

PERRY CITY WORK SESSION
PERRY CITY OFFICES
April 13, 2023

6:00 PM

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

OFFICIALS ABSENT: Council Member Ashley Young

CITY STAFF PRESENT: City Administrator Robert Barnhill, City Recorder Shanna Johnson, Chief of Police Scott Hancey, Sergeant David Freeze, Detective Fred Mabrey, and Public Works Director Zach Allen

OTHERS PRESENT: None

ITEM 1: Welcome to Order and Welcome

Mayor Jeppsen welcomed everyone and called the meeting to order.

ITEM 2: Fiscal Year 2023-2024 Budget Planning

Ms. Shanna Johnson presented a slide show on the tentative budget for Fiscal Year 2024. She reminded the council of the budget process and timeline. She then reviewed the tentative budget for the work session (see Budget Planning Work Session Slides).

She said the tenant who was leasing space at The Lodge has asked to reduce the size of space they rent. Council Member Ostler asked if this space may be rented out to another tenant. Mr. Barnhill responded and explained that the lease for the current tenant was expiring and a new lease contract will be agreed upon. He said this tenant wants to reduce their space before they sign any agreement. He also said that they should be able to rearrange the rented area and make if feasible for another tenant to lease office space.

In explaining the tentative budget, Ms. Johnson, highlighted the key factors or changes in the General Fund expenses for Fiscal Year 2024. These key factors were the New City Hall, an additional police officer, parks equipment, 1200 W trails, and First Responders saving for a new fleet vehicle. Council Member Wright commented on the First Responders request and their need to get a new truck, he said they should look further into the option of purchasing or leasing a vehicle in the current year instead of saving for one over time. Ms. Johnson continued and gave a few General Fund considerations for the council to keep in mind as they review the budget.

She went over the Utility Fund Revenue and gave the recommended rate increases for the different accounts. Council Member Ostler commented that the annual automatic water rate increase of 3% might needed to be re-evaluated. Ms. Johnson said they might also want to have an annual automatic rate increase on the other utilities. She explained what has made up the increases in the Utility Fund expenses. Mr. Allen added that because of emergency waterline breaks the water system cost was \$118k more than budgeted last year; however, the cost this year will be under that amount. He noted that the U.S. Environmental Protection Agency (EPA) has a new law requiring municipalities

to test for lead and copper waterlines. He said he had just applied for a grant through the state to try and get funds so we may have a contractor come do this testing. The EPA requires that the city have these lead and copper waterlines identified by October of 2024. Then after that the city engineers would need to come up with a plan to remedy the lead and copper waterlines. Council Member Ostler suggested that with all that was going on perhaps the city should consider a bond for the water utility. Ms. Johnson responded that we might after we know more what will be expected of the city and especially when developing and building the new water well.

Ms. Johnson and the council members discussed the new garbage service and recommended rates for this service. They also talked about the administration costs since Perry City will manage their own cans. Mr. Allen wondered if Public Works needed to have more funds in their budget for garbage can repairs or replacements.

Ms. Johnson continued the presentation with the Sewer Fund revenue and expenses. Council Member Tueller commented on the need for an auto transfer switch in the sewer treatment plant. Council Member Wright asked about the sewer treatment plant expansion and Council Member Tueller responded that the plant was at a point it might need a total reengineering and renovation not just an expansion.

In conclusion, Ms. Johnson said under the individual department tabs the workbook they received showed and explained more highlights of the planned projects. She indicated that the council may also have a work session with the departments presenting their budgets in more detail.

Council Member Ostler asked how the projected property tax rate was calculated. Ms. Johnson responded that she looked at the history actuals for the percentage change and created an amount. Mayor Jeppsen asked for the date when we the city should receive the certified tax rate from the state and Ms. Johnson answered that it will be June. Mayor Jeppsen conclude the meeting by commenting that there might be a need for a Truth In Taxation and for utility percentage increases.

ADJOURNMENT

Mayor Jeppsen closed the work session.

The meeting adjourned at 6:56 p.m.



Shanna Johnson, City Recorder



Kevin Jeppsen, Mayor



Anita Nicholas, Deputy Recorder