City of Orem Tentative Budget Fiscal Year 2023-2024

OREM
FAMILY CITY USA

Proposed $152,344,861

Budget Calendar Review

- January 27-28 – Council Retreat to determine goals and areas of focus
- March 14 - Work Session-Revenue & Compensation
- March 28 - Work Session-Operational, Fleet, & IT changes
- April 25 - Work Session – Capital Items
- May 9 - Present Tentative Budget

Budget Highlights

- Projected FY 2023-2024 revenues increased $11,724,998 over FY 2022-2023 budgeted revenues, primarily due to sales tax, property tax, and interest earnings revenues.
- Funded the city's compensation program including step adjustments and merit increases for all other benefitted employees.
- Funded market adjustments for employees based on a market analysis completed by the city's HR division.
- Health Insurance increase at 8%
- Fleet Replacement totaled $2,939,000
- Capital Projects totaled $14,094,298
- Created new Development Fees Fund

Budget Revenue Overview

Fiscal Year	FY ’21 Adopted Budget	FY ’22 Adopted Budget	FY ’23 Adopted Budget	FY ’24 Tentative Budget
Revenues	$101,461,808	$109,964,193	$118,528,981	$128,654,868
Transfers	$19,903,323	$20,126,750	$21,042,882	$22,859,993
Appropriation of Surplus	$3,961,417	$1,047,917	$1,222,000	$830,000
Totals	**$125,326,548**	**$131,138,860**	**$140,793,863**	**$152,344,861**

Revenues by Major Fund

Fund	Revenues	Transfers In	Appropriation of Surplus	Total
General	$66,552,725	$6,752,019	$0	$73,304,744
Road	$3,800,000	$0	$500,000	$4,300,000
CARE Tax	$3,580,000	$0	$0	$3,580,000
Transportation Sales Tax	$3,090,000	$0	$250,000	$3,340,000
Development Fees	$1,409,000	$1,140,147	$0	$2,549,147
Debt Service	$2,281,913	$4,044,827	$0	$6,326,740
Water	$17,811,933	$939,000	$0	$18,750,933
Water Reclamation	$13,232,423	$16,000	$0	$13,248,423
Storm Water	$5,715,002	$141,000	$0	$5,856,002
Recreation	$3,708,040	$67,000	$0	$3,775,040
Solid Waste	$5,184,000	$0	$0	$5,184,000
Other Funds	$2,289,832	$9,760,000	$80,000	$12,129,832
Total	**$128,654,868**	**$22,859,993**	**$830,000**	**$152,344,861**

General Fund Revenue Overview

Fiscal Year	FY ’21 Actual	FY ’22 Actual	FY ’23 Estimated	FY ’24 Proposed
Revenues	$61,963,544	$63,783,856	$64,720,984	$67,111,484
Transfers In (includes Admin Charge)	$6,384,594	$6,627,961	$6,658,060	$6,193,260
App. Surplus	$0	$0	$0	$0
Totals	**$68,348,138**	**$70,411,817**	**$71,379,044**	**$73,304,744**

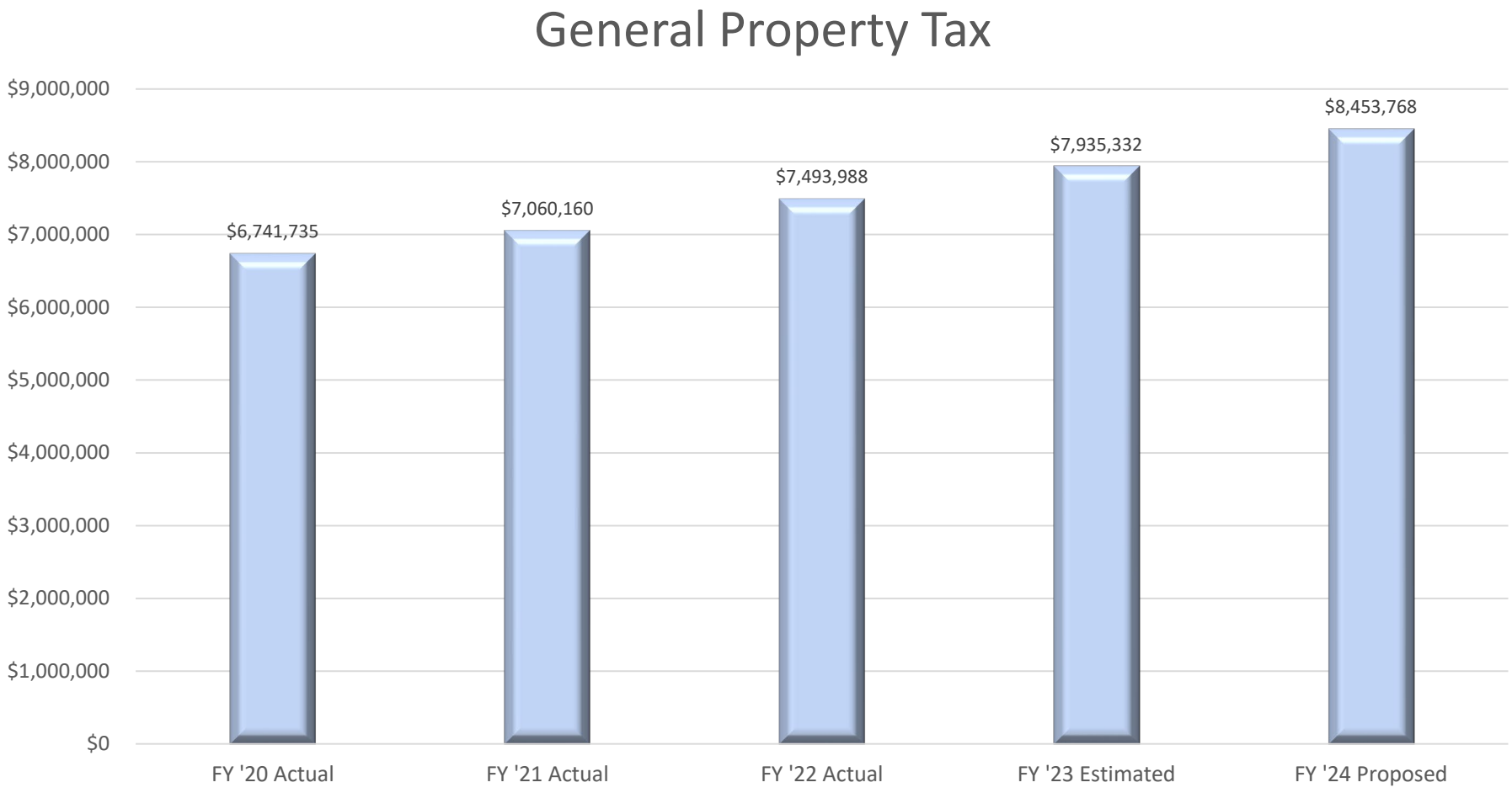
General Fund Sources of Revenue

Source	Amount	FY '24	FY '23
Taxes	$50,189,268	68.47%	67.43%
Building/Business Charges	$1,075,000	1.47%	3.48%
Grants	$734,500	1.00%	1.17%
Charges for Services	$12,744,720	17.39%	18.77%
Fines	$1,222,100	1.67%	1.78%
Misc	$3,849,454	5.25%	2.06%
Transfers In	$3,489,702	4.76%	5.31%
Appropriation of Surplus	$0	0.00%	0.00%
Total	**$73,304,744**	**100.00%**	**100.00%**

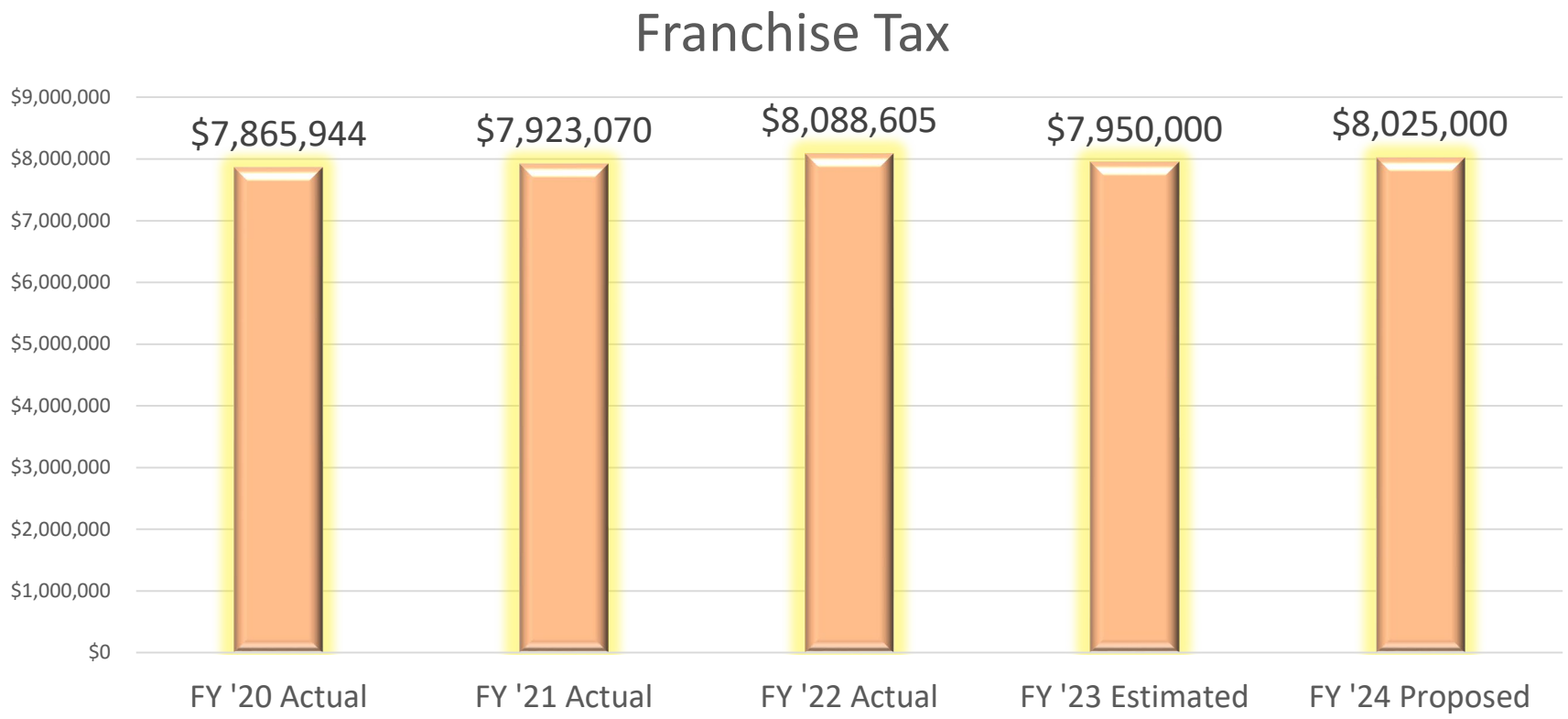
Sales Tax

FY ’22 Actual	FY ’23 Est.	FY ’24 Proposed
$31,788,904	$33,049,170	$33,500,500

Property Tax



Franchise Tax



Stable Source

6% of Power, Gas, Water, Sewer

Building and Business Services Charges

Fee Type	FY '21	FY '22	FY '23 Estimated	FY '24 Proposed
Business Licenses & Permits (General Fund)	$1,003,432	$1,128,845	$965,000	$965,000
Building Permits & Other Related Fees (Development Fees Fund)	$1,757,429	$2,041,274	$1,414,000	$1,409,000
Total	**$2,760,861**	**$3,170,119**	**$2,379,000**	**$2,374,000**

City-Wide Expenditures by Type

Fiscal Year 2023-2024 Tentative Budget

Personnel	Operations	Capital	Total
$61,046,746	$69,529,679	$21,768,436	$152,344,861
40.1%	45.6%	14.3%	

Fiscal Year 2022-2023 Adopted Budget

Personnel	Operations	Capital	Total
$58,765,554	$61,853,005	$20,001,304	$140,619,863
41.8%	44.0%	14.2%	

Expenditures by Fund

Fund	Personnel	Operations	Capital	Total	Percent
General	$45,874,450	$25,650,954	$1,779,340	$73,304,744	48.1%
Road	$105,000	$856,323	$3,338,677	$4,300,000	2.8%
CARE Tax	$0	$1,814,000	$1,766,000	$3,580,000	2.3%
Transportation Sales Tax	$15,986	$341,012	$2,983,002	$3,340,000	2.2%
Development Fees	$1,589,431	$959,716	$0	$2,549,147	1.7%
Debt Service	$0	$6,326,740	$0	$6,326,740	4.2%
Water	$2,902,084	$13,180,262	$2,668,587	$18,750,933	12.3%
Water Reclamation	$2,570,222	$5,460,090	$5,218,111	$13,248,423	8.7%
Storm Water	$1,392,144	$2,378,874	$2,084,984	$5,856,002	3.8%
Recreation	$1,718,820	$1,889,220	$167,000	$3,775,040	2.5%
Solid Waste	$0	$4,887,507	$296,493	$5,184,000	3.4%
Other Funds	$4,878,609	$5,784,981	$1,466,242	$12,129,832	8.0%
Total	**$61,046,746**	**$69,529,679**	**$21,768,436**	**$152,344,861**	**100.0%**

General Fund Additions for FY '24

Item	Explanation	Expense
Police – Uniforms	Increased cost to purchase	$31,000
Police – Forensic Nursing	Professional service for as-needed nursing needs	$11,000
Police – Drone Program	Provides added officer safety support	$10,000
Police - Software	Increased cost of software being currently used	$11,500
Police – Community Events	Specific funding identified for community events	$4,000
Fire - Turnouts	Increased cost to purchase	$35,000
DS – Digital Building Codes	Digital access to codes for staff	$11,100
PW – Hillcrest Park Expansion	Cost for operations at new Hillcrest Park	$20,000
CC – Farmers Market Concerts	Funds to pay for musical performances	$5,000
Library – Leadership Database	Add online leadership materials for staff & public	$15,000
GRAND TOTAL		$153,600

General Fund Additions for FY ‘24

Personnel

Item	Explanation	Expense
PW – Parks Crew Leader	New position assigned to the newly constructed Hillcrest Park	$96,155
PW – Parks Technician	New position assigned to the newly constructed Hillcrest Park	$72,381
IT – Network Engineer	New position to provide ongoing IT support to the city and its staff	$115,733
IT – GIS Administrator	New position to provide ongoing IT support to the city and its staff	$94,715

Fleet Replacements

Vehicle Type	FY ’23 Adopted Budget	FY ’24 Tentative Budget
Fire Apparatus / Vehicles	$240,000	$300,000
Police Vehicles	$667,000	$742,000
Pickups	$242,000	$201,000
Large Trucks/Vehicles	$913,000	$1,318,000
Backhoes	$77,000	$84,000
Other Vehicles/Equipment	$122,000	$294,000
Total	**$2,261,000**	**$2,939,000**

- General Fund - 23 Vehicles $1,296,000
- Enterprise & Road Funds - 27 Vehicles $1,643,000

Streets Capital Projects

Item	B & C Road Fund	Transportation Sales Tax Fund
Crack Seal Project	$400,000	$0
Slurry Seal Project	$575,000	$0
Street Overlay / Reconstruct	$550,000	$1,240,000
Micro-surface Project	$500,000	$0
Street Striping	$250,000	$0
Signal & Street Lighting Maintenance/Project	$700,000	$0
Lakeview Parkway Project	$0	$750,000
Sidewalk Projects	$0	$775,000

Debt Service Fund

Revenues	FY ’22 Actual	FY ’23 Est. Actual	FY ’24 Proposed
Revenues	$1,514,822	$2,285,476	$2,281,613
Transfers In	$4,163,904	$4,236,943	$4,045,127
Totals	$5,678,726	$6,522,419	$6,326,740

Expenditures	FY ’22 Actual	FY ’23 Est. Actual	FY ’24 Proposed
Principal	$1,243,000	$1,278,000	$1,050,000
Interest	$1,296,860	$1,264,335	$1,230,863
Utopia, Siemens Lease, etc.	$3,912,180	$3,980,084	$4,045,877
Totals	$6,452,040	$6,522,419	$6,326,740

Internal Service Funds

Fund	Personnel	Operations	Capital	Total
Fleet Maintenance	$710,894	$341,414	$22,692	$1,075,000
Self Insurance	$236,717	$2,218,283	$0	$2,455,000
Information Technology	$2,248,449	$1,170,887	$0	$3,419,336
Facilities Maintenance	$1,330,167	$919,833	$0	$2,250,000
Purchasing & Warehousing	$271,164	$158,210	$20,626	$450,000

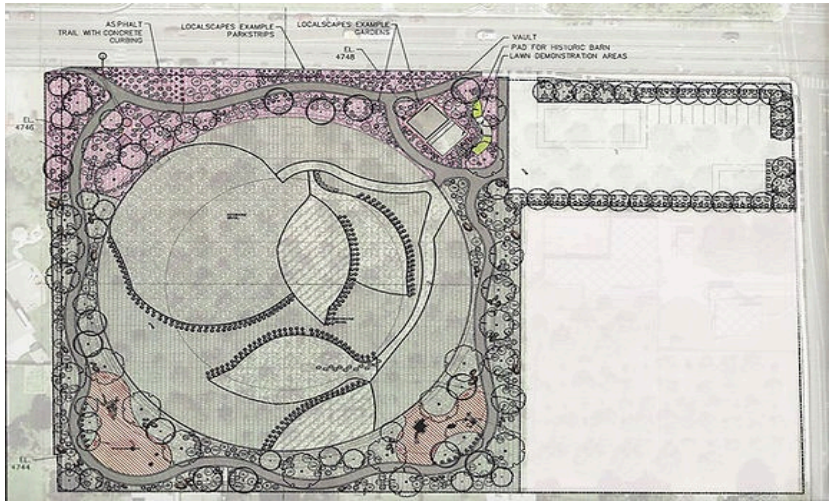
Water Fund Summary

Fiscal Year	FY ‘22 Actual	FY ’23 Est. Actual	FY ‘24 Proposed
Revenues	$19,338,309	$19,521,599	$18,750,933

Personnel $2,902,084

Operations $13,180,262

Capital $2,668,587



Heritage Park Water Storage Tank

The water base rate on a ¾” meter is proposed to increase to $20.45 from $20.30 (0.7% increase) and the Tier 1 usage rate is proposed to increase to $0.85 from $0.84 (1.2% increase) for FY 2023-2024.

Base rates for other meter sizes and usage rates for other tiers are also proposed to increase for FY 2023-2024.

Comparison Water Fees—Selected Cities

West Jordan	$115.25
American Fork	$98.54
Sandy	$96.47
Ogden	$93.90
South Jordan	$90.36
Pleasant Grove	$89.15
West Valley	$82.80
AVERAGE CITY	$74.43
Provo	$61.38
Layton	$58.98
Lehi	$56.79
Spanish Fork	$49.58
Orem	$47.82
Springville	$47.00

* See budget document for additional cities

Water Reclamation Summary

Fiscal Year	FY ‘22 Actual	FY ‘23 Est. Actual	FY ‘24 Proposed
Revenues	$13,744,521	$13,773,423	$13,248,423

Personnel $2,570,222

Operations $5,460,090

Capital $5,218,111

The sewer base rate is proposed to increase to $12.48 from $12.39 (0.7% increase) and the sewer volume charge is proposed to increase to $2.59 from $2.56 (1.2% increase) for FY 2023-2024.

Comparison Water Rec. Fees—Selected Cities

Provo	$65.41
Spanish Fork	$51.45
American Fork	$48.15
Pleasant Grove	$47.43
AVERAGE CITY	$42.70
West Jordan	$41.25
Lehi	$38.54
Springville	$37.03
Ogden	$36.60
Orem	$35.79
Layton	$29.45
West Valley	$29.00
South Jordan	$25.00
Sandy	$21.99

* See budget document for additional cities

Storm Water Summary

Fiscal Year	FY ‘22 Actual	FY ‘23 Est. Actual	FY ‘24 Proposed
Revenues	$5,905,031	$5,699,000	$5,856,002

Personnel $1,392,144

Operations $2,378,874

Capital $2,084,984

A 2.5% increase to the base rate in line with the master plan is recommended. This is an increase to the ESU to $8.20 from $8.00 per month.

Comparison Storm Water Fees—Selected Cities

Pleasant Grove	$17.04
Spanish Fork	$12.62
Provo	$10.75
Ogden	$9.12
American Fork	$8.50
AVERAGE CITY	$8.48
Orem	$8.20
South Jordan	$8.03
Layton	$7.60
Springville	$6.96
West Jordan	$6.34
Sandy	$6.00
West Valley	$6.00
Lehi	$5.25

* See budget document for additional cities

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Recreation Fund Summary

Fiscal Year	FY ‘22 Actual	FY ‘23 Est. Actual	FY ‘24 Proposed
Revenues	$3,221,661	$3,541,240	$3,775,040

Personnel $1,718,820

Operations $1,889,220

Capital $167,000

Annual memberships and daily admissions at the fitness center continue to grow (17% budgeted increase). Classes at both the fitness center and outdoor pool are also increasing (5% budgeted increase).

Solid Waste Fund

Fiscal Year	FY ‘22 Actual	FY ‘23 Est. Actual	FY ‘24 Proposed
Revenues	$4,609,397	$4,672,500	$5,184,000

Operations $4,887,507

Capital $296,493 (Take Pride Projects)

Solid Waste Rates

	First Can	Second Can	Recycle	Green Waste
FY ’24 - Proposed	**$12.95**	**$11.95**	**$4.65**	**$7.10**
FY ‘23	$12.55	$11.55	$4.40	$6.85
% Change	3.2%	3.5%	5.7%	3.6%

Combined First can and recycling rate $17.60 (Up from $16.95, a 3.8% increase)

The changes in rates are pass-through costs due to our service contract with Waste Management of Utah.

Comparison Solid Waste Fee—Selected Cities

Provo	$24.95
Springville	$24.17
Ogden	$23.27
Layton	$21.15
Spanish Fork	$20.20
Pleasant Grove	$19.81
West Jordan	$18.29
AVERAGE CITY	$18.29
Orem	$17.60
American Fork	$16.64
West Valley	$16.50
South Jordan	$16.04
Sandy	$15.95
Lehi	$13.68

* See budget document for additional cities

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Comparison Total Utilities—Selected Cities

West Jordan	$181.13
Pleasant Grove	$173.43
American Fork	$171.83
Ogden	$162.89
Provo	$162.49
AVERAGE CITY	$143.90
Sandy	$140.41
South Jordan	$139.43
West Valley	$134.30
Spanish Fork	$133.85
Layton	$117.18
Springville	$115.16
Lehi	$114.26
Orem	$109.41

* See budget document for additional cities

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Questions

Redevelopment Agency Tentative Budget

Fiscal Year 2023-2024

Redevelopment Agency

RDA Revenues	FY '21 Actual	FY '22 Actual	FY '23 Est. Actual	FY '24 Proposed
All Available	$3,376,539	$2,038,999	$1,564,323	$1,665,000

Expenditures Description	FY '23 Est. Actual	FY '24 Proposed
University Place CDA Incentive	$1,188,797	$1,215,000
Future Projects - CDA	$0	$67,500
Contributions to Other Funds - CDA	$66,044	$67,500
Project Area Totals	$438,999	$315,000
Total RDA Expenditures	$1,693,840	$1,665,000

Questions

Special Service Lighting District of the City of Orem Tentative Budget

Fiscal Year 2023-2024

Street Lighting Revenues

	FY '21 Actual	FY '22 Actual	FY '23 Est. Actual	FY '24 Proposed
Street Light Fees	$882,972	$923,922	$955,000	$985,000
Interest Earnings	$11,108	$9,108	$30,000	$15,000
Miscellaneous	$162,974	$130,114	$50,000	$50,000
Contributions	$15,000	$15,000	$15,000	$15,000
App. Of Surplus	$0	$0	$0	$150,000
Total	$1,072,054	$1,078,144	$1,050,000	$1,215,000

Street Lighting Expenses

Description	Personnel	Operations	Capital	Total
Operating Budget	$166,060	$291,135	$329,759	$786,954
Power	$0	$140,000	$0	$140,000
Energy Savings Lease	$0	$288,046	$0	$288,046
Total	$166,060	$719,181	$329,759	$1,215,000

The City has moved into maintaining a mature street lighting system. The fees listed in the table below will cover ongoing system operations and maintenance with a small capital budget. The City has adopted the new ELU structure which bills each residence, business, and institution one ELU of $2.61 per month.

STREET LIGHTING FEE

Fee Description	Proposed Fee
Street Lighting Fee (cost per month):	
All Neighborhoods	$2.61
All businesses, apartments, institutional accounts (schools, churches, nonprofits, etc.) *	$2.61

* Businesses will pay their annual street lighting fee upon issuance or renewal of their business license.
(12 Months x $2.61 = $31.32)

Questions