

PERRY CITY COUNCIL
MEETING PERRY CITY OFFICES
June 10, 2021

7:00 PM

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

OFFICIALS ABSENT: Andrew Watkins

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

OTHERS PRESENT: Nelson Phillips, Melanie Barnhill, Bob Zalenski

ITEM 1: CALL TO ORDER

Mayor Jeppsen called the electronic City Council meeting to order.

ITEM 2: PROCEDURAL ISSUES

A. Conflict of Interest Declaration

None.

ITEM 3: PRESENTATION

A. Fiscal Year 2021-2022 Budget

Shanna Johnson presented the overview of the Fiscal Year 2021-2022 budget. She discussed the budget planning process that starts in January/February with the department heads as they come up with what they are needing for the following year. The work sessions start in March with the Council. The tentative budget was filed on May 20th. The intent today is to review the budget and provide an opportunity for public comment and either consider passing a final budget or a provisional budget based on the tax rate that is selected.

Ms. Johnson reviewed the general fund budget (\$4,255,364) in detail discussing revenues and expenses. The plan reviewed was with keeping the current tax rate (0.002175), which would require a truth in taxation process. She discussed capital improvements being outside of the general operations budget. She said if they move forward with this budget with the revenues on hand as well as contributions in the current year, they will have 18% fund balance at the end of the current year.

Ms. Johnson then discussed the FY22 utility fund budget (\$919,210) and revenues in detail with the water rate being raised to \$19.50 per month (that will be discussed later). She discussed the sewer fund budget (\$1,319,374) in detail including a planned contribution to fund balance this year (in the past, fund balance was used to cover expenses). This year there was a bond refinance and rate increase that will help save for replacement of the plant (minus grant funds that were sent back to cover expansion for phosphorus treatment that was specific to be used for that and not needed).

Ms. Johnson discussed the following projects planned for FY22 including:

- Street maintenance
- Mountain View Park
- City building improvements
- 1200 W North trail (including an environmental study)
- Open stall shed to protect maintenance equipment
- Public Works yard improvements (asphalt and landscaping)
- Dump truck
- New parks mower
- Contract for fertilizer program
- Enhance community policing by reallocating funds

Utility projects include:

- Replacing old lines and updating to the new size standard
 - 2700 S – 3000 S on Highway 89
 - 3000 S Highway 89 – 1200 W
 - 2450 S - 1350 W
- Engineering to get water rights for well #5
- Purchase backup generator for well #4 to keep system operating

Sewer Projects include:

- Fix broken manholes
- Bring wastewater treatment plant budget back to pre-covid

Ms. Johnson said that there would be a proposed budget amendment to the FY21 general fund and a small amendment to the utility fund as well. She said there were two amendments prior to this including adding the CARES act money, and a staff reorganization that had a part-time staff member going to full-time. The proposed amendments are adding \$13,771 into the community development budget to cover professional and technical fees related to building in the area. Increasing the contributions to the 'other government's budget' to address mass transit tax revenue that is being collected over what was anticipated (\$58,060), and then the water budget increasing \$23,000 to address a safety issue with some water that drains into gutter and sidewalk causing an ice issue.

Ms. Johnson then reviewed goals with the capital needs analysis that was done including:

- City building and grounds improvements (FY21 and FY22)-funded fully
- Parks improvements – 67% funded
- Street improvements – 57% funded (still need to maintain going forward)
- Police improvements – 8% funded
- Future improvements – need to still be addressed
 - New city building (9 million projected)
 - Cemetery (1 million projected)

Ms. Johnson said by making sure we are contributing to the fund balance and building a savings, these needs can hopefully be addressed.

B. Water Rate Increase Proposal

Ms. Johnson reviewed the water rate proposal and why it is needed. She said that the last culinary water rate increase was in 1998 and that is when the rate was set at \$15 per month. Fund balance has been needed to cover some of the water maintenance, operations and depreciation since that time. In February 2021, a water rate study was conducted by Perry City through our City Engineer (Jones & Associates) and it was found that to cover the needs of operations, capital improvements, and replacement costs, a monthly rate of \$45 would be required based on the number of

connections we have. They also recommended reducing the base water allowance from 10,000 gallons to 5,000 gallons per month. The Council realized this was extremely high and wanted to make the rate more affordable by proposing a rate of \$19.50 per month with an automatic yearly increase of 3% until those needs are met, as well as keeping the base rate at 10,000 gallons of water per month. She then discussed the needs analysis done by the City Engineer. They also reviewed other community rates to compare (ranging from \$13-\$65). The Council wanted to make sure they came up with a plan that was more affordable to the citizens and use some of the savings on hand to tackle some of the projects to start improving the system, as well as bonding for projects (if needed before savings was sufficient). The automatic increase would be needed for 10 years to get where it is needed to be for capital improvements and longer for replacement. Ms. Johnson said that the City Council's objective is to begin to address the revenue needs with an affordable rate increase and then gradually increasing each year thereafter until the full need is met.

ITEM 4: PUBLIC HEARINGS

A. Regarding Resolution 2021-10 Amending Fiscal Year 2020-2021 Budget

Mayor Jeppsen opened the public hearing portion of the meeting for comment from the public regarding Resolution 2021-10 Amending Fiscal Year 2020-2021 Budget and none was received. He then closed the public hearing with no objections.

B. Regarding Resolution 2021-11 Adopting a City Provisional or Final Budget for Fiscal Year 2021-2022

Mayor Jeppsen opened the public hearing portion of the meeting for comment from the public regarding Resolution 2021-11 Adopting a City Provisional or Final Budget for Fiscal Year 2021-2022 and none was received. He then closed the public hearing with no objections.

C. Regarding RDA Resolution 2021-01 Adopting a Perry City Redevelopment Agency Final Fiscal Year 2021-2022 Budget

Mayor Jeppsen opened the public hearing portion of the meeting for comment from the public regarding RDA Resolution 2021-01 Adopting a Perry City Redevelopment Agency Final Fiscal Year 2021-2022 Budget and none was received. He then closed the public hearing with no objections.

D. Regarding Proposed Ordinance 21-I Adopting a Culinary Water Rate Increase, increasing the monthly rate from \$15.00 to \$19.50, with automatic annual increases

Mayor Jeppsen opened the public hearing portion of the meeting for comment from the public regarding Proposed Ordinance 21-I Adopting a Culinary Water Rate Increase, increasing the monthly rate from \$15.00 to \$19.50, with automatic annual increases.

Ms. Johnson informed Mayor Jeppsen that there were some public comments received this week prior to the meeting and reviewed those comments as follows:

- Boyd Montgomery is opposed to the increase and automatic increases due to being on a fixed income and feels that any increases should go to a city-wide vote.
- Scott Vincent is fine with the rate increase but disagrees with automatic increases and feels it should be re-evaluated in 10 years at least.
- Tom Peterson is fine with the rate increase and understands the need for that but opposes the automatic increases and feels that should be a public process each year.

No other comments.

Mayor Jeppsen then closed the public hearing with no objections.

ITEM 5: ACTION ITEMS

A. Approval of Warrants

The Council reviewed the warrants.

MOTION: Council Member Wright made a motion to approve the warrants. Council Member Montgomery seconded the motion.

ROLL CALL: Council Member Montgomery, Yes Council Member Tueller, Yes
Council Member Ostler, Yes Council Member Wright, Yes

Motion Approved. 4 Yes, 0 No.

B. Resolution 2021-10 Adopting a Fiscal Year 2020-2021 Budget Amendment

Mayor Jeppsen asked if there was discussion on the budget amendment. Council Member Ostler asked for the amendments to be shown again and Ms. Johnson brought them up for review on the screen. Ms. Johnson reviewed the state budget form and explained what would be attached to the resolution. She reviewed the changes made for additional Mass Transit Tax and said that the community development changes would be for engineering and inspection. Council Member Ostler asked if the amendments were for auditing purposes at the end of the year. Ms. Johnson said that that mass transit tax has to be accounted for per state requirements, budgeting is making our best guess, when we receive unexpected taxes or have building costs that are higher than expected we amend the budget to be transparent, and to be in compliance.

MOTION: Council Member Montgomery made a motion to approve Resolution 2021-10 Adopting a Fiscal Year 2020-2021 Budget Amendment. Council Member Wright seconded the motion.

ROLL CALL: Council Member Montgomery, Yes Council Member Tueller, Yes
Council Member Ostler, Yes Council Member Wright, Yes

Motion Approved. 4 Yes, 0 No.

C. Resolution 2021-11 Adopting a City Provisional or Final Budget for Fiscal Year 2021-2022

Mayor Jeppsen said the next two action items are tied together. Ms. Johnson explained that they can either pass the certified tax rate and a final budget tonight, or they can pass a provisional budget and look at setting a proposed tax rate, putting them into truth in taxation (which would make the final budget not be approved until August).

Council Member Wright wanted the citizens to know that this has been thought about, deliberated and considered heavily on what would be the most beneficial to the City and the residents (keeping the tax rate that they had last year in place). He said that even though it looks like an increase, it is the same, but will give the citizens the most bang for their buck.

MOTION: Council Member Montgomery made a motion to approve Resolution 2021-11 Adopting a City Provisional Budget for Fiscal Year 2021-2022 and moving into Truth in Taxation maintaining the current rate of 0.002175. Council Member Tueller seconded the motion.

ROLL CALL: Council Member Montgomery, Yes Council Member Tueller, Yes
Council Member Ostler, Yes Council Member Wright, Yes

Motion Approved. 4 Yes, 0 No.

D. Resolution 2021-12 Adopting a Final Tax Rate for Tax Year 2021
Tabled.

E. Ordinance 21-I Adopting a Culinary Water Rate Increase, increasing the monthly rate from \$15.00 to \$19.50, with automatic annual increases.

Council Member Tueller commented in regards to the public comments received about the automatic increases, wanting to know if passing it with the automatic increases was a blanket increase or if they would still have to go through passing it each year. Bill Morris, City Attorney, said that this has been passed with a public hearing to do it this way, although it may set them up for some criticism for doing it this way, code does not prohibit them from having a schedule for fees. This sets a schedule for a base rate and an increase each year. If it is not prohibited in code (which it is not), they can do it. Council Member Tueller said that their intent was to discuss it each year but they would like it moved in this direction.

Council Member Montgomery said that during the water rate study, they were encouraged to increase the rate from \$15 to \$45 each month, and with that in mind, 3% annually is still going to take a decade to start to catch up (or get to \$26). She said that the Council now (and future) will be looking at it every year.

The Council discussed the language on the ordinance and if they would like to add a date to cap it. Council Member Montgomery said her concern with that is that the date could be forgotten and she feels that it will be monitored. Council Member Wright said that he feels keeping the language as is works and that this topic is something that will be looked at each year.

MOTION: Council Member Montgomery made a motion to approve Ordinance 21-I Adopting a Culinary Water Rate Increase, increasing the monthly rate from \$15.00 to \$19.50, with automatic annual increases as outlined in the Ordinance. Council Member Wright seconded the motion.

ROLL CALL: Council Member Montgomery, Yes Council Member Tueller, Yes
 Council Member Ostler, Yes Council Member Wright, Yes

Motion Approved. 4 Yes, 0 No.

ITEM 5: DISCUSSION ITEMS

A. Fourth of July

Ms. Johnson said that the plans for the fourth of July are well on their way. The next meeting will be Wednesday if anyone would like to join that. The Community Awards nominees were sent out for voting to the committee. She said that Scott Nelson (who had the most votes for Grand Marshall) said he would rather not because his family would be out of town and no one would be with him for the parade. The next candidate with the most votes is Dick Wagstaff. Other nominees were Bob and Reva Anderson, Daryl and Jolene Eddington, and Ken and Lisa Wilson. Citizen of the year the highest vote is for Daryl Eddington, Business of the Year is Paramount Massage/Cheaper than shirt, and the Boyd White service award is Ken Wilson posthumously. She said the Council could make the final decision tonight or send her that information so she can get the awards made.

Ms. Johnson said that the link for shirts should be available shortly, and applications for baby contest are starting to come in. She also applied for a grant from Thrive 125 and received \$1750 from that. She also said she hopes the drought does not get too bad and that we can still do fireworks.

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

A. Approval of Consent Items

- **May 20, 2021 Work Session Minutes**

Ms. Johnson noted that the work session minutes for May 20, 2021 were not in the packet and are still being worked on.
Tabled.

- **May 20, 2021 City Council Meeting Minutes**

MOTION: Council Member Wright moved to approve the May 20, 2021 City Council Minutes. Council Member Tueller seconded the motion.

Motion Approved, All Council Members were in favor.

B. Mayor's Reports

Mayor Jeppsen said that some comments and phone calls have come in regarding fireworks. He discussed the resolution that was passed making the Fire Marshall responsible for the call (on what to do regarding dry conditions/fireworks) but this has come back as Perry being responsible (because the Fire Marshall works for us and will do what is asked). Mayor Jeppsen said he thought the intent would be that he would make those recommendations on what the state is suggesting. This will be an agenda item on June 24th meeting. Some residents think there should be no fireworks allowed east of Hwy 89 because of the drought conditions this year. He asked the Council to keep that in mind so this can be readdressed.

C. Council Reports

Council Member Wright said he had a discussion with a citizen that submitted information about the fireworks and he will address that further at the next meeting. Another item was that a gentleman had called him about Pointe Perry that will have to be discussed in an executive session. He wants to make it known that he is available and willing to discuss things with citizens.

Council Member Montgomery said that it is a privilege to work with this Council, Mayor, and staff and she has officially declared her candidacy for her next term.

D. Staff Comments

Robert Barnhill said that things are still moving along with Planning Commission. Davis Creek Estates is starting construction (this was an old subdivision that was approved in 2006 or 2007). Mt. Pleasant Estates is moving forward with construction and their next phase was just approved. Perry Canyon Townhomes are under construction. The townhomes along the highway near the Perry office is starting to pick up. Bear River Landing, the apartments at Pointe Perry, have applied for their final approval.

Ms. Johnson said that she had an exciting moment this week and got to attend the Utah Business magazine HR Achievement dinner, where she was awarded, and thanked everyone for that. (She thinks she was nominated by Chief Hancey but he has not fessed up to that) She said that she loves her job and appreciates everyone she works with.

E. Planning Commission Report

None.

ITEM 7: EXECUTIVE SESSION

MOTION: Council Member Tueller made a motion to go out of the regular meeting into an executive session at 8:01 p.m. for discussion of the purchase, exchange, lease or sale of real property, when public discussion would disclose the value of the property or prevent the authority from completing the transaction of the best possible terms, and for a strategy session regarding pending, or reasonably imminent litigation. Council Member Montgomery seconded the motion.

ROLL CALL: Council Member Montgomery, Yes Council Member Tueller, Yes
 Council Member Ostler, Yes Council Member Wright, Yes

Motion Approved. 4 Yes, 0

MOTION: Council Member Wright made a motion to close the executive session and reopen the regular meeting at 8:34 p.m. Council Member Tueller seconded the motion.

Motion Approved, All Council Members were in favor.

ITEM 7: ADJOURNMENT

MOTION: Council Member Wright made a motion to adjourn.

Motion Approved. All Council Members were in favor.

The meeting adjourned at 8:37 p.m.

Shanna Johnson, City Recorder

Kevin Jepps, Mayor

Tyra Bischoff, Deputy Recorder