

PERRY CITY WORK SESSION
PERRY CITY OFFICES
April 8, 2021

6:00 PM

OFFICIALS PRESENT: Mayor Kevin Jeppsen presided and conducted the meeting. Blake Ostler (joined the meeting at 6:30 p.m.), Nathan Tueller, Esther Montgomery and Andrew Watkins

OFFICIALS ABSENT: Toby Wright

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

OTHERS PRESENT: None

ITEM 1: Welcome to Order and Welcome

Mayor Jeppsen welcomed everyone and called the meeting to order.

ITEM 2: Work Session FY2022 Budget Planning (See attached presentation slides)

Shanna Johnson discussed taxes and adjusting them to be slightly more conservative per last meeting's discussion. The taxes were projected to be \$3,021,207 and were adjusted to be \$2,967,254 with an 8% increase instead of 10% for sales tax. This is with anticipation of keeping the property tax rate where it is now. If they decide to go to a certified tax rate that is less than our current rate it would be closer to 3%.

Licensing and permits were adjusted, as suggested by council, averaging the FY2020 actual with the FY2021 trend. This makes the revenue projection \$180,096 (down from previously projected at \$199,550). The new licensing and permits are down \$17,705 from the current year trend. The adjustments to sales tax and building fees reduce the total General Fund revenue by \$73,407.

The sewer revenue actual for FY2020 was \$867,268.34 and are budgeted this year for \$967,912.00. The trend is showing \$980,339.43 for this year with anticipation of next year to be \$989,604.00. The new sewer rate did not go into effect until September, so a full year will bring in extra revenue. The Waste Water Treatment Plant reimbursement shows last year being \$150,209.41, this year should be \$137,648.00. This equals 34% of their budget, so next year at that rate it would be \$151,308.50. The sewer fund revenue including impact fees, connection fees, and reimbursement from Willard equals \$1,279,855. FY2021 includes debt reserve savings of \$153,000 that can be used this year.

Overall the debt ratio is 130% and there will not need to be a rate increase this year. However, next year there will most likely need to be a 3% increase to cover the debt ratio (to ensure keeping the debt ratio at the needed 125%). Ms. Johnson then explained the sewer fund cash flow in detail.

Council Member Tueller wanted to clarify that the sewer fund revenue would not be affected by the sales tax rate. Ms. Johnson said it would not.

Ms. Johnson then discussed general fund expenses and said it increased \$138,317 or 3.4%. FY2020 was at \$3,272,119.00, in FY2021 the CARES Act grant as well as a tax increase brought it to \$4,069,049. She then discussed the trend and proposed amount for the general fund budget for FY2022.

Ms. Johnson went through the general fund Departmental Budget proposals reviewing changes in each budget including:

- Administration - \$852,620
 - Staff – Benefits are up due to a 5.4% premium increase and a proposal to balance Tier 2 to Tier 1 with 401K contribution. Wages are down due to reorganization (but still includes a performance pay increase)
 - Office – Office related expenses went down in total by \$1,313 and include supplies, telephone, fuel, city council supplies, IT, and webpage expenses
 - Contracts & Services – Increases are projected for public notices, elections (it’s an election year), professional/technical, building state fees, and in the annual pledge to Utopia. Insurance is going down for workers compensation due to reduced claims
 - Facilities – Building/Maintenance shows a \$60,678 decrease, but still includes \$103,000 in building improvements, carried over from FY2021
 - Administration FY2022 Priorities – Ms. Johnson noted that priorities for the department include a Successful Election Year, Building Improvements (addressing Health, Safety & Aesthetics), Cares Funding Compliance, continued efforts to improve Records Management, Support for our staff and elected/appointed officials, allowing for the enactment of good policy, and ensuring public trust and transparency
- Community Development – \$189,044
(Mass Transit Tax was moved to its own budget)
 - Staff – a Performance increase is planned, benefits up due to a premium increase, and a proposal to balance Tier 2 to Tier 1 with a 401K contribution, the budget includes a request for additional training dollars, and additional recognition dollars to reinstate our annual holiday dinner and other events that were not included during the pandemic.
 - Contracts & Services – The Professional and Technical budget has been restored to the pre-covid budget (Ms. Johnson noted actuals have been less in the past, but this allows us to respond to grants or projects as they come about), Inspections show an increase but will be based on permits
 - Community – Increases are included to restore holiday events and anticipate any inflation in costs, also includes restoring the pre-covid donation budget, which was covered by CARES funding last year
 - Community development FY2022 priorities – Ms. Johnson noted that priorities for the department include continue efforts to update Municipal Code, bringing back community and employee events, and continued focus on economic development and growth
- Police – \$1,095,905

- Staff – Wages includes a performance increase (Ms. Johnson noted that the Chief would like to also see a market increases for key employees to ensure employee retention), the budget includes a new part-time employee (to move to full time the following year keeping up with growth), wages include the administrative assistant from our recent reorganization of staff. Benefits include a 5.4% premium increase, the proposal to balance Tier 2 to Tier 1 via a 401K contribution, and additional training dollars for two IACP conference attendees to help keep up with law enforcement changes.

Council Member Watkins asked what kind of calls are coming into the police department. Chief Hancey said he is not sure why, but the DUI calls have increased from a typical 8-10 calls to 16 so far this year. He added that most of them are drug related. Council Member Ostler asked if the Tier 1 from Tier 2 proposal would be a recurring or a one-time expense (for example as becoming a part of the compensation package). Ms. Johnson stated that it could be recurring but also wouldn't have to be as the council can change 401K contributions at any time. She emphasized that this would help the Tier 2 employee feel as valued as a Tier 1 employee. She explained the difference in the retirement Tiers, and how the contribution could be applied.

- Equipment and supplies – a small increase is included for office supplies, equipment includes money for 2 vests and 2 laptops, fuel and fleet project an increase for rising fuel costs, increases are also included for telephone, ammunition (shortage and prices higher), and uniforms which will afford SWAT equipment

Council Member Ostler wondered if there were any ways to see if the costs on any of these could be found cheaper somehow (switching phone companies or becoming a part of a fuel program). Ms. Johnson stated that they are a part of a fuel program with Maverik already that does involve a discount. Chief Hancey stated that the expense for the phones is due to a drive being created within the server for digital evidence which needs to be secured (due to the nature of the evidence).

- Contracts & Services – Professional and technical expenses anticipate an inflation in contract pricing and includes the department's portion of IT expenses. Miscellaneous services includes ending the citizen patrol and provides funding to work with youth council on projects, community policing activities, outreach events and donations to local non-profits
 - Grants and contributions – expecting a small increase in liquor control dollars
 - Facility – the budget includes an increase for Building improvements for police area
 - Police priorities – Ms. Johnson noted that priorities for the department include increasing compensation for police staff members that are under market average to ensure retention, bringing on a part-time employee to help with rising caseloads, (may need full-time in FY2023), updating the police area to address safety, wellness and efficiency, ending the citizen patrol program and reallocate funds to community policing, youth council projects, and fundraising for local non-profits
- First Responders - \$34,634

- This Budget did not change but reorganized some of the budget dollars- Adding \$1,000 to wages (paid per call group), and reduced the equipment and personal protective equipment by \$1,000 based on trend.

Mayor Jeppsen added that the HVAC improvements would also improve the temperature control in the First Responder bay area.

- Fire and CERT - \$36,982
 - This budget includes a Fire Contract increase of 3%, money for write offs, increase to CERTS for grants (\$500) and CERT recognition increased \$350

ADJOURNMENT

Mayor Jeppsen closed the work session.

The meeting adjourned at 6:53 p.m.

Shanna Johnson, City Recorder

Kevin Jeppsen, Mayor

Tyra Bischoff, Deputy Recorder