PERRY CITY COUNCIL MEETING
PERRY CITY OFFICES
June 11, 2026 7:06 PM

OFFICIALS PRESENT:	Mayor Kevin Jeppsen, Council Member Toby Wright, Council Member Blake Ostler, Council Member Ashley Young, Council Member Nathan Tueller and Council Member Dave Walker
OFFICIALS ABSENT:	None
CITY STAFF PRESENT:	City Recorder/Financial Director Shanna Johnson, City Administrator Bob Barnhill, Chief Scott Hancey, Public Works Director Zach Allen, City Attorney Bill Morris and Sergeant Dave Freeze.
OTHERS PRESENT:	Paula Smith, Mike Smith, Becca Smith, Mike Trush, LaNae Shaw, Craig Thomas, Jim Kern, Tammera Michaelis and Ann Davis
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. Recognition of Paula Smith for C.E.R.T. Volunteerism and Leadership Efforts

The Mayor recognized that at the preceding meeting, Jim Kern had been appointed as the new Chair of the C.E.R.T. Council, filling the vacancy left by Paula Smith. The Mayor noted that Ms. Smith had served the city for over 20 years across multiple volunteer roles, including First Responders, the CERT program, and as a radio operator. Two service awards were presented to Ms. Smith.

Ms. Smith introduced members of the C.E.R.T. Board. She also highlighted that the C.E.R.T. team offers free American Heart Association CPR training to all Perry City residents, families, and groups, and encouraged residents to take advantage of that resource.

Photos were taken with the CERT members in attendance.

B. Fiscal Year 2026-2027 Budget

Finance Director Shanna Johnson presented an overview of the proposed FY2026-2027 budget for public record prior to the public hearing, using slides to walk through each fund.

General Fund: The proposed general fund budget totals $7,048,386, balanced in revenues and expenditures. Revenue is largely composed of taxes (the largest share), followed by intergovernmental revenues (11%), restricted funds (12%), licenses and permits (5%), and smaller contributions from charges for service, fines and forfeitures, and miscellaneous revenue. A transfer from the RDA (3%) and a small fund balance appropriation (2%) round out revenues. On the expenditure side, streets account for 31% of the budget, police 27%, and administration 17%, with the remainder distributed across community development, fire, parks, first responders, and various transfers to the debt service fund, RDA, and transit district.

Key highlights include $2,170,437 in street projects (including final payments for the Central Trail), compensation and benefit increases of $255,917, a fire contract increase of $125,000, a dispatch contract of $103,669, and a server upgrade of $70,091. Capital project contributions of $147,669 are directed toward City Hall improvements, the gun range, Mountain View Bike Park, and the 1200 West North road grant match. The budget projects an unrestricted general fund balance of approximately 26% at year-end.

Water Fund: The proposed water budget totals $808,469 in revenue, including a 15% rate increase designed to continue progress toward the previously recommended $35 base rate. The fund shows a positive cash flow after accounting for capital improvements and depreciation.

Garbage Fund: Revenues of $545,490 (including a proposed 5% rate increase) exceed projected expenses of $477,371, yielding a cash surplus of approximately $74,636 after depreciation add-back.

Storm Drain Fund: Operating revenues of $144,630 (with a 2% rate increase) are outpaced by expenses of $196,918, resulting in an operating loss. After accounting for depreciation and non-operating revenues, net total cash provided is $52,282.

Sewer Fund: Revenues of $1,582,272 (including a 2% rate increase) support expenses of $1,332,536. The fund maintains a 145% debt coverage ratio, exceeding the required 125%. Total cash provided after bond payments is $62,229.

Overall: The combined budget across all funds represents a 3% increase over the current year.

Ms. Johnson also noted that a budget amendment would be brought to the June 25th meeting for year-end compliance purposes, covering revenue updates, community development subdivision expenses, animal control shelter fees, and adjustments to RDA and transit district transfers.

Ms. Johnson then presented the compensation schedule required under Senate Bill 91 (2024), which mandates public disclosure of the maximum compensation increases for elected and appointed officials. Under the proposed schedule, the Mayor and Council would receive a maximum 2.4% increase, consistent with the cost-of-living adjustment. Appointed officials' maximum increases are as follows: City Administrator, 7%; Chief of Police, 15%; Finance/HR Director/City Recorder, 6%; Public Works Director, 5%; Wastewater Treatment Plant Lead Operator, 4%; and City Treasurer, 36% (the latter reflecting newly added benefits rather than a salary increase). Ms. Johnson clarified that the maximum figures include salary, benefits, bonuses, and vehicle allowances, and are not solely base salary figures. She confirmed that all figures are consistent with the proposed FY2027 budget and had been reviewed for legal compliance.

C. Proposed Property Tax Impact Schedule

Ms. Johnson formally presented the Proposed Property Tax Impact Schedule as required by law. The schedule states that Perry City is considering an increase to its property tax rate from the certified rate of 0.001859 to a proposed rate of 0.002122, which would generate an additional $164,054—a 14.15% tax increase. For a primary residence valued at approximately $454,737, the annual impact would be $65.78. For a commercial property valued at approximately $867,875, the impact would be $228.25. The schedule identifies the intended uses of the additional revenue: police department compensation increases and IT support ($28,600), administration IT and legal counsel ($10,454), and the fire contract increase ($125,000). Finance Director Johnson noted the upcoming truth-and-taxation public hearing is tentatively scheduled for August 11, 2026 at 7:15 PM, should the Council elect that path.

ITEM 4: PUBLIC HEARINGS

A. **Resolution 2026-09 Adopting a Fiscal Year 2026-2027 Budget**
B. **RDA Resolution 2026-01 Adopting a Fiscal Year 2026-2027 Budget**
C. **Ordinance 26-I Adopting a Compensation Schedule**

The Public Hearing for Items 4A, 4B and 4C was opened at 7:40PM.

No public comments were made.

The Public Hearing was closed at 7:41PM.

ITEM 5: ACTION ITEMS

A. **Resolution 2026-10 Adopting a Fiscal Year 2026-2027 Tax Rate**

Following the work session discussion and Council deliberation, the council chose to adopt the certified tax rate of 0.001859 rather than proceed with the proposed truth-and-taxation rate. This decision reflected the Council's view that the combination of the police compensation restructuring and the server upgrade being funded from reserves eliminated the need for a tax increase this cycle. Ms. Johnson confirmed that adopting the certified rate eliminates the need for a special council meeting prior to June 22nd, as well as the August 11th truth-and-taxation hearing.

MOTION: Council Member Walker made a motion to approve Resolution 2026-10 Adopting a Fiscal Year 2026-2027 Tax Rate. Council Member Wright seconded the motion.

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

Motion Approved. 5 Yes, 0 No

B. **Ordinance 26-I Adopting a Compensation Schedule**

Council Member Ostler noted a typographical error in the whereas clause referencing the public hearing date, which Ms. Johnson confirmed would be corrected.

MOTION: Council Member Walker made a motion to approve Ordinance 26-I Adopting a Compensation Schedule with the typo correction. Council Member Tueller seconded the motion.

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

Motion Approved. 5 Yes, 0 No

C. Ordinance 26-G City Trails

City Administrator Bob Barnhill presented a proposed amendment to the city's trail ordinance. He explained that the original ordinance prohibited Class 2 and Class 3 e-bikes on all trails, but that public feedback had highlighted the accessibility value of Class 2 throttle-assisted e-bikes—particularly for riders who need assistance starting or maintaining momentum on level, paved paths such as the Historic Orchard Pathway. The proposed amendment would allow Class 1 and Class 2 e-bikes on all trails, while prohibiting Class 3 e-bikes on all trails and continuing to prohibit Class 2 and Class 3 on mountain bike trails such as the Kiwanis Gravity Bike Park.

Council discussion focused on the most practical and enforceable approach for regulating e-bike use on the Orchard Pathway and the Kiwanis Gravity Bike Park. The Council discussed the challenges associated with enforcing e-bike classifications on shared pathways, noting that rider behavior and speed are often more significant factors than bike class. Members also acknowledged the practical difficulties of enforcing speed limits on pathways using traditional enforcement methods.

Through discussion, the Council generally supported maintaining the existing 20 mph speed limit on the Orchard Pathway while applying a class-based approach within the mountain bike park, where certain e-bike types may have greater impacts on trail conditions and user experience.

Mr. Barnhill advised that the amendment could be simplified by striking subsection (1)(b) of Section 2—which broadly prohibited Class 3 e-bikes on all trails—while retaining the prohibition of Class 2 and 3 on mountain bike trails and the prohibition on motor and powersport vehicles on all trails. This would effectively allow all pedal-assist e-bikes on the Orchard Pathway while preserving the bike park protections.

MOTION: Council Member Wright made a motion to approve Ordinance 26-G City Trails. Council Member Walker seconded the motion.

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

Motion Approved. 5 Yes, 0 No

ITEM 6: DISCUSSION ITEMS

A. Fiscal Year 2026-2027 Budget Proposals

Council Member Ostler raised several specific observations and proposals for consideration in the final budget:

- He proposed eliminating the 5% garbage rate increase, or potentially reducing the rate, noting that the garbage fund is projected to generate approximately $65,000 in net surplus annually even after purchasing $50,000 in garbage cans. He suggested this surplus is unnecessary and that the rate increase should be removed.
- He raised a minor item regarding landfill voucher inventory and suggested the budget for purchasing new vouchers be reduced from $2,000 to approximately $800, to match projected sales, pending a check of existing inventory on hand.
- He noted that the water fund's surplus cash flow was encouraging and asked that progress toward a water infrastructure repair and replacement fund be made more visible—ideally by creating a restricted or quasi-restricted line item to track funds set aside for future infrastructure capital work, separate from general fund balance. Finance Director Johnson and City Administrator Barnhill agreed to work with the water utility to develop a suitable accounting approach and bring a proposal back.

Council Member Ostler also raised a broader philosophical question about Perry City's approach to the property tax rate in relation to inflation, suggesting the Council might benefit from a future work session discussion on whether there is a systematic approach—such as tying annual adjustments to the inflation rate—that could better prepare the city for recurring cost pressures such as the fire contract. He also proposed that the city's code be updated to align the required date of the tentative budget presentation with state law (first meeting in May), while allowing informal budget discussions to continue in April on a non-binding basis. Ms. Johnson confirmed this change would be necessary for truth-and-taxation certification purposes.

Regarding the RDA, Council Member Ostler asked about the status of the sales tax increment obligation now that the developer debt shortfall repayment is concluding with FY2027. Ms. Johnson clarified that after FY2027, the City will no longer be required to transfer sales tax increment to the RDA. Only property tax increment (approximately $50,000–$54,000 annually) will flow to the RDA going forward. The Council discussed the value of having the RDA's financial adviser present an annual update and options for deploying those funds for area improvements. Ms. Johnson noted the RDA agreements likely expire around 2029 and committed to confirming the exact date.

B. Public Safety Retirement Contribution Pick-Up

Ms. Johnson noted that the Council's work session discussion had clarified their intention to continue the retirement contribution pickup for public safety employees. An additional 1.25% pickup is included in the tentative budget and must be formally approved and submitted to the state retirement system by June 30th. This item will be brought as a formal action item at the June 25th meeting.

ITEM 7: MINUTES & COUNCIL/MAYOR REPORTS (INCLUDING COUNCIL ASSIGNMENTS)

A. Approval of Consent Items

- May 28, 2026

MOTION: Council Member Tueller made a motion to approve the May 28, 2026 City Council Meeting Minutes. Council Member Walker seconded the motion.

All Council Members were in favor.

B. Mayor's Report

The Mayor thanked all council members, staff, and volunteers for their participation in the budget process and for the many improvements underway in the city. He specifically recognized Council Member Walker and Public Works Director Zach Allen for their work on the trail projects, and expressed appreciation that city improvements were being accomplished without placing undue burden on taxpayers.

C. Council Reports

Council Member Walker reminded the Council and public of the grand opening events scheduled for Saturday, June 13th: the Historic Orchard Parkway ribbon cutting at 8:30 AM and the Mountain View Bike Park grand opening at 10:00 AM. He described the planned activities, including family-friendly refreshments, over $2,000 in giveaways and prizes, a bicycle donation courtesy of Pronghorn Bicycles, on-site riding instruction, a mechanics tent, and demo bikes. Council Member Walker extended particular recognition to Pronghorn Bicycles for their extraordinary generosity and support throughout the project.

Council Member Ostler thanked all involved in the budget process and shared that a resident had approached him unprompted to express gratitude for the City Hall building, its new landscaping, and the trees recently planted. He expressed hope that the building would continue to serve the city well.

Council Member Wright shared that he had spent the past several weeks attending county delegate meetings as a Republican Party delegate and encouraged others to become more involved at that level, describing it as a meaningful civic experience.

D. Staff Comments

Chief Hancey thanked the Council for their patience with his remote participation and expressed that it had been a good evening.

Ms. Johnson reminded the Council that the 4th of July celebration is approximately three weeks away. She noted that a community awards survey would be distributed the following day and encouraged council members to review the nominations and respond with any concerns by Monday. She also reminded council members of the upcoming awards dinner and flag dedication ceremony, for which invitations had been sent via a digital RSVP link, and encouraged attendance. She noted a bingo basket assembly meeting was tentatively planned for June 23rd and would confirm availability with council members.

E. Planning Commission Report

None.

ITEM 8: CLOSED SESSION

Not needed.

ITEM 9: ADJOURNMENT

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

Motion Approved. All Council Members were in favor.

The meeting adjourned at 8:56PM.

Kevin Jeppsen

Kevin Jeppsen, Mayor

Shanna J Johnson

Shanna Johnson, City Recorder

Misty M. Moesser

Misty Moesser, Deputy Recorder