

PERRY CITY WORK SESSION
PERRY CITY OFFICES
June 10, 2021

6:20 PM

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

OFFICIALS ABSENT: Andrew Watkins

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

OTHERS PRESENT: Bob Zalenski, Nelson Phillips, Melanie Barnhill

ITEM 1: Welcome to Order and Welcome

Mayor Jeppsen welcomed everyone and called the meeting to order.

ITEM 2: Work Session FY2022 Budget Planning

Shanna Johnson said that this work session is for the Council to discuss what they want to do with the budget. She said that there were three versions sent out to the Council and she will need direction on what they are wanting. Mayor Jeppsen said that he has talked to all of the Council Members about the compensation changes and that there had been some adjustments made to that. He wants the Council to know that there are some contingencies so that adjustments can be made down the road if needed. Ms. Johnson said that in the general fund the budget is set at \$4,255,364 no matter which plan they pick. They will need to decide if that number is ok or if something different will need to be done with compensation. They will also need to decide which tax rate they want to go with and she explained how the tax rate would affect the budget.

Council Member Ostler said that the use of fund balance includes some long time park improvements. One might look at that and say those park improvements are causing the use of the fund balance. Ms. Johnson said they may say that but that there are other one-time projects (which is what the general fund should be used for) that will be handled including the Mountain View Park equipment, the city building improvements, north trail environmental study, open stall shed, and yard improvements. The fund balance is to make sure you can take care of all of the capital needs. Council Member Ostler wants to make sure that it is pre-meditated or focused use of fund balance and that it is being done right. The projects list does not include compensation, so that compensation is being funded by good, ongoing, recurring funding sources, and not fund balance.

Council Member Wright said that he thinks they should stay with what they had originally had planned even though it looks like a tax rate increase in everyone's eyes, it puts them in a place where they can function well. The water rate is what it is and needs to be taken care of. If they reduce the rate at all he feels it will put them in a predicament in the future.

Ms. Johnson said when covering operations expenses and depreciation (regarding the water rate) it still shows them in the hole. She discussed what will be shown in the meeting with the public. She

said it shows a negative difference and in order to cover that difference it will take 5 years at 3% increases. To start a capital savings it will take 6 years, and to get to the rate of savings they were at between FY14 and FY19, it will take 10 years.

Ms. Johnson asked Council Member Wright what he meant regarding keeping it where they are at, if he meant the current rate included in the tentative Fiscal Year 2022 budget or the Fiscal Year 2021 rate of 0.002175 and he said the 0.002175. She said that it is a larger increase than last year but the amount they would collect averaged \$81.69 per home. Council Member Wright said that if they keep the rates they have, it will keep the citizens in the best place possible, with all the chaos of what has happened over this past year. He feels it will give them the best option with the plans moving forward. Ms. Johnson discussed the cost needs analysis and the future improvement needs and why those tax dollars would be valuable. Council Member Ostler added that there are operational needs as well, keeping good people, maintaining what we have (these things are also needed and requires money). Ms. Johnson said that we are going to keep growing and will need to grow staff as well to accomplish good service to the community.

Council Member Montgomery discussed compensation in past conversations and stated that she thinks it is fantastic that the Mayor is including COLA for those that do not get the market increases. Ms. Johnson recapped the compensation including getting performance increases to all employees, market increases for all employees that are at less than 76% of average of their pay, competitive increase to retain a key employee and anyone that did not get into those increases would get a cost of living increase at 1.4%.

Council Member Tueller asked if anyone is opposed to the \$11 per month increase (referring to the tax rate increase) or the increases on the compensation. Council Member Ostler said he does not like it (as a taxpayer) but in this position, he is also charged with helping the City. He said it is the right thing to do and doing small little things on an annual basis, instead of getting hit with a big charge in the future is better. He added that catching themselves up on something that should have been done in the past, makes it a bigger thing to deal with due to waiting for so long to do it.

Ms. Johnson said that if they decide to pass a provisional budget and a proposed tax rate tonight instead of a final budget, it pushes the decision out to August 30th and they can still decline it. They can still decide to go with the certified tax rate. The truth in taxation process is meant to give more clarity on how it will impact businesses and homes, and it also gives more time to get more information from the public. Council Member Tueller said that in terms of the impressions from the Council over the past couple of years, is that they want to make those increases. He said that no one likes the cost of living increases but we have to prepare for those things. He likes the smaller increments if they can do it that way.

Council Member Wright asked if this gives everyone 100% of their wish list. Ms. Johnson said that it does not, they removed a side by side that was requested by parks and sewer, and a part-time police position. She asked about what direction they want to go, if they are not passing a final budget, she doesn't think they have to go through the public hearing process. She said it might be good to still go through with it so the public can be heard. She said before the public hearing she usually goes through the slides with what the budget approves and wondered if they still wanted her to do it. The Council discussed wanting to be transparent and have her still go through it. Council Member Tueller wanted to asked if there was a way the department heads could give a

rating on the needs of the departments (on items that are needed vs. wanted). He said that he knows the department heads are conscientious of the budget but that it may be helpful for the public. Mayor Jeppsen said that they are looking at addressing the budget process (and making changes) in the future to simplify it. They will be working with Bill Morris, City Attorney, in getting that together and propose some changes to that end with the Council. Council Member Tueller wanted to give public support of the department heads due to the Mayor's vision, the Council and said that everyone is conscientious of the taxpayer money that is coming in to the City and that it is painstakingly gone over.

Mayor Jeppsen said that it seems that everyone is on board with going through the truth in taxation process and the presentation Ms. Johnson will give. Everyone was in agreement.

Tyler Wagstaff expressed thanks to all the Council and to Ms. Johnson for all the work that has gone into the budget. Mayor Jeppsen agreed.

ADJOURNMENT

Mayor Jeppsen closed the work session.

The meeting adjourned at 6:50 p.m.

Shanna Johnson, City Recorder

Kevin Jeppsen, Mayor

Tyra Bischoff, Deputy Recorder