

PERRY CITY WORK SESSION  
PERRY CITY OFFICES  
April 23, 2020

6:36 PM

OFFICIALS PRESENT: Mayor Kevin Jeppsen presided and conducted the meeting. Blake Ostler, Nathan Tueller, Toby Wright, Esther Montgomery, and Andrew Watkins

CITY STAFF PRESENT: Shanna Johnson, Chief Deputy Recorder; Robert Barnhill, City Planner; Bill Morris, City Attorney, Scott Hancey, Chief of Police; Tyler Wagstaff, Public Works

OTHERS PRESENT: None

**ITEM 1: Welcome to Order and Welcome**

Mayor Jeppsen welcomed everyone and called the meeting to order.

**ITEM 2: FY2021 Budget Planning**

Shanna Johnson reviewed tonight's agenda with the Council which will cover:

- Pay and Benefits
- General Fund Department Budgets
  - Administration
  - Community Development
  - Judicial
  - Animal Control

Ms. Johnson reviewed the Pay and Benefits, especially the benefit renewal from PEHP (includes approximately a 5.8% increase). She reviewed the planned performance increase and said she based them on the mid-year reviews to give a payroll projection for the budget (as they have not had their end of year reviews yet).

The Council and Staff discussed and clarified the PEHP benefit renewal and the option of the City not covering the 5.8% increase.

The Council and Staff discussed and clarified the option of not having a performance increase this year.

Ms. Johnson stated if the City did not cover the benefit increase it would cost an employee an additional \$34 a paycheck for family coverage. She said that the City is already behind the curve when it comes to wages, but is on target when it comes to the benefit premium coverage. She said she would hate for the City to be behind on benefit premium coverage as well. She said she could build a model with the benefit cut and eliminating performance increases for the Council to review and discuss.

Ms. Johnson reviewed the General Fund Department Budget for Fiscal Year 20201 with adjustments and a proposed amendment to the current fiscal year based on anticipated revenue losses due to the current pandemic and business closures. She said all the departments with tabs highlighted in green (on the excel workbook) have approved the proposed cuts. She noted that if the current proposed FY2020 amendment and FY2021 Budget was passed, the city is projected to have a 15% fund balance in the General fund at the end of FY2021. She said at this time she does not feel cutting performance increases, or the benefit increase is necessary, but could be an option if the trends shift as the year progresses.

Ms. Johnson explained that she used sales tax loss percentages from the 2008-2009 recession (which equaled -20%) to predict the loss in revenue for the coming year and created sales tax models for the Council to use in formulating the best approach for the FY2020-2021 budget. She reviewed the advice given from the recent Utah League of Cities and Town's Economic Forecast call regarding budgeting, which reviewed how cities plan to address projected losses in sales tax, property tax, and gas tax. She noted most cities are also planning to be more conservative in their budgeting and plan to monitor revenues and increase budgets if projections improve.

Ms. Johnson reviewed the class C road funds in light of the possible loss in gas tax and the cities planned road projects noting that the City does have saved Class C funds that could be used if needed.

The Council and Staff discussed the cuts made in the adjusted budget proposals and proposed amendment. Ms. Johnson noted that the budget could always be amended if things recover faster than anticipated.

The Council decided to leave the pay increase and benefit increase at this time.

## **ADJOURNMENT**

Mayor Jeppsen closed the work session.

The meeting adjourned at 6:59 PM.

---

Susan Obray, City Recorder

---

Kevin Jeppsen, Mayor

---

Shanna Johnson, Chief Deputy Recorder