

PERRY CITY COUNCIL BUDGET WORK SESSION  
PERRY CITY OFFICES  
MAY 24, 2012

6:00 PM

OFFICIALS PRESENT: Mayor Jerry Nelson presided and conducted the meeting.  
Marci Satterthwaite, Todd Christensen, Karen Cronin, Peter Gerlach,  
Jana Nelson

CITY STAFF PRESENT: Duncan Murray, City Administrator  
Susan Obray, City Recorder  
Shanna Johnson, Chief Deputy Recorder

OTHERS PRESENT: Lani Braithwaite

**CALL TO ORDER**

Mayor Nelson called the meeting to order.

**A. BUDGET WORK SESSION FOR FISCAL YEAR 2012-2013 (AND FISCAL YEAR 2011-2012 BUDGET AMENDMENT)**

o **GENERAL FUND**

Shanna Johnson presented the Draft Budget Amendment for Fiscal Year 2011-12 & the Draft Tentative Budget for Fiscal Year 2012-13. She reviewed the budgets for the following areas:

<b>Department</b>	<b>FY2012 Current Budget</b>	<b>FY2012 Draft Amendment</b>	<b>FY2013 Draft Tentative Budget</b>
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<b>Animal Control:</b>	<b>\$2,050.00</b>	<b>\$1,380.00</b>	<b>\$1,410</b>
Shanna advised this budget goes to pay for equipment and expenses needed by the Police Department for Animal Control. It also covers bills received from the Brigham City Animal Shelter.			

<b>Fire:</b>	<b>\$21,790.00</b>	<b>\$21,450.00</b>	<b>\$22,120.00</b>
Shanna stated this budget covers contract fees charged by Brigham City for Fire Services. Brigham will not be raising the Contract fee next budget year it will remain \$19,000. She explained that CERTS training is also paid for from this section of the budget.			

<b>First Responders:</b>	<b>\$17,706.00</b>	<b>\$17,200.00</b>	<b>\$17,587.00</b>
Shanna explained that this budget pays for all equipment and supplies needed by the First Responder team. There is also money to cover depreciation for a vehicle that was purchased for the area.			

<b>Department</b>	<b>FY2012 Current Budget</b>	<b>FY2012 Draft Amendment</b>	<b>FY2013 Draft Tentative Budget</b>
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<b>Streets:</b>	<b>\$266,707.89</b>	<b>\$255,901.00</b>	<b>\$260,272.16</b>
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Shanna reviewed the Streets budget stating that the FY2013 budget includes B&C road projects including monies for the overlay of a section of 1200 West, chip seal work on Maddox Lane, 2000 South and other sections of the City. It also includes monies for other road repairs. She said any B&C Road funds not spent go into a restricted fund and can be used in the future on road projects, such as 900 West.

Shanna Johnson reviewed the Utility Fund Budget for Fiscal Year 2012-2013, stating there is no amendment needed for Fiscal Year 2012:

<b>Department</b>	<b>FY2012 Current Budget</b>	<b>FY2012 Projections</b>	<b>FY2013 Draft Tentative Budget</b>
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<b>Garbage:</b>	<b>219,000.00</b>	<b>\$188,663.33</b>	<b>\$189,780.00</b>
Shanna stated the budget includes monies to cover a 3% increase from the service provider.			

<b>Water:</b>	<b>339,691.79</b>	<b>\$330,354.17</b>	<b>\$322,538.83</b>
Shanna explained that the budget includes money to cover inflation of costs, but that there were no major expenses included in the budget. She said that the Water Department may install a new Chlorinator, which will be paid for out of collected impact fees. The Mayor asked that the \$150.00 allocated for meter readers be removed as it was not spent in the current year and that the line item for Source protection be reduced to \$1,000. Council Member Gerlach said if there were funds available he would like to see the water line be installed on 900 West.			

<b>Storm Drains:</b>	<b>\$52,435.73</b>	<b>\$49,978.47</b>	<b>\$48,772.37</b>
Shanna stated no major changes are needed in the next year and the budget covers inflation of expenses.			

Shanna Johnson reviewed the Sewer Fund Budget:

<b>Department</b>	<b>FY2012 Current Budget</b>	<b>FY2012 Draft Amendment</b>	<b>FY2013 Draft Tentative Budget</b>
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<b>Sewer Lines:</b>	<b>\$115,739.49</b>	<b>\$137,244.00</b>	<b>\$135,957.02</b>
Shanna explained this budget holds all maintenance costs for the lines. She stated work was done to correct infiltration in the lines, which will cause the budget to be over. She advised next years budget includes monies to cover the camera and cleaning of 1/3 of the system.			

<b>WWTP (Plant):</b>	<b>\$1,109,758.99</b>	<b>\$1,062,111.00</b>	<b>\$1,005,913.00</b>
<p>Shanna reviewed the treatment plant budget stating that the depreciation had to be increased per the accountant. She stated operations of the plant are under budget, but because the growth needed to make bond payments is not where it should be revenues are not covering expenses. She stated the City will be taking a loss in the current year, which will be covered by fund balance collected in the past. She said that revenues will need to increase in order for the fund to stay healthy. She provided 5 options to the Council, which would correct the issue. The options included:</p> <ul style="list-style-type: none"> <li>• A sewer rate increase of \$10.76</li> <li>• Raising Municipal Energy Tax to 6% and a small sewer rate increase</li> <li>• Raising the sewer rate by a few dollars each year</li> <li>• Raising just the Municipal Energy Tax next year, then increasing user rate in FY2014 &amp; FY2015</li> <li>• Raising the MET and raising the sewer rate by a few dollars in FY13 then again more in FY15</li> </ul> <p>Shanna asked the Council to review the different options and give her any other suggestions.</p>			

Shanna stated she met with the Mayor about the budget and he suggested the following changes to payroll:

- Reduce overtime in Public Works and Administration
- Remove overtime in the Community Development Department
- Increase hours at the Wastewater Treatment Plant to 20 hours per week (Willard City to pay their portion 34% of the expense)
- Add an additional full-time employee to Public Works

Shanna advised that the changes are included in the budget and asked if there were any concerns or questions. The Council was fine with the changes.

Shanna explained that the Mayor would also like for departments to try to reduce their fuel by 10% and the departments will be included on coming up with a plan to achieve this goal. She explained she did change the police budget and revenues to include grants to be received in the current fiscal year and next year. She said that she will need to increase the Police fuel budget to ensure that it will be enough to cover fuel if it increases to \$5.00 per gallon.

Shanna asked that the council get with her on any other changes to the budget. She asked that they get her information on personnel costs as soon as possible.

**ITEM 11: ADJOURNMENT**

Mayor Nelson closed the work session at 7:00 p.m.

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Susan Obay, City Recorder

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Jerry Nelson, Mayor

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Shanna Johnson, Chief Deputy Recorder