

PERRY CITY WORK SESSION  
PERRY CITY OFFICES  
JULY 23, 2020

6:00 PM

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

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

OTHERS PRESENT: Chris Crockett

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

Mayor Jeppsen welcomed everyone and called the meeting to order.

**ITEM 2: FY 2021 BUDGET PLANNING**

Shanna Johnson made a presentation to the Council and public that included comments from the Council, items that have been discussed through the year, and the consolidated capital improvements list demonstrating the need to keep the tax rate the same as the previous year and gain the revenues from doing that. The presentation showed the need analysis including:

- Tax rate has not been raised since 2008.
- Expenses in General Fund have increased 128% in the last decade.
- The City has many needs that funding is not available to meet.
- Transportation study that was done showed an additional \$97,620=5.26-year service life.
- Over the next four years over \$2 million in needed projects.
- Class C funds for streets would cover 66% of needs including money that has been set aside for streets from capital project funds.
- New revenue coming in next year would cover 17% and would leave a remainder of \$361,602 needed.
- If the City maintains the tax rate from last year it would generate \$73,756 per year and would generate \$295,016 over the next four years.
- The remaining amount may be covered by growth but looks at only short term and mid- term needs, not addressing long term needs of a City Hall that would fit in police and first responders or getting a Cemetery.

Shanna presented the updated capital improvements list highlighting what could be done with the \$73,756 the first year as well as through 2025.

Shanna reviewed in detail the needs coverage analysis

- Street projects would look a little different because to have a 5-year service life on roads, there would need to be an additional \$97,620 applied to streets each year. The needs coverage review

over 4 years shows a total of new class C funds will cover \$1,385,000 needed to maintain roads. Saved class C funds will cover \$382,000 and over 4-year period will cover \$961,000 leaving a needed amount of \$42,500.

-Park Equipment for Dale Young and Mountain View park, trees for soccer park and trail head would be \$204,000 with \$30,000 saved shows remaining need of \$174,000.

-Building improvements needed are estimated to be at \$250,000 including a police remodel, paint, flooring and exterior to get the building in a condition to maintain until the City can have enough money for a new City Hall.

-Police listed additional operational needs at \$102,950.

-Public Works equipment and yard improvements require \$117,400 in additional funding.

-The First Responders originally proposed budget was cut earlier this year, to put them back to their requested amount would cost \$34,752.

Shanna added up the total need at \$721,000. She estimated that the City would be able to shift an additional \$360,000 to these expenses starting next year after the SID payment is retired. If the proposed tax rate is passed, that would generate \$295,000 (estimated over the next four years) leaving the remaining need at \$66,586 that would need to be analyzed to see if growth would cover the balance.

Shanna proposed what could be done the first year and discussed the percentages and amounts that would be portrayed to the public. She stated that following the 4-year plan she has presented, should take care of the short term and mid-term needs. She stated that the average home's property tax would increase \$37.19 per year which averages to \$3.10 per month. This would provide valuable improvements to benefit citizens increasing street service life, improving sidewalks, signs, parks, and trails, making a more efficient public safety team, more prepared EMS, improved equipment and facilities.

The Council reviewed and discussed the presentation. Council Member Tueller brought up concerns regarding why the Class C funds have not been spent on roads and expressed his opinion that those funds need to be spent yearly instead of saved.

Shanna discussed her meeting with Division of Water Quality discussing the terms of the wastewater bond refinance. She informed the Council that one of the items that needs to be addressed is setting a sewer rate that will allow the debt coverage ratio of 1.25%. After analyzing what that number would need to be with the new budget, it was determined that a rate of \$49.50 would be needed. She noted that had the City not refinanced the sewer bond and got the lower interest rate and extended years, the rate would have needed to go up to \$67.00 to cover the payment. By doing the refinance it is saving the residents from paying a much higher rate than the current \$44.28 they pay now. She also stated that the utility users need to be notified of the changes and presented the information that would be sent out to the residents in the newsletter to the Council. The Mayor stated that he realizes the timing is not the best as the Truth in Taxation is

also happening at the same time, but that it is in the best interest of the community in the bigger picture. Shanna discussed the need to look at the rates yearly and to evaluate growth more frequently. The Mayor asked if the Council agreed with the anticipated \$49.50 rate and the Council agreed.

Mayor Jeppsen closed the work session.

The meeting adjourned at 7:00 PM.

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Susan Obray, City Recorder

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Kevin Jeppsen, Mayor

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Shanna Johnson, Chief Deputy Recorder