

OFFICIALS PRESENT: Mayor Kevin Jeppsen, Council Member Toby Wright, Council Member Blake Ostler, Council Member Ashley Young, Council Member Dave Walker and Council Member Nathan Tueller

OFFICIALS ABSENT: None

CITY STAFF PRESENT: City Recorder/Finance Director Shanna Johnson, City Administrator Bob Barnhill, Chief Scott Hancey, Public Works Director Zach Allen and Deputy Recorder Misty Moesser

OTHERS PRESENT: None

ON-LINE: None

ITEM 1: CALL TO ORDER

Mayor Jeppsen welcomed everyone and called the City Council meeting to order.

ITEM 2: PROCEDURAL ISSUES

A. Conflict of Interest Declaration

None

ITEM 3: PRESENTATIONS

A. Fiscal Year 2026-2027 Tentative Budget

City Recorder/Financial Director Shanna Johnson presented the tentative budget overview, explaining that the city is required to present a tentative budget at their first meeting in April. The tentative budget totals \$6,999,997 in general fund expenses, representing a 2.9% increase from the current fiscal year. Key components include \$1,800,000 for road projects, \$127,066 in one-time projects, and various capital project fund transfers totaling \$147,669.

Ms. Johnson noted that the budget includes using \$437,324 in unrestricted fund balance, leaving \$932,750 or 16% remaining. She recommended considering a tax increase because the city would be using fund balance for operational expenses rather than just one-time projects. The enterprise funds showed mixed results, with the water fund proposing a 15% rate increase and the sewer fund including a 2% automatic increase.

Ms. Johnson emphasized that while there is no tax increase in the tentative budget, one may be necessary to avoid relying on one-time funds for ongoing operational expenses. She referenced historical tax increases, noting that Perry has had only five tax increases since 2007, with three years of no increases since the last one in 2022.

ITEM 4: ACTION ITEMS

A. Motion Accepting Receipt of the Fiscal Year 2026-2027 Tentative Budget

MOTION: Council Member Walker made a motion to accept receipt of the Fiscal Year 2026-2027 Tentative Budget. Council Member Wright seconded the motion.

ROLL CALL: Council Member Walker, Yes
Council Member Wright, Yes
Council Member Tueller, Yes
Council Member Young, Yes
Council Member Ostler, Yes

Motion Approved. 5 Yes, 0 No

ITEM 5: DISCUSSION ITEMS

A. Fiscal Year 2026-2027 Budget Proposals

Police Chief Scott Hancey presented his budget proposal, highlighting the need for two vehicle replacements at an additional \$14,000 cost due to post-COVID pricing. He proposed adopting the Tremonton pay scale for police officers to address recruitment and retention challenges. Chief Hancey explained that unification with other departments is not expected in the near future, making competitive compensation crucial for maintaining staffing levels.

Council Member Blake Ostler asked about the specifics of adopting Tremonton's pay scale, and Chief Hancey clarified it would match their current scale, not any proposed increases. The chief noted that even with this adjustment, Perry would still rank behind Brigham City and the Box Elder County in compensation.

The Council questioned whether previous pay increases had successfully prevented turnover, and Chief Hancey indicated that the last effective retention impact was around COVID when Perry's wages were more competitive relative to other agencies.

Ms. Johnson then provided detailed analysis of budget drivers, including compensation changes, IT service enhancements, legal fees, and fire service increases. She explained that the budget timeline requires decisions on tax hearings by June 1st, with final budget approval required by June 30th unless the city pursues truth in taxation.

Compensation Strategy: Ms. Johnson presented the city's compensation philosophy, showing improvement from 86% of market rate in 2018 to the proposed 104% with current changes. The total cost for proposed compensation adjustments would be \$120,757, affecting 71% of staff who would reach 100% of target compensation or higher.

Police Compensation: The discussion revealed that moving from the current bonus system to base pay increases would cost an additional \$19,600 beyond what was budgeted but would provide retirement benefits and eliminate complex payroll adjustments. The ninth officer returning from military leave would add approximately \$124,000 to the budget.

Utility Rate Impacts: Ms. Johnson outlined how proposed rate changes would affect typical residential bills, with total increases ranging from 6.0% to 6.9% depending on storm drain adjustments. She noted the storm drain fund projects a \$19,761 loss even with proposed increases.

IT Infrastructure: Ms. Johnson explained the need for enhanced IT services, moving from limited to comprehensive support. They also discussed a mandatory \$70,000 server replacement due to VMware discontinuation, though they are exploring alternative solutions.

Fire Service Costs: The budget includes significant fire service increases from \$141,400 to \$259,700, primarily due to contract fee changes that will continue increasing in future years.

Animal Control: Chief Hancey reported ongoing challenges with animal control costs, noting recent expenses of \$1,000 in the past month and a half for boarding services. He discussed regional efforts to develop solutions, including meetings with county officials and other municipalities, but noted that infrastructure costs for proper facilities run into millions of dollars.

Development Impact: The budget assumes 35-36 new homes entering the tax base, though building permit revenues are projected much higher at \$205,000 compared to typical years, reflecting ongoing development activity.

RDA Considerations: Council Member Ostler raised questions about potentially amending the RDA agreement to retain sales tax revenues rather than transferring them, as the city is both the municipal entity and the RDA. Ms. Johnson explained that while possible, it would require new agreements and that RDA funds could still be used for infrastructure improvements in development areas.

A discussion was held about pursuing regional solutions for animal control, fire and police services. Council Member Tueller emphasized the need for county-level coordination, noting that most rural areas nationwide pool resources for public safety services. Mayor Jeppsen committed to reaching out to county commissioners for updates on the fire district study and exploring options for moving forward with regional partnerships.

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

A. Approval of Consent Items

- March 26, 2026 City Council Meeting Minutes

MOTION: Council Member Tueller made a motion to approve the consent item. Council Member Wright seconded.

All Council Members were in favor.

Motion Approved.

B. Mayor's Report

Mayor Jeppsen reported on the Mayor's Association meeting, where they approved two regional projects: a \$60,000 acquisition project for Willard and a \$120,000 street construction project for Garland. He explained the funding distribution structure between large and small cities in the region.

He shared that there are upcoming water conservation discussions, including a presentation from a resident requesting reconsideration of xeriscaping ordinances and state grant opportunities. He also mentioned concerns about potential unauthorized occupancy at properties on Mace Lane.

C. Council Reports

Council Member Young reported successful Easter egg hunt and noted improvements to the old city office building with new landscaping and paint.

Councilmember Walker announced that ARC will begin Mountain View Bike Park construction on Monday and thanked staff for rapid completion of the 1200 West washout repair.

Council Member Ostler inquired about water supply and potential drought declarations, which the mayor indicated would be addressed in future meetings.

Council Member Tueller provided an update from the sewer board, where he was elected chairman. He praised Wastewater Treatment Plant Manager Ruben Van Tassell's management of the treatment plant, noting improved efficiency and plans to operate both sides of the plant. The board maintained budget levels similar to the previous year while implementing system improvements.

D. Staff Comments

Public Works Director Zach Allen reported progress on multiple projects, including trail paving scheduled for completion next week with landscaping to follow. He shared that Well 5 construction is ahead of schedule with the building slab poured and tank maintenance issues were identified that may require fall repairs. He noted smooth development progress across Bear River Landing, Olsen Orchards, and West Meadows, and highlighted the efficiency gains from the city's street sweeper, which has completed three full sweeps compared to the previous two annual sweeps under contract services.

Ms. Johnson reminded attendees of the America 250 Fourth of July meeting scheduled for Thursday at 4 PM.

Chief Hancey informed the Council about significant police presence in town due to an ICAC investigation involving officers from across northern Utah, noting the operation went well.

E. Planning Commission Report

None

ITEM 6: CLOSED SESSION

Not needed.

ITEM 7: ADJOURNMENT

MOTION: Council Member Walker made a motion to adjourn the meeting.

Motion Approved. All Council Members were in favor.

The meeting adjourned at 8:44PM.

Kevin Jepps, Mayor

Shanna Johnson, City Recorder

Misty Moesser, Deputy Recorder

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