



# City of Orem Tentative Budget Fiscal Year 2019-2020



Proposed \$126,026,510



# Budget Calendar Review



- February 24-- Work Session-Revenue & Compensation
- March 1-2-- Council Retreat reviewed overarching issues
- March 12-- Work Session-Operational, Fleet & IT changes
- March 26- CIP Review
- May 14 Present Tentative Budget



# Budget Highlights



- Proposed Property Tax Increase—if approved, to fund 4-police officers
- New fund and revenue source dedicated to street maintenance
- New Positions
- Operational Expansion Requests
- Fleet Replacement
- Capital Projects



# Budget Revenue Overview

Fiscal Year	FY 17	FY 18	FY 19	FY 20
Revenues	\$83,965,296	\$91,319,298	\$96,952,945	\$104,937,223
Transfers	\$16,660,202	\$18,387,811	\$17,964,042	\$19,035,937
Appropriation of Surplus	\$50,000	\$2,555,000	\$2,829,000	\$2,053,350
<b>Totals</b>	<b>\$100,675,498</b>	<b>\$112,262,109</b>	<b>\$117,945,987</b>	<b>\$126,026,510</b>
Rev/Capita	\$1,031	\$1,136	\$1,177	\$1,258





# Revenues by Major Fund

Fund	Revenues	Transfer In	Appropriation of Surplus	Total
General	\$52,666,403	\$6,856,881	\$583,000	\$60,106,284
Road	\$3,265,000	\$0	\$307,350	\$3,572,350
Transportation Sales Tax	\$2,250,000	\$0	\$0	\$2,250,000
CARE	\$2,300,000	\$0	\$0	\$2,300,000
Debt Service	\$1,603,276	\$4,188,351	\$0	\$5,791,627
Capital Projects	\$275,000	\$0	\$0	\$275,000
Water	\$19,383,035	\$1,072,705	\$625,000	\$21,080,740
Water Reclamation	\$11,997,694	\$16,000	\$0	\$12,013,694
Storm Water	\$4,853,195	\$141,000	\$538,000	\$5,532,195
Recreation	\$695,300	\$987,000	\$0	\$1,682,300
Solid Waste	\$4,025,000	\$0	\$0	\$4,025,000
Misc	\$1,623,320	\$5,774,000	\$0	\$7,397,320
<b>Total</b>	<b>\$104,937,223</b>	<b>\$19,035,937</b>	<b>\$2,053,350</b>	<b>\$126,026,510</b>

# General Fund Revenue Overview



Fiscal Year	FY 17	FY 18	FY 19	FY 20
Revenues	\$46,914,976	\$49,373,776	\$50,600,776	\$52,666,403
Transfers In	\$5,438,035	\$6,051,262	\$6,667,845	\$6,856,881
Surplus	\$0	\$0	\$0	\$583,000
Totals	<b>\$52,353,011</b>	<b>\$55,425,038</b>	<b>\$57,268,621</b>	<b>\$60,106,284</b>
Per Capita	\$536	\$561	\$572	\$594

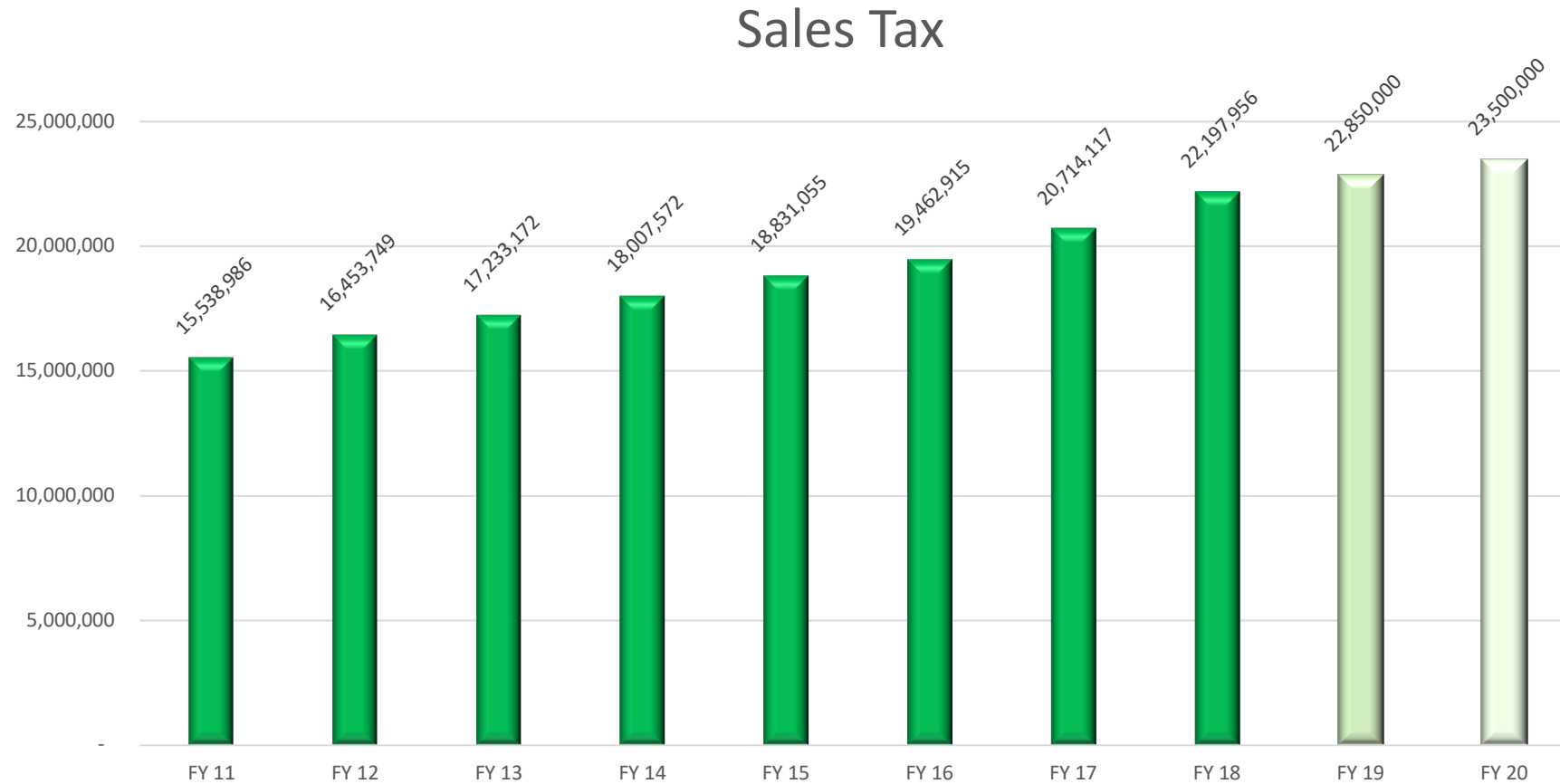


# General Fund Sources of Revenue

Source	Amount	FY 19	FY 20
Taxes	\$38,644,768	64.53%	64.29%
Building/Business Charges	\$2,144,000	3.67%	3.57%
Grants	\$398,500	0.68%	0.66%
Charges for Services	\$12,072,236	18.97%	20.08%
Fines	\$1,426,300	2.41%	2.37%
Misc	\$1,243,902	2.31%	2.07%
Transfers	\$3,593,578	0%	5.98%
Appropriation of Surplus	\$583,000	0%	0.97%
<b>Total</b>	<b>\$60,106,284</b>	<b>100.00%</b>	<b>100.00%</b>

# Sales Tax

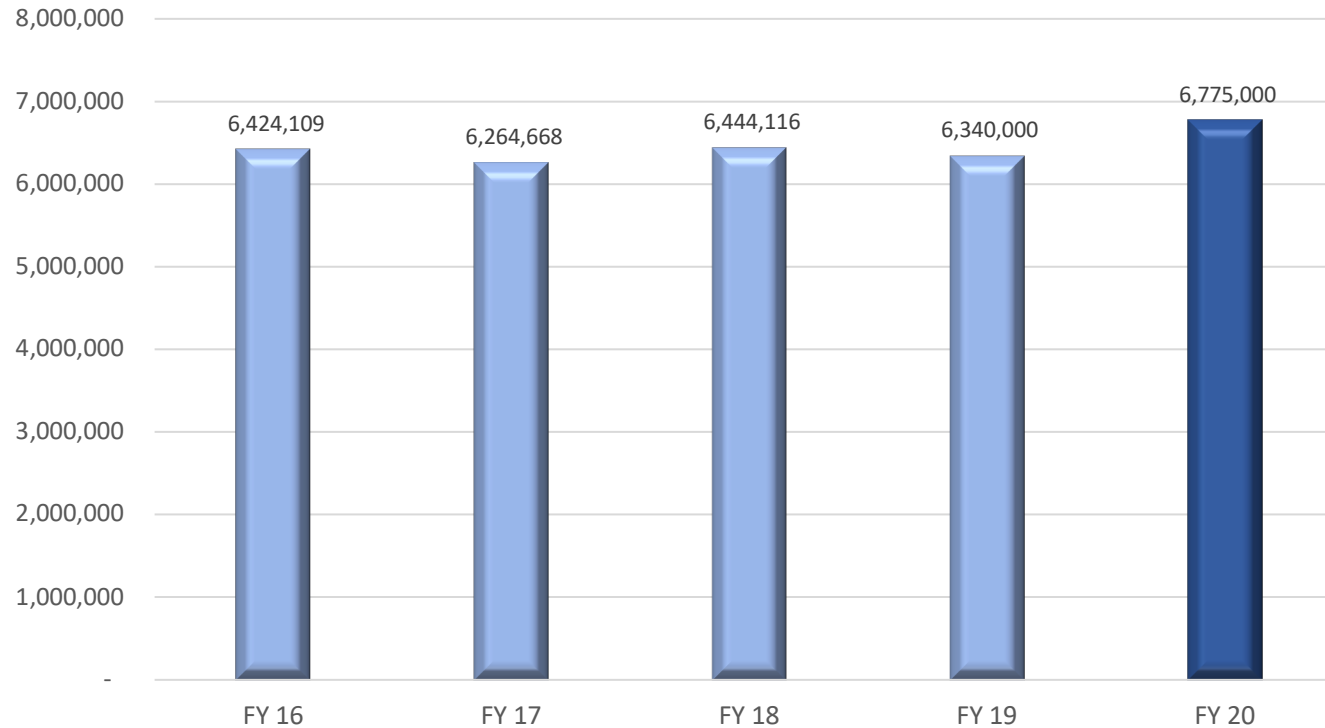
FY 18	FY 19	FY 20
\$22,197,955	\$22,850,000	\$23,500,000





# Property Tax

## General Property Tax

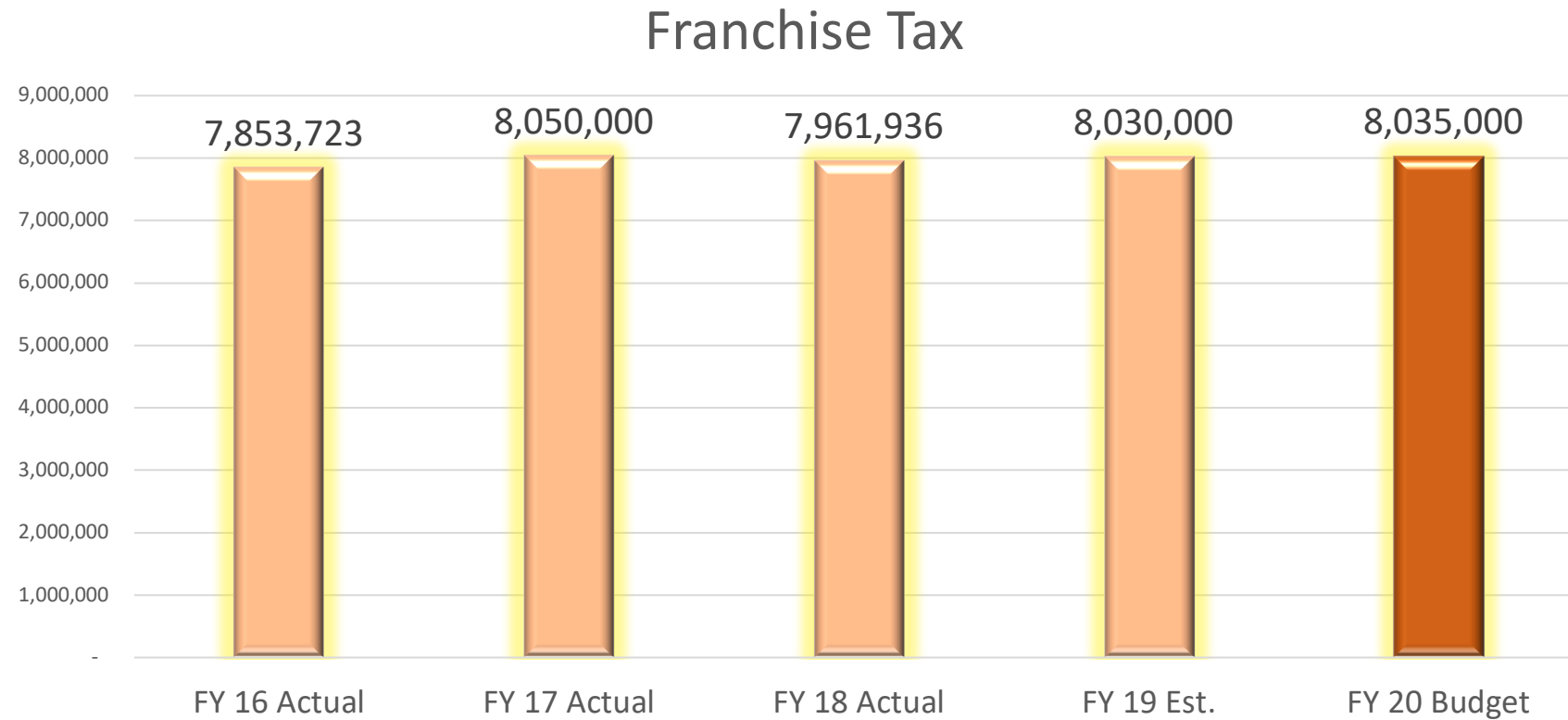


Recommended Property Tax Increase  
of \$412,000

This will require a Truth In Taxation  
Public Hearing In August



# Franchise Tax



Stable Source

6% of Power, Gas,  
Water, Sewer



# Building Fees

FY 17	FY 18	FY 19	FY 20
\$1,538,000	\$1,319,000	\$1,335,000	\$1,413,000

- Deliberately Under Estimated
- Excess Used for Capital Projects



# Police/Fire Contracts

	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY20</b>
Lindon & Vineyard Fire	\$1,870,371	\$2,130,000	\$2,471,405	\$2,776,186
ASD Police	\$202,000	\$235,750	\$289,650	\$295,518
<b>Totals</b>	<b>\$2,072,371</b>	<b>\$2,365,750</b>	<b>\$2,764,055</b>	<b>\$3,071,704</b>







# City-Wide Expenditures by Type

Personnel	Operations	Capital	Total
\$48,234,499	\$53,542,815	\$24,249,196	\$126,026,510
38.3%	42.5%	19.2%	

Capital is a greater proportion of the budget in FY 20 than it was in FY 19. 1.1% more



# Expenditures by Fund

Fund	Personnel	Operations	Capital	Total	Percent
General	\$38,459,442	\$19,662,599	\$1,984,243	\$60,106,284	47.7%
Road	\$25,094	\$956,877	\$2,590,379	\$3,572,350	2.8%
CARE Tax	\$0	\$1,167,512	\$1,132,488	\$2,300,000	1.8%
Transportation Sales Tax	\$15,986	\$25,814	\$2,208,200	\$2,250,000	1.8%
Debt Service	\$0	\$5,791,627	\$0	\$5,791,627	4.6%
Water	\$2,667,921	\$10,869,778	\$7,543,041	\$21,080,740	16.7%
Water Reclamation	\$2,425,045	\$4,529,610	\$5,059,039	\$12,013,694	9.5%
Storm Water	\$1,048,406	\$2,058,697	\$2,425,092	\$5,532,195	4.4%
Recreation	\$1,180,417	\$501,883	\$0	\$1,682,300	1.3%
Solid Waste	\$0	\$3,938,671	\$86,329	\$4,025,000	3.2%
IT	\$1,407,907	\$931,293	\$99,000	\$2,438,200	1.9%
Other Funds	\$1,004,281	\$3,108,454	\$1,121,385	\$5,234,120	4.3%
<b>Total</b>	<b>\$48,234,499</b>	<b>\$53,542,815</b>	<b>\$24,249,196</b>	<b>\$126,026,510</b>	<b>100.0%</b>



# Departmental Stewardship

1. Public Works 41.4%
2. Non Departmental 14.4%
3. Police 12.6%
4. Administrative Services 9.5%
5. Fire 8.0%
6. City Manager 4.1 %
7. Development Services 3.5%
8. Library 2.9%
9. Recreation 2.1%
10. Legal 1.0%
11. Elected Officials 0.5%

- Departmental stewardships may span multiple funds.
- Non Departmental CARE Tax Fund and the Solid Waste Fund plus contributions from the General Fund to other funds, transfers to Debt Service and other ongoing expenses not easily placed in a single department.



# On-going General Fund Budget Additions for FY 20

Item	Explanation	Ongoing Expense
Employee Transit Pass (UTA)	Increased usage of transit will improve air quality and reduce traffic congestion.	\$12,000
Financial-Reporting Software	Reduce labor necessary in financial-reporting preparation.	\$15,000
Indigent defense	Provide adequate representation of indigent persons.	\$35,000
Online Plans Submission Software	Facilitate portal to submit development plans and revisions online.	\$15,000
Wood Staining and Landscape Materials	On-going maintenance for wood structures at Nielsen's Grove and Mt. Timpanogos Parks.	\$45,000
Network Upgrades	Additional ongoing computer hardware needs.	\$10,000





# One-time General Fund Additions for FY 20

Item	Explanation	Expense
Digital Fingerprint Reader	Replace existing reader with faster model.	\$31,043
Survey Data Controller	Update existing engineering equipment.	\$6,500
Cardiac Monitors	Standardizes all fire department monitors.	\$70,000
Shelf Ready Books	An added library service from book publishers.	\$20,000
Corrosion Study	The City's Reach II wastewater line will be evaluated.	\$30,000
Move Telephone Trunk Line	A main phone trunk line needs to be moved in the City Center.	\$26,000



# Proposed Full-time Positions for FY 20

<b>Position</b>	<b>Explanation</b>
<b>Police Officers – Patrol (4)</b>	<b>These positions are tied to a proposed property tax increase.</b>
<b>Mental Health Police Officer</b>	<b>Complete unit dedicated to assisting those with mental health needs.</b>
<b>Crime Analyst/Body Camera Specialist</b>	<b>Keep body and car cameras functioning at peak performance. Respond to camera footage requests and perform crime data analysis.</b>
<b>Building Facilities Division Manager</b>	<b>Bring all facilities maintenance under one umbrella.</b>
<b>Public Works Technician</b>	<b>Provide additional parks maintenance staffing.</b>
<b>Public Works Crew Leader</b>	<b>Improve storm water system maintenance.</b>



# Comparison 2019 Property Tax Rates—Selected Cities

The updated rates will not be available from the County until June.

West Valley	0.003706
Ogden	0.003103
West Jordan	0.002166
American Fork	0.002077
Springville	0.001914
Provo	0.001888
Pleasant Grove	0.001884
South Jordan	0.001880
<b>AVERAGE CITY</b>	<b>0.001872</b>
Lehi	0.001678
Layton	0.001521
Payson	0.001486
Lindon	0.001392
<b>Orem</b>	<b>0.001281</b>
Sandy	0.001144
Spanish Fork	0.000955

# Police Workload Data

	2008	2018	% Change
Calls per officer	612	729	19%

As traffic enforcement increases accidents decrease. Since 2013 traffic accidents have increased 31%



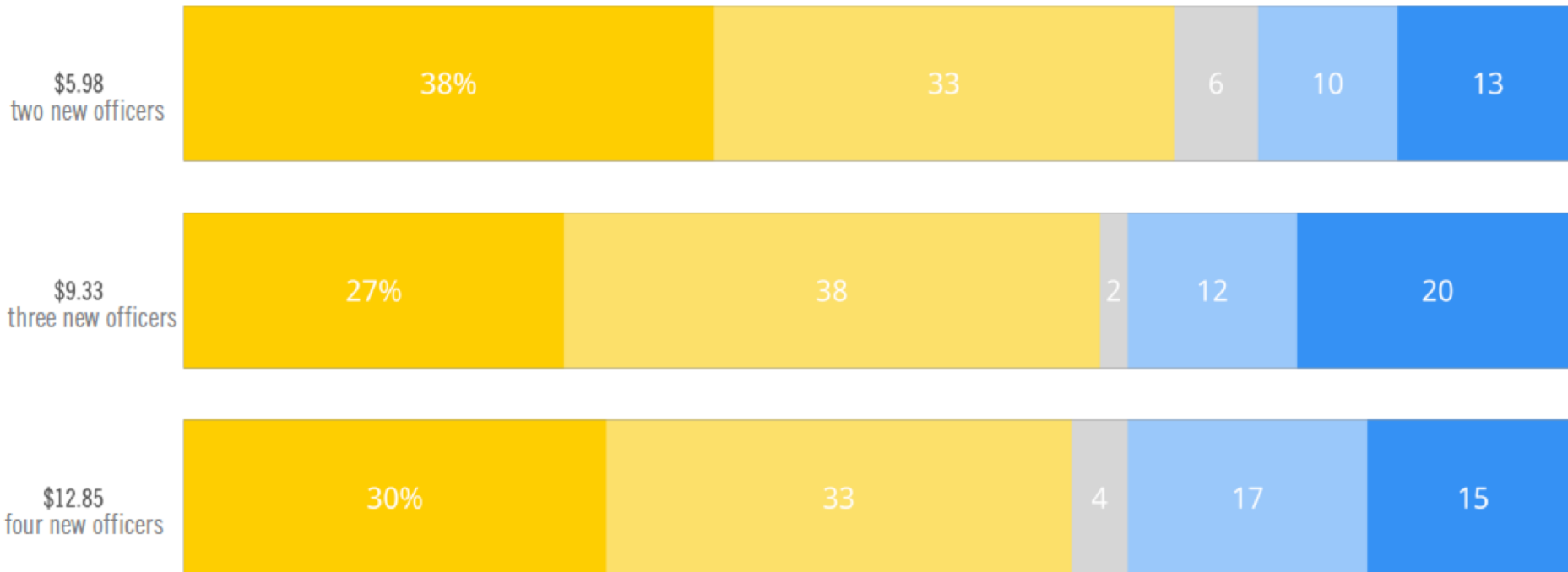
# MORE THAN HALF WOULD SUPPORT TAX INCREASE

Regardless of the proposed amount, more than half of respondents indicated that they would support a tax increase to add new officers to the Orem Police Department. That said, the smallest increase garners the most support.



*Do you support or oppose the proposal to increase property taxes by [AMOUNT] per year for the average household in Orem to add [two/three/four] new officers to the Orem Police Department?*

Strongly support   Somewhat support   Don't know   Somewhat oppose   Strongly oppose

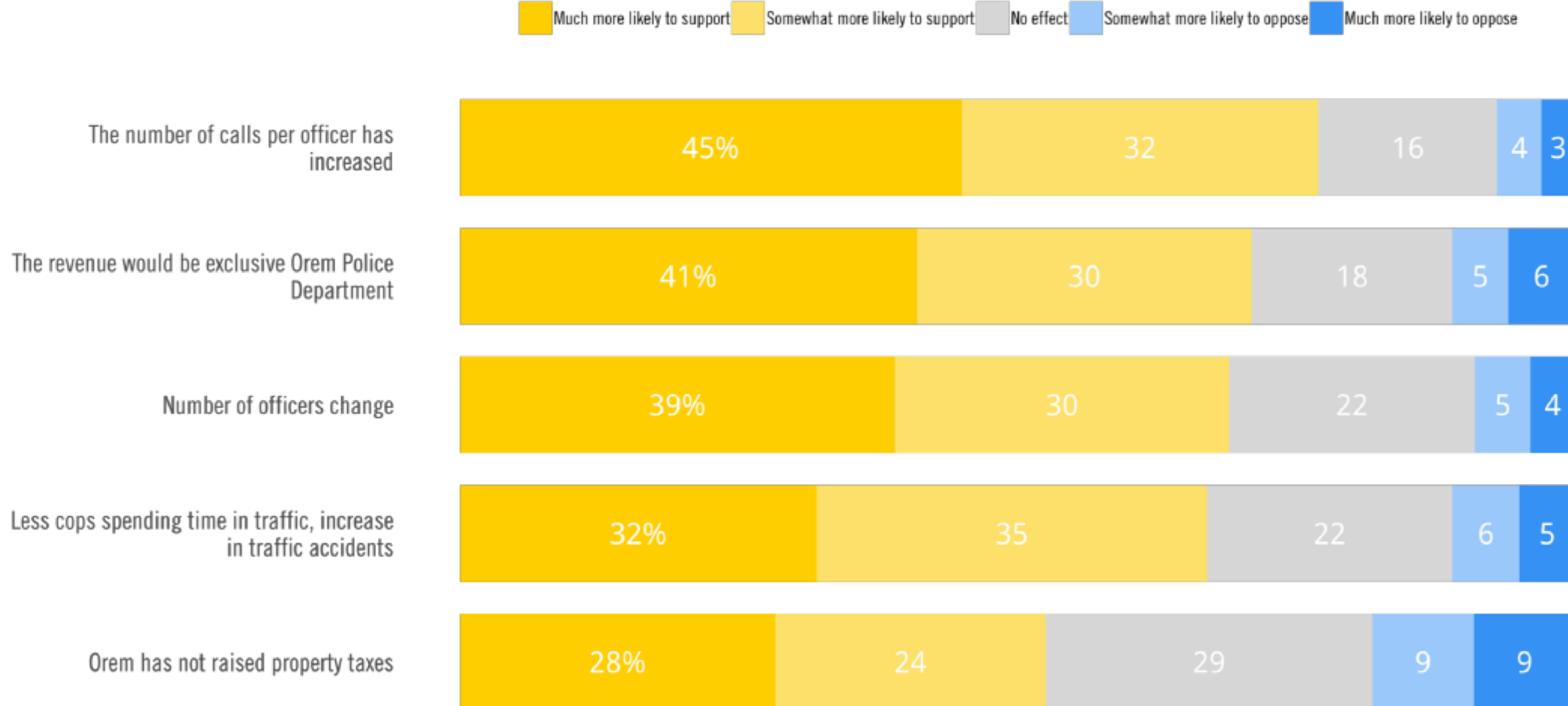


# ARGUMENTS IN FAVOR

The increased demand on each officer in the Orem Police Department, the guarantee that this tax increase would exclusively benefit the Orem PD, and the negative effects the growth in the City and lack of resources has had on current officers were the messages that resonated most with residents.



*Next you will see a set of statements about public safety in Orem. After reading each statement, please indicate whether knowing this would make you more likely to support or oppose a tax increase for public safety funding, or if it would have no effect.*



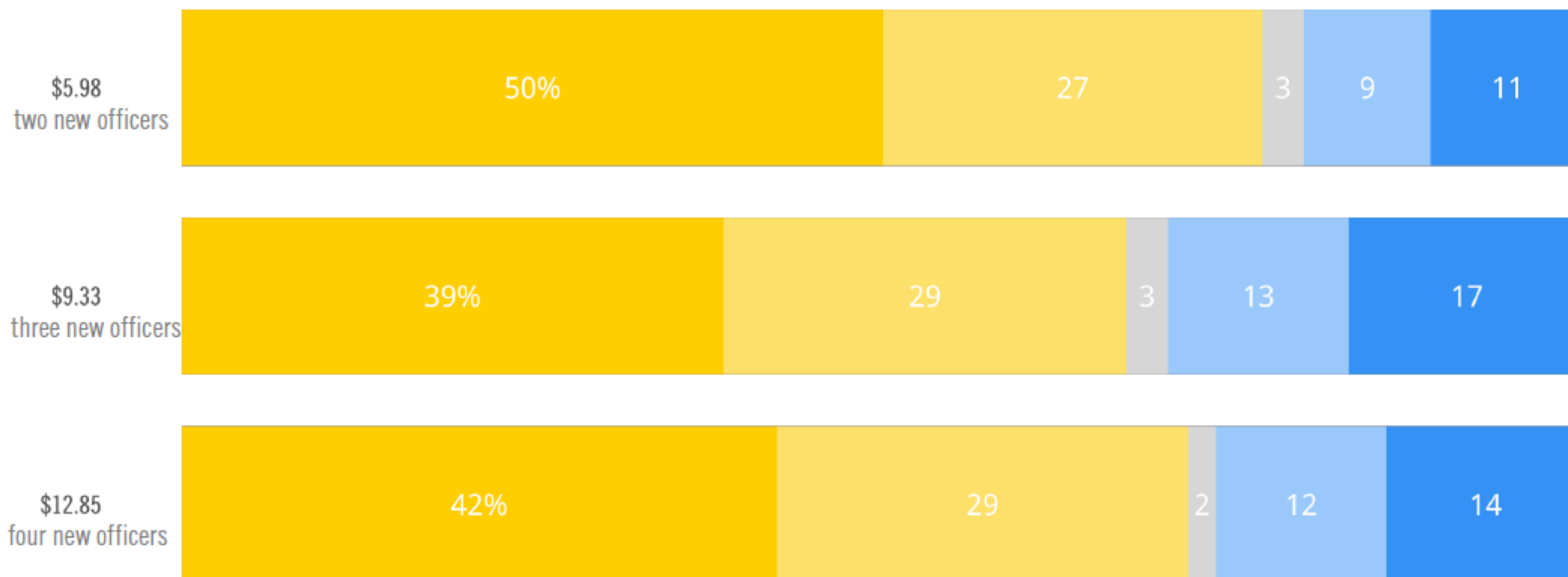
# ARGUMENTS IN FAVOR INCREASE SUPPORT

After evaluating a series of messages in favor of the proposal, support for the potential tax increase grows significantly, again regardless of the amount proposed. The most popular tax increase is the smallest proposal, but even at the highest dollar amount, 42% of residents strongly support the potential tax increase and adding officers to the Orem PD.



*Now, after all the information that has been presented in this survey, do you support or oppose the proposal to increase property taxes by [AMOUNT] per year for the average household in Orem to add [two/three/four] new officers to the Orem Police Department?*

Strongly support   Somewhat support   Don't know   Somewhat oppose   Strongly oppose



# Proposed Non-benefitted Positions for FY 20

<b>Position</b>	<b>Explanation</b>
<b>Flex Custodian</b>	<b>Additional building maintenance personnel to meet increasing demands.</b>
<b>Development Services Intern</b>	<b>Position focused on scanning and digitizing department records.</b>
<b>Traffic Flex Employee</b>	<b>Assist traffic crew with signage and striping needs.</b>



# Proposed New Positions for Existing Employees for FY 20

Position	Explanation
311 Agent	Increase the hours of this position from $\frac{3}{4}$ time to full-time. Fills in existing coverage gaps.
Deputy Director of Development Services	Promote an existing employee. Provide greater managerial depth.
Deputy Director of Public Works	Promote an existing employee. Provide greater managerial depth.



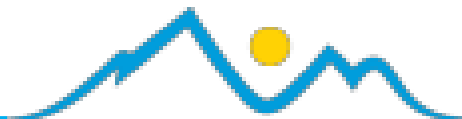


# FY 20 Fleet

- Total 23 Vehicles (4-sedans, 13-trucks, 6-specialized) \$1,946,300
- Enterprise Funds (2-lg trucks, 7-sm trucks, 5-specialty) \$1,089,000

Part of Multi-year Set Aside

- Fire Ladder Truck and Fire Brush Truck
- Street Sweeper
- Set aside for Vac Truck





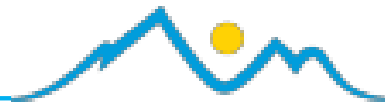
# Gas Tax Supported Capital Projects

Dept. Request	Item	Estimate
PW-Streets	Slurry Seal Project (B&C Funds)	\$550,000
PW-Streets	Crack Seal Project (B&C Funds)	\$300,000
PW-Streets	Street Overlay / Reconstruct (B&C Funds)	\$750,000
PW-Streets	Micro-surface Project (B&C Funds)	\$398,000



# Transportation Sales Tax Fund

This is the first year for this fund. An estimated \$2.25 million will be received. Funds will be set aside for future projects focusing on meeting needed street and sidewalk infrastructure needs.





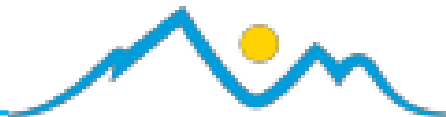
# Debt Service Fund

Fiscal Year	FY 18	FY 19	FY 20
Revenues	\$1,476,108	\$1,472,929	\$1,603,276
Transfers In	\$5,705,157	\$4,240,887	\$4,188,351
Totals	\$7,181,265	\$5,713,816	\$5,791,627

Principal \$1,337,961

Interest \$673,866

Other \$3,779,800 (UTOPIA, Energy Lease,  
Parks)



# Community Development (CNS)



Personnel \$103,056

Operations \$488,064

Capital \$355,000

Provides support of local private, non-profit service organizations and various projects to benefit low and moderate income residents. These projects encompass neighborhood revitalization, economic development, utility repairs, sidewalk maintenance and home repairs.



# Information Technology



Personnel \$1,407,907

Operations \$931,293

Capital \$99,000

Provides overall technology solutions for the City's operating departments. This ranges from customized software, network management, data management, and management of third party software solutions.

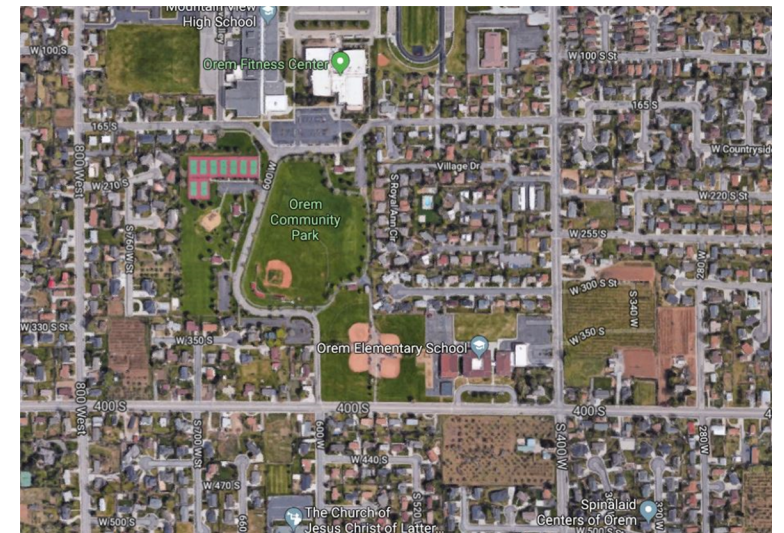
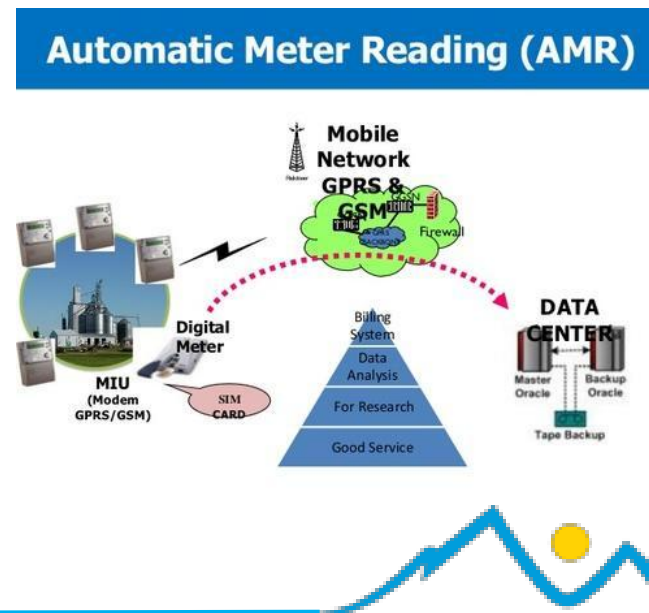


Fiscal Year	FY 18 Budget	FY 19 Est. Actual	FY 20 Proposed
Revenues	\$20,643,718	\$19,905,634	\$21,080,740

Personnel \$2,667,921

Operations \$10,869,778

Capital \$7,543,041



# Fees & Charges Recommended Changes

## Water Tier Rates

Fee	From	To
Tier 1/ 1,000 gallons	\$0.88	\$0.98
Tier 2/ 1,000 gallons	\$1.10	\$1.22
Tier 3/ 1,000 gallons	\$1.31	\$1.45
Tier 4/ 1,000 gallons	\$1.75	\$1.94

Base Rate for  $\frac{3}{4}$  inch meter from **\$18.70/month to \$20.20/month no other base rate changes**



# Comparison Water Fees—Selected Cities

Water Fee based upon 28,000 gallons used per month with a ¾ inch meter.  For cities charging varying summer and winter rates, a distribution of 19,000 gallons in the summer and 9,000 gallons in the winter was used.	West Jordan	\$106.77
	American Fork	\$97.47
	South Jordan	\$90.31
	Sandy	\$79.93
	Ogden	\$79.38
	Pleasant Grove	\$77.23
	AVERAGE CITY	\$67.76
	West Valley	\$67.24
	Lindon	\$63.63
	Spanish Fork	\$54.32
	Payson	\$53.28
	Provo	\$52.93
	Orem	\$51.72
	Lehi	\$50.46
	Layton	\$49.69
	Springville	\$42.05



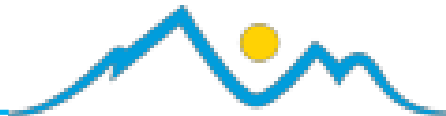
# Water Reclamation Summary

Fiscal Year	FY 18 Budget	FY 19 Est. Actual	FY 20 Proposed
Revenues	\$10,115,232	\$10,933,694	\$12,013,694

Personnel \$2,425,045

Operations \$4,529,610

Capital \$5,059,039



# Fees & Charges Recommended Changes

Fee	From	To
Sewer base rate	\$10.72	\$12.33
Base charge for each additional unit	\$9.72	\$11.33
Sewer usage rate change	\$2.18/1,000	\$2.53/1,000
Storm Water/ Equivalent Service Unit (2,700 sq. ft. of impervious surface)	\$7.10	\$7.35





# Comparison Sewer Fees—selected Cities

Sewer Fee based upon 9,000 gallons used per month	American Fork	\$48.15
	Pleasant Grove	\$45.96
	Payson	\$44.16
	Lindon	\$42.57
	Lehi	\$37.00
	Orem	\$35.10
	West Jordan	\$35.03
	AVERAGE CITY	\$34.00
	Springville	\$32.76
	Spanish Fork	\$31.89
	Ogden	\$31.49
	Provo	\$30.36
	Layton	\$29.45
	South Jordan	\$25.00
	West Valley	\$21.50
	Sandy	\$19.56



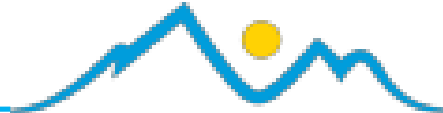
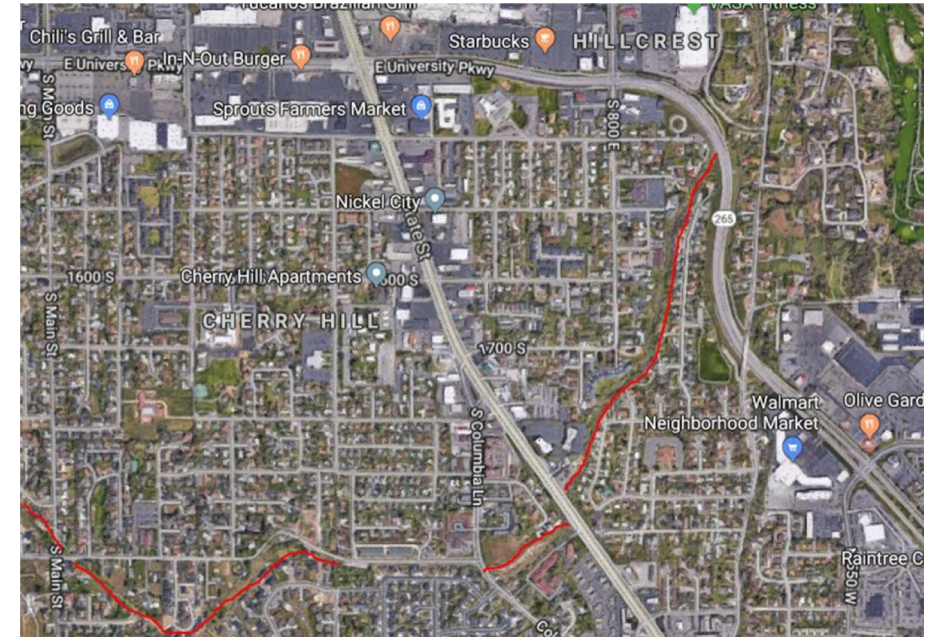
# Storm Water Summary

Fiscal Year	FY 18 Budget	FY 19 Est. Actual	FY 20 Proposed
Revenues	\$4,596,372	\$4,738,195	\$5,532,195

Personnel \$1,048,406

Operations \$2,058,697

Capital \$2,425,092



# Comparison Storm Water Fees—Selected Cities

Pleasant Grove	\$13.10
Spanish Fork	\$9.82
Provo	\$9.20
Lindon	\$8.92
Ogden	\$7.85
Orem	\$7.35
South Jordan	\$7.15
AVERAGE CITY	\$7.15
Layton	\$6.60
Payson	\$6.07
American Fork	\$6.00
Sandy	\$6.00
Springville	\$5.66
West Jordan	\$5.58
West Valley	\$5.00
Lehi	\$3.00



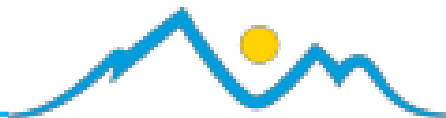
# Recreation Fund Summary

Fiscal Year	FY 18 Budget	FY 19 Est. Actual	FY 20 Proposed
Revenues	\$2,089,810	\$1,917,500	\$1,682,300

Personnel \$1,180,417

Operations \$501,883

Capital \$0



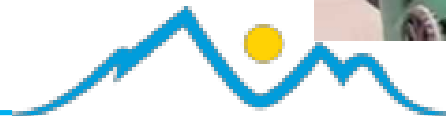


# Solid Waste Fund Revenue

Fiscal Year	FY 18 Budget	FY 19 Budget	FY 20 Proposed
Revenues	\$3,712,984	\$3,794,980	\$4,025,000

Operations \$3,938,671

Capital \$86,329 (Take Pride Projects)



# Solid Waste Rates



	First Can	Second Can	Recycle	Green Waste
FY 20	<b>\$11.50</b>	<b>\$10.50</b>	<b>\$3.60</b>	<b>\$6.20</b>
FY 19	\$11.15	\$10.15	\$3.25	\$6.00

Combined First can and recycling rate \$15.10

# Comparison Solid Waste Fee—Selected Cities

Ogden	\$20.22
West Jordan	\$16.04
Provo	\$15.50
Sandy	\$14.45
West Valley	\$13.00
Springville	\$12.90
<b>AVERAGE CITY</b>	<b>\$12.60</b>
Spanish Fork	\$11.66
Payson	\$11.54
<b>Orem</b>	<b>\$11.50</b>
Layton	\$11.05
Pleasant Grove	\$11.00
Lehi	\$10.50
American Fork	\$10.00
Lindon	\$10.00
South Jordan	\$9.70



# Comparison Total Utilities—Selected Cities

West Jordan	\$163.42
American Fork	\$161.62
Pleasant Grove	\$147.29
Ogden	\$138.94
South Jordan	\$132.16
Lindon	\$123.28
<b>AVERAGE CITY</b>	<b>\$121.51</b>
Sandy	\$119.94
Payson	\$115.05
Provo	\$107.99
Spanish Fork	\$107.69
West Valley	\$106.74
<b>Orem</b>	<b>\$105.67</b>
Lehi	\$100.96
Layton	\$96.79
Springville	\$93.37





# Opening lower part of Cemetery

Fee Type	FY 19 Fee	Proposed FY 20 Fee
Single Lot (upper cemetery)	\$1,500	\$1,540
Single lot (lower cemetery)	N/A	\$1,920
½ lot (upper cemetery)	\$750	\$770
½ lot (lower cemetery)	N/A	\$960
Transfer fee (within lower cemetery)	N/A	\$415
Transfer fee (upper to lower)	N/A	\$725

Lower lots are being charged a 25% premium

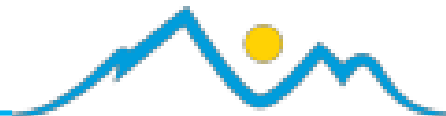
Questions?





# Redevelopment Agency Tentative Budget

Fiscal Year 2019-2020



# RDA Revenues



RDA Area	FY 17 Actual	FY 18 Actual	FY 19 Estimated	FY 20 Budget
All Available	\$1,819,116	\$1,620,354	\$2,613,262	\$2,410,000

Expenditures Description	FY 19 Estimated	FY 20 Budget
University Place CDA Incentive	\$805,299	\$900,000
Future Projects	\$45,509	\$50,000
Contributions to Other Funds	\$44,739	\$50,000
Project Area Totals	\$898,547	\$1,410,000

# Council Action



- Hold Public Hearing
- Adopt the Tentative Budget
- Set Public Hearing for May 28, 2019 at 6:10 pm



# Street Lighting



	FY 17 Actual	FY 18 Actual	FY 19 Estimate	FY 20 Budget
Street Light Fees	\$888,821	\$918,804	\$880,000	\$870,000
Interest Earnings	\$13,078	\$20,993	\$25,000	\$20,000
Miscellaneous	\$92,933	\$91,085	\$50,000	\$50,000
Contributions	\$715,000	\$790,000	\$790,000	\$790,000
Total	\$1,709,832	\$1,820,882	\$1,745,000	\$1,730,000





# Street Lighting Expenses

Description	Personnel	Operations	Capital	Total
Operating Budget	\$174,061	\$254,347	\$675,867	\$1,104,275
Power		\$340,000		\$340,000
Energy Savings Lease		\$285,725		\$285,725
Total	\$174,061	\$880,072	\$675,867	\$1,730,000

## STREET LIGHTING FEE

Fee Description	Proposed Fee
Street Lighting Fee (cost per month):	
Cherry Hill and Lakeview neighborhoods – Effective April 1, 2019	\$2.34
All businesses, apartments, institutional accounts (schools, churches, nonprofits, etc.) – Effective July 1, 2019 *	\$2.34
Geneva Heights, Windsor, Orem, Orem North, Suncrest, Lakeridge, Stonewood, Sunset Heights East, Orem Park neighborhoods – Effective July 1, 2019	\$2.34
All other neighborhoods	\$3.25

### Effective Date of Fee Change for “All Other Neighborhoods”

Effective July 1, 2020 – Aspen, Heatheridge, Northridge, Sharon, and Sunset Heights West.

Effective July 1, 2021 – Cascade, Hillcrest, Orchard, Sharon Park, and Timpview.

Effective July 1, 2022 – Canyon View

\*Businesses will pay their annual street lighting fee upon issuance or renewal of their business license.  
(12 Months x \$2.34 = \$28.08)

# Council Action

- Hold Public Hearing
- Adopt the Tentative Budget
- Set Public Hearing for May 28, 2019 at 6:20 pm

