



# City of Orem Final Budget Fiscal Year 2023-2024

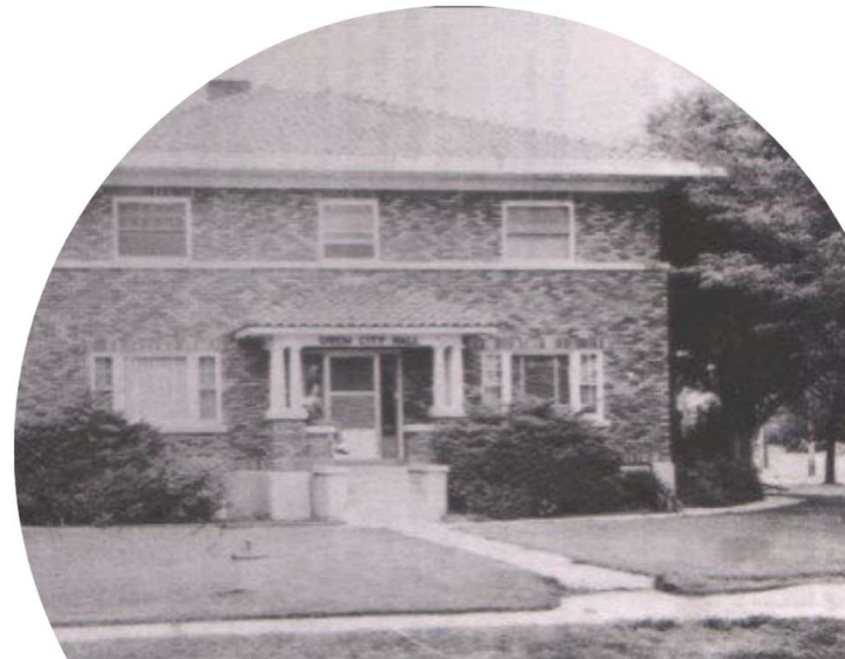


Proposed \$152,344,861



# 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 - Presented Tentative Budget
- June 13 – Adopt FY 2023-2024 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
<b>Totals</b>	<b>\$125,326,548</b>	<b>\$131,138,860</b>	<b>\$140,793,863</b>	<b>\$152,344,861</b>

# 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
<b>Total</b>	<b>\$128,654,868</b>	<b>\$22,859,993</b>	<b>\$830,000</b>	<b>\$152,344,861</b>

# 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	<b>\$68,348,138</b>	<b>\$70,411,817</b>	<b>\$71,379,044</b>	<b>\$73,304,744</b>

# 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%
<b>Total</b>	<b>\$73,304,744</b>	<b>100.00%</b>	<b>100.00%</b>

# Sales Tax



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

## Sales Tax





# 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
<b>Total</b>	<b>\$2,760,861</b>	<b>\$3,170,119</b>	<b>\$2,379,000</b>	<b>\$2,374,000</b>

# 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%
<b>Total</b>	<b>\$61,046,746</b>	<b>\$69,529,679</b>	<b>\$21,768,436</b>	<b>\$152,344,861</b>	<b>100.0%</b>

# 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	<u>\$15,000</u>
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

# Landlord License Fees

Item	Originally Proposed	Currently Proposed
Landlord License Fee	\$50	N/A
Landlord License Fee – Annual - All except Accessory Dwelling Unit (ADU)	N/A	\$50
Landlord License Fee – One-Time - Accessory Dwelling Unit (ADU)	N/A	\$50

The current proposal for the FY 2023-2024 budget incorporates the requested change to charge legal ADU's the landlord license fee only once (unless property ownership changes in which case it would be charged again) instead of paying the fee annually.

# 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
<b>Total</b>	<b>\$2,261,000</b>	<b>\$2,939,000</b>

- 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



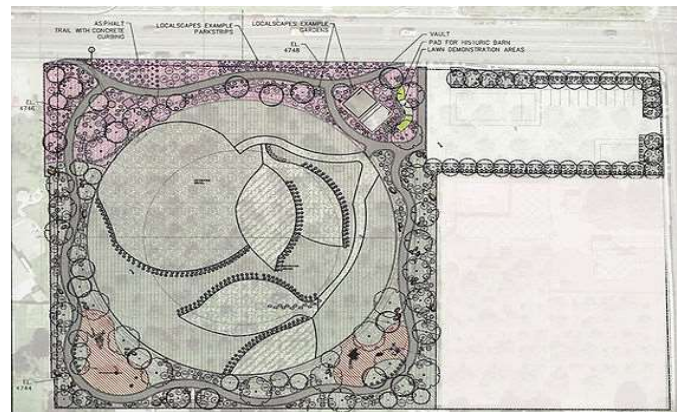
# Water Fund Summary

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  $\frac{3}{4}$ " 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.



# 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



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.

Capital \$5,218,111





# 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

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.

Capital \$2,084,984



# 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)



# 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

# Questions