for both police and non-police positions.

For the water utility, Council Member Ostler presented an analysis proposing rate increases to reach \$35/month over 3 years, starting with an increase to \$26.74/month in FY2026. This aimed to address operating losses and build reserves for future capital needs. The Council reached consensus to pursue the 3-year approach, while agreeing to re-evaluate annually. They also supported establishing a restricted fund for water system capital improvements and replacements.

Mr. Barnhill presented an overview of a proposed \$237,000 landscaping project for City Hall, which would update the west side, replace dying trees, terrace the hillside for safety, and create outdoor gathering spaces. Some council members expressed hesitation about the cost. The council requested to review the full landscaping plan before making a decision.

Ms. Johnson informed the council of a new state law requiring notification by June 1st of any planned tax increases, even though certified tax rates will not yet be available. The Council agreed to schedule a potential tax hearing to keep options open, though they do not currently plan to pursue a tax increase.

Regarding the RDA, Ms. Johnson reported the city debt from the developer should be fully repaid by FY2027. She advised against transferring the RDA fund balance to pay off the debt early, as it would impact general fund sales tax revenues in coming years. The Council discussed potential future uses for RDA funds after the debt is repaid.

Council Member Ostler presented an analysis of a county fire district proposal based on a recent study. The proposal would consolidate fire/EMS services for southern Box Elder County, potentially funded through a new county sales tax rather than property taxes. The Council expressed interest in further exploring this option and agreed to discuss it at a future meeting after reviewing the full study.

ITEM 3: CLOSED SESSION

Not needed.

ITEM 4: ADJOURNMENT

MOTION: Council Member Walker made a motion to adjourn the meeting.

Motion Approved. All Council Members were in favor.

The meeting adjourned at 9:09 PM.

Kevin Jeppsen, Mayor

Shanna Johnson, City Recorder

Misty Moesser, Deputy Recorder