

The

City of Washington Terrace

Est. 1958

County of Weber, State of Utah

Budget Document

Fiscal Years

2016 Adjusted Budget, 2017 Adopted Budget &
2018 – 2021 Budget Plan



*PROPOSED CITY SHOPS
LOOKING NORTH WEST*



*PROPOSED CITY SHOPS
LOOKING EAST*

June 2016

Respectfully Submitted By:

Thomas Hanson, City Manager

Shari' C. Garrett, Finance Director

www.washingtonterracecity.com

The

City of Washington Terrace

County of Weber, State of Utah



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EXECUTIVE SUMMARY

Introduction

EXECUTIVE SUMMARY - INTRODUCTION

MAYOR AND CITY COUNCIL



Mayor

Mark C. Allen

170 West 5600 South
Washington Terrace, UT
801.479.7070

Email:

mayormark41@yahoo.com

Term: 01/2014 - 01/2018



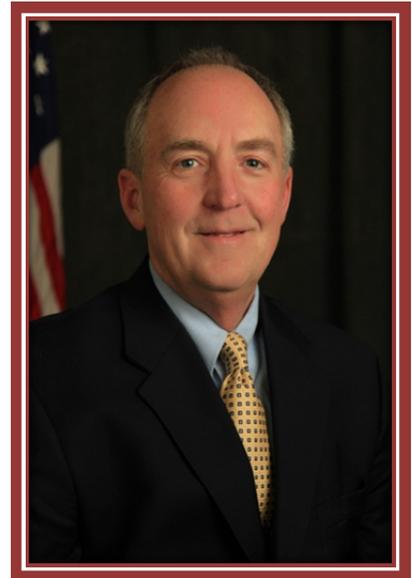
Council Member

Blair Brown

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Council Member

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EXECUTIVE SUMMARY - INTRODUCTION

MAYOR AND CITY COUNCIL



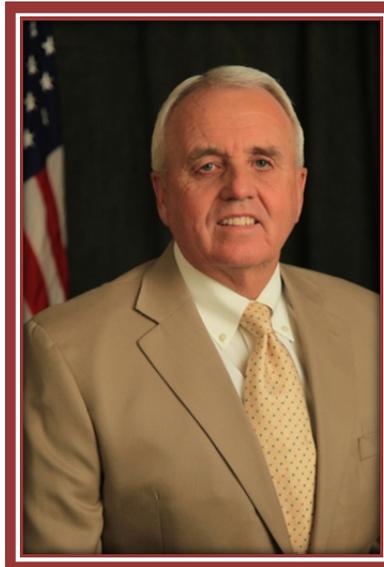
Council Member
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Term: 01/2014 - 01/2018



July 1, 2016

To the Mayor, City Council, Residents and Stakeholders of Washington Terrace City:

The 2017 final adopted and FY 2018-2021 budget plan have been prepared using the best practices recommended by the Governmental Accounting Standards Board (GASB) and the Governmental Finance Officers Association (GFOA). The budget is balanced and has been adopted in accordance with laws and regulations governing the municipality budgetary processes.

The budget presented herein has been constructed to reflect the policies and priorities set by the Washington Terrace City Council and Mayor. These policies and priorities are the fundamental building blocks used in setting the budgetary goals throughout the City that help dictate and direct the activities and services City resources will support. With fiscal restraint and the application of policy priorities as the guide, the City will continue to provide the services and infrastructure needed to support its residents and stakeholders.

Fortunately, we have continued to see a slight improvement when it comes to the economic stability of the nation, state and our local area. We are pleased to note that the overall financial health of the City is also seeing some modest strengthening due to the overall upturn in the economy. Even with the upturn in mind, we are only projecting modest increases in budget amounts for the near future. It is the overall philosophy of the Mayor, Council and staff to budget conservatively in revenue projections and overall expenditures so that we are able to maintain a healthy and balanced use of City resources.

The financial goals and outcomes of the budget are directly linked to the legislative policy priorities that can be found in this budget document. The legislative policy priorities are the framework that budget decisions are made and used to direct staff in formulating budget recommendations. In the end, the budget is a combination of the Mayor and Councils' desire to judiciously serve the stakeholders of the City, staffs' desire to meet the legislative policy priorities, and the careful management of funds to provide the services that are critical for the wellbeing of the residents and businesses within our borders.

This budget is the outcome of many hours of dedicated work from the Mayor, Council and committed staff of Washington Terrace City. I would like to thank the Mayor and Council and our dedicated staff for their efforts in producing this outstanding document.

Sincerely,

Tom Hanson
City Manager

EXECUTIVE SUMMARY - INTRODUCTION

CITY HISTORY

Washington Terrace is a bedroom community with a rich history dating back to the World War II era. In the 1940's, the United States Government began creating large housing projects to provide temporary housing for workers of the military facilities supporting the war effort. As part of a military housing project, Washington Terrace was created in 1942-43. This project created approximately 1,400 two-bedroom family homes in barrack style housing. During World War II, the Terrace Housing Project met the needs of many service men and women and war workers from many trades. At the time there was no thought of this project continuing beyond the war.



After World War II, residents began efforts to convert the surplus temporary housing project into a permanent community. Through painstaking planning efforts, residents negotiated with the Federal government to create a permanent community utilizing the temporary infrastructure and housing. It is estimated that the original construction cost of the temporary governmental project was about \$8,000,000.

The Washington Terrace Non-Profit Housing Corporation purchased the temporary housing project from the Federal Government on September 1, 1950, for \$2,250,000. On that day, the Housing Corporation paid a 10 percent down payment of \$225,000 and assumed a mortgage note of \$2,025,000. From 1950 until its incorporation on December 12, 1958, the Housing Corporation operated the municipal needs of the community. The City has always been a leader in innovation and determination. Inspired by the founding residents, this community has never lacked great examples of vision and leadership.

The City operates under a council-manager form of government. Under this organizational structure, the Mayor and a five member Council appoint a city manager to act as the chief executive officer who oversees the daily operations of the City. The Council establishes policy

EXECUTIVE SUMMARY - INTRODUCTION

and direction by enacting local legislation and adopting budgets; the city manager is responsible for implementing the Council’s policies and direction. The Mayor is elected for a term of 4 years, while the Council is elected for 4 years with staggered terms.

The Mayor appoints Planning Commission members and alternates. The Planning Commission is a volunteer position appointed to 4 year staggered terms. The Commission’s primary responsibilities are to review and provide a recommendation on new development plans in accordance to the direction established by Council, zoning changes, and the general plan.

The City provides many public services including: public safety (police, fire/EMS, animal control, and justice court); parks and open space, recreation and special events; culinary water, sanitary sewer, refuse collection, and storm water services; streets and sidewalks; planning and zoning; and administrative services.

DEMOGRAPHIC INFORMATION

The City has had minimal population growth since the 1980’s growing from 8,000 to 9,190 in 2011. The City anticipates “build out” will occur at a population of approximately 12,000 – 14,000 people.

City, County, and State Population History						
Year	City		Weber County		State of Utah	
	Population	change from prior year	Population	change from prior year	Population	change from prior year
2015	9,157	0.0%	243,645	1.3%	2,995,919	1.8%
2014	9,157	-0.1%	240,475	0.8%	2,942,902	1.4%
2013	9,164	0.2%	238,519	0.8%	2,900,872	1.6%
2012	9,147	0.9%	236,551	2.3%	2,854,871	3.3%
2010	9,067	0.7%	231,236	1.7%	2,763,885	-1.3%
2000	8,551	4.4%	197,541	24.8%	2,246,553	29.9%
1990	8,189	-0.3%	158,330	9.5%	1,729,227	17.3%
1980	8,212	13.4%	144,616	14.5%	1,474,000	38.3%
1970	7,241	12.4%	126,278	14.0%	1,066,000	18.4%
1960	6,441		110,744		900,000	

Source: www.census.gov
 Note: The City was incorporated in 1958.

Table 1 (left) represents the City, County, and State Historical Population and change from prior year.

EXECUTIVE SUMMARY - INTRODUCTION

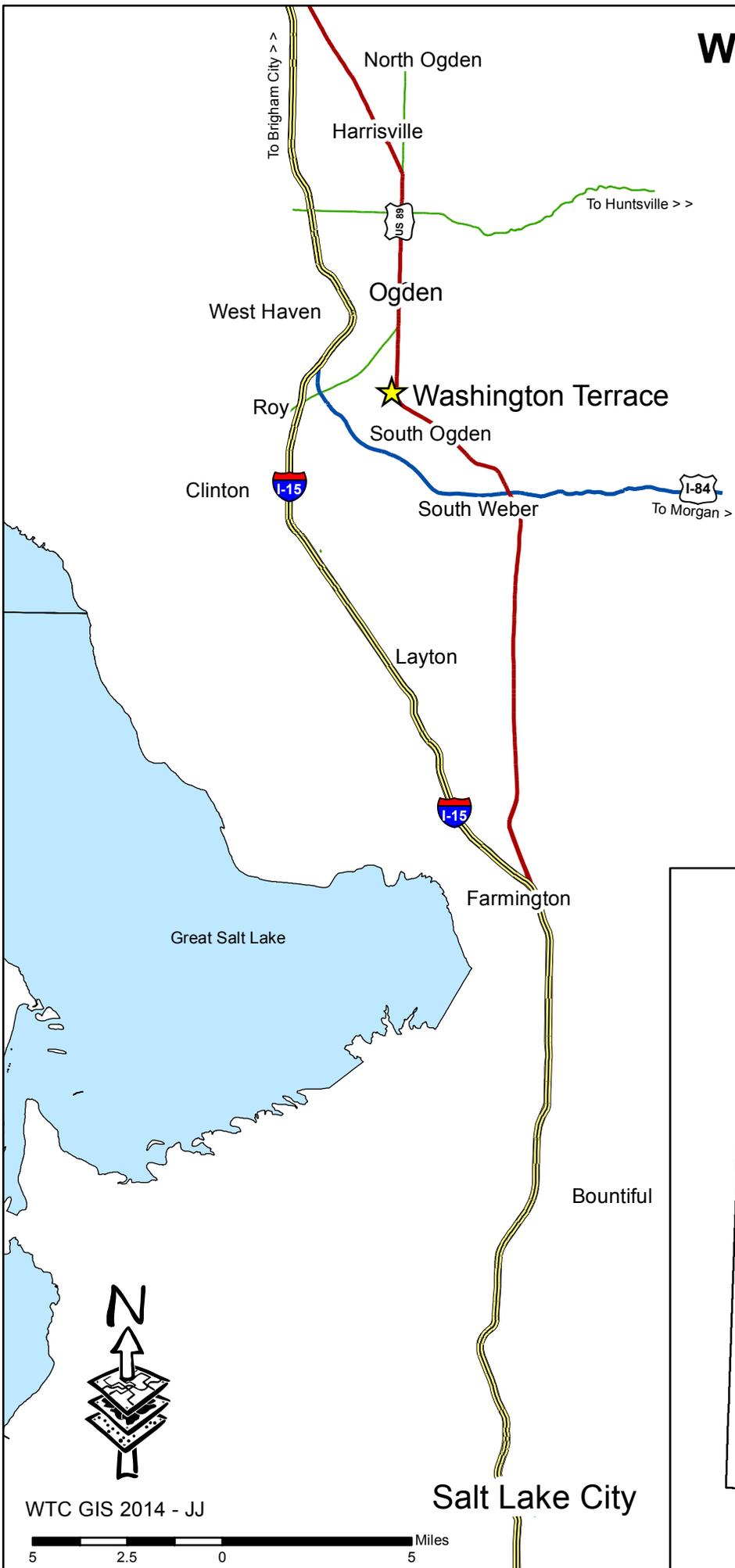
City Demographic Profile

People QuickFacts	Washington Terrace	Utah
Population, 2011 estimate	9,190	2,814,347
Population, 2010 (April 1) estimates base	9,067	2,763,885
Population, percent change, April 1, 2010 to July 1, 2011	1.4%	1.8%
Population, 2010	9,067	2,763,885
Persons under 5 years, percent, 2010	9.3%	9.5%
Persons under 18 years, percent, 2010	27.6%	31.5%
Persons 65 years and over, percent, 2010	15.0%	9.0%
Female persons, percent, 2010	51.1%	49.8%
White persons, percent, 2010 (a)	86.9%	86.1%
Black persons, percent, 2010 (a)	2.1%	1.1%
American Indian and Alaska Native persons, percent, 2010 (a)	0.7%	1.2%
Asian persons, percent, 2010 (a)	1.3%	2.0%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	0.3%	0.9%
Persons reporting two or more races, percent, 2010	2.7%	2.7%
Persons of Hispanic or Latino origin, percent, 2010 (b)	12.9%	13.0%
White persons not Hispanic, percent, 2010	81.1%	80.4%
Business QuickFacts		
Total number of firms, 2007	645	246,393
Black-owned firms, percent, 2007	F	0.5%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.6%
Asian-owned firms, percent, 2007	S	1.9%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.3%
Hispanic-owned firms, percent, 2007	F	3.7%
Women-owned firms, percent, 2007	S	24.9%
Manufacturers shipments, 2007 (\$1000)	NA	42,431,657
Merchant wholesaler sales, 2007 (\$1000)	NA	25,417,368
Retail sales, 2007 (\$1000)	8,001	36,574,240
Retail sales per capita, 2007	\$957	\$13,730
Accommodation and food services sales, 2007 (\$1000)	D	3,980,570
Geography QuickFacts		
Land area in square miles, 2010	1.97	82,169.62
Persons per square mile, 2010	4,604.9	33.6
FIPS Code	82070	49
(a) Includes persons reporting only one race.		
(b) Hispanics may be of any race, so also are included in applicable race categories.		
FN: Footnote on this item for this area in place of data		
NA: Not available		
D: Suppressed to avoid disclosure of confidential information		
X: Not applicable		
S: Suppressed; does not meet publication standards		
Z: Value greater than zero but less than half unit of measure shown		
F: Fewer than 100 firms		
Source: US Census Bureau State & County QuickFacts		

Table 2 - 2010 Census demographic profile.

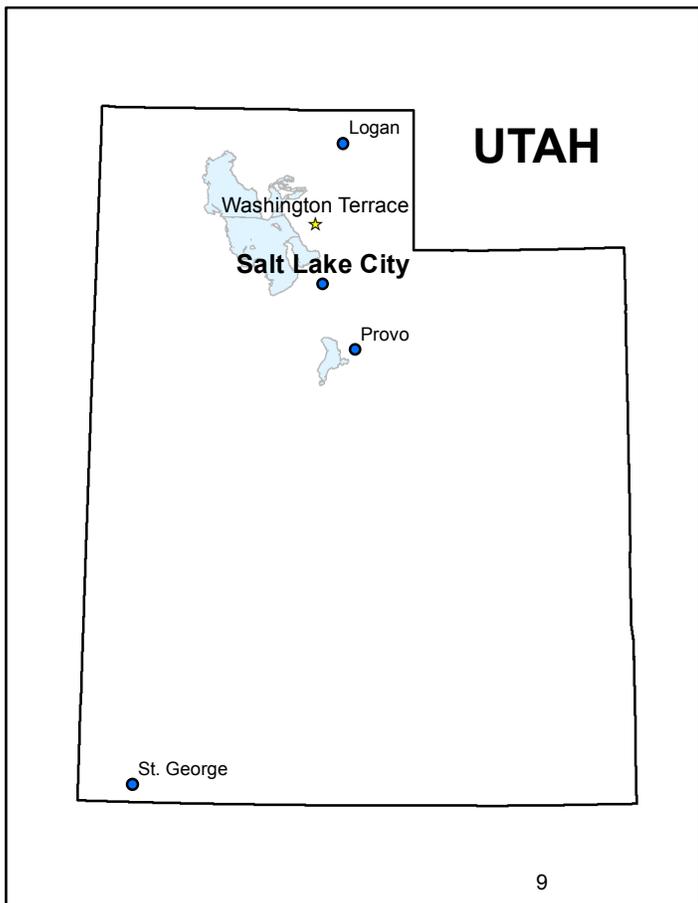
Since the City's incorporation in 1958, the population has changed by approximately 2,716 persons or increased by 42 percent, while the County's population has increased by 132,901 or 120 percent, and the State has increased 2,095,919 or over 232 percent.

Washington Terrace City Location Map



Legend

- US 89
- I-84
- == I-15
- ★ Washington Terrace



WTC GIS 2014 - JJ



EXECUTIVE SUMMARY - INTRODUCTION

REGIONAL OVERVIEW

The City of Washington Terrace is a 2 square mile suburban community located along the Wasatch Front in Weber County, Utah. Weber County, population 200,000, is home to 22



communities of cities, towns, and unincorporated areas. The City is located 30 miles north of the capital city Salt Lake City, 40 miles from the Salt Lake International Airport, which can be easily reached by nearby Interstate 15 or the Front Runner Rail System.

Additionally, Interstate 84 runs adjacent to the southern City boundaries serving as a main easterly corridor.

Its location near Ogden City offers excellent local access to commerce, education, recreation, transportation, healthcare, and other services. Washington Terrace is home to Ogden Regional Medical Center, Weber School District, and Bonneville High School. Within an 8 mile radius of the City is Hill Air Force Base, Internal Revenue Service, Weber State University, Ogden Hinckley Airport, and McKay Dee Hospital. The City of Washington Terrace is a proud residential community that focuses on preserving the community as a great place to live.



Northern Utah and the Weber County region offers excellent quality of life with recreational opportunities that attract visitors around the world. During the 2002 Olympics Winter Games,



the Weber County region hosted a number of events including the downhill, combined races, and super-G events. The local area offers a wide-variety of high adventure recreation such as: skiing and snowboarding, skydiving, hiking, biking and cycling, climbing and bouldering, and kayaking and paddle sports. Other regional

recreational opportunities include classic recreation such as golf, swimming, home to the Ogden Marathon, and local sports teams and leagues. All of these recreational opportunities are within close proximity to the City—within 30 minutes or 20 miles.

EXECUTIVE SUMMARY - INTRODUCTION

OVERVIEW

The purpose of this document is to present a budget document to the highest professional quality reflecting sound financial management practices in the following essential areas:

Serve as a Policy Document – Clearly describing the City’s short-term and long-term financial and non-financial goals and objectives.

Serve as a Financial Plan – Describe the fund environment including structure, balances, and major revenues and expenditures.

Serve as an Operations Guide – Describe the activities, services, and functions carried out by the organizational units.

Serve as a Communication Device – Provide a clear summary of significant budget issues and trends in resources, requirements, and policies.

The principal objective of this executive summary is to clearly describe the City’s budget process and highlight significant changes to the budget. This will enable the Mayor and City Council to provide policy direction during the budget process. This objective will be accomplished by addressing the following tasks:

1. Overview of goals and outcomes of the Budget Summary
2. Provide a summary of the City’s financial position
3. Outline the overall budget process & changes to the budget format
4. Provide a Budget Summary for Fiscal Year 2016 adjusted budget, 2017 adopted budget, and 2018 - 2021 financial plan
5. Discuss capital project prioritization and CIP funding issues
6. Provide an overview of the City Manager’s Recommended Budget
7. Discuss the status of the various City projects
8. Highlight future issues
9. Discuss Citywide budget policy changes

This budget document should be read and considered with the City’s Comprehensive Annual Financial Report to provide an in depth understanding of the City’s financial and economic condition including historical trend data.

EXECUTIVE SUMMARY - INTRODUCTION

CITY MISSION STATEMENT

To provide the citizens of Washington Terrace

with essential and innovative services
in a timely and cost efficient manner.

ORGANIZATIONAL PHILOSOPHY

We do the will of the people,

under direction from the Council,
to the highest professional and
ethical standards.

CORE VALUES

People

Trust, Respect, Recognition

Service

Quality, Helpful, Timely

Results

Planning, Decisions, Follow-through

Communication

Multi-Directional, Formal, Informal

Commitment

Involvement, Dedication, Support

Excellence

Innovation, Details, Professionalism

EXECUTIVE SUMMARY - INTRODUCTION

LEGISLATIVE POLICY STATEMENTS AND PRIORITIES

Each year the Mayor and City Council meet, as part of the planning process, to discuss their vision for the community. The policy statements identified in Table 3 have been identified as top community priorities that are tied to the City’s Mission Statement, Organizational Philosophy, and Core Values in providing quality public services. The executive body has worked closely with the legislative body to identify specific measurable strategies for each of these policy statements. These policy statements and goals can be found in the departmental operating budgets.

Legislative Policy Statements

Policy Statements	Goals
Fiscal Responsibility Diligently manage public funds and resources.	
Practice and promote fiscal accountability, transparency, full disclosure, and strategic planning that meets or exceeds best practices and standards.	Annually compile the city budget document that promotes best practices and standards. Annually compile the city comprehensive financial report according to best practices.
Follow established policies and procedures in order to preserve the overall fiscal stability of the City.	Provide annual training to employees to ensure consistent application of written policies and procedures.
Prepare multi-year financial plan to help navigate challenges & opportunities.	Annually review and update the multi-year financial plan as part of the budget process.
Apply for grants that maximize the City's investment and further the vision of the City.	Annually research and apply for grants based on defined needs and accessibility.
Offer a competitive compensation plan in order to retain and attract a competent workforce.	Annually review and update the employee compensation plan based on approved Council pay philosophy.
Maintain a balance between services provided, ability to pay.	Annually provide a balanced budget based on city wide needs and available resources.
Reduce or eliminate liabilities associated with risk and loss.	Conduct monthly city-wide safety meetings to develop a culture of risk awareness and avoidance.
	Develop a Risk Management Policy and Procedure manual.
Open and Responsive Government Be responsive to customers needs, stakeholder relationships and dissemination of information.	
Disseminate information in a timely manner that communicates the goals, programs and objectives, of the City.	Post all notices and information based on state requirements and the need for stakeholder communication well in advance of the specific need.
Keep stakeholders informed using a variety of tools including the City newsletter, multi-media and social media outlets.	Update the city web page and electronic media to ensure that information is timely, pertinent, and helpful.
Cultivate open and responsive customer service through technology, streamline processes, and responding to customers in a timely friendly manner.	Annually evaluate and update online services and expand electronic opportunities to conduct business.
Collaborate with local, regional and state stakeholders to develop cooperative services, programs, and facilities.	The Mayor, Council, and Staff are encouraged to collaborate and participate on boards, councils, and events that will directly benefit the City.
Adhere to National, State and Local regulatory compliance requirements.	Employees are trained and compliant with regulatory requirements as it relates to their specific service area.
Respond to customers and stakeholders in a professional and friendly manner.	Annually conduct customer service training.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

Policy Statements	Goals
Public Safety and Health Prepare for and respond to emergencies to protect the life and property of stakeholders i.e. fire / EMS, police, emergency management, code enforcement, and animal control.	
Provide professional and sustainable public safety and health service levels in order to serve and protect life and property.	Annually review public safety operations to determine the functionality and the sustainability of operational service levels.
Provide professional law enforcement and animal control services to serve and protect life and property.	Annually review contract services to determine optimal levels of service and cost sustainability.
Train Fire/EMS personnel in order to provide competent, professional service.	Conduct monthly training and certification for Fire and EMS personnel.
Provide the required equipment needed to prepare for and respond to fire, EMS and emergency preparedness scenarios.	Annually evaluate and upgrade equipment based on needs, regulations and funding ability.
Prepare and respond to natural and man made disasters of all kinds.	Annually conduct a city-wide employee training and exercise.
Enforce and resolve property code enforcement issues in an effective, professional, and timely manner.	Annually review and update policies and procedures in order to expeditiously resolve code enforcement violations.
Family Oriented Community Provide a variety of meaningful, safe recreational activities, programs, sports and special events that improve the physical, mental and social well being of participants.	
Offer leisure and city sponsored programs that meet the diverse needs of the community.	Annually review leisure service programs to evaluate and update recreation programs offered.
Collaborate with community and regional stakeholders to develop and offer cooperative recreation programs and facilities.	Meet quarterly with neighboring entities to evaluate, promote and organize cooperative leisure services activities.
Professionally organize and deliver activities and events that effectively utilize resources and facilities.	Following each event review, evaluate, and refine outcomes.
Promote community pride by keeping residents, businesses, and customers informed and up to date on events, programs, projects, and volunteer opportunities throughout the City.	Develop and publish an annual calendar of events, and schedules and advertising plan.
Provide ways for residents and businesses to become involved in volunteering and philanthropic opportunities involving City sponsored events and projects.	Develop relationships to encourage volunteerism and philanthropic good will.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

Policy Statements	Goals
Infrastructure, Improvements, and Public Facilities Review, develop, and maintain the operation and service delivery of utilities, transportation, physical facilities and parks, trails and open space.	
Maintain safe and functional delivery of public utilities.	Conduct annual review of the utility system to ensure reliable delivery of utility services based on identified needs and resources.
Provide parks, trails and open space based on the needs of the stakeholders.	Annually, update, and prioritize the City park master plans to support evolving community needs.
Manage facilities and operations in a manner that would minimize or eliminate hazardous conditions.	Conduct monthly safety meetings and follow through with outcomes.
Adhere to National, State and local construction and maintenance standards in establishing infrastructure improvements and public facilities.	Upgrade city construction standards based on best practices.
Maintain the capital plans to prioritize projects, maintain infrastructure, and prepare for envisioned growth.	Annually review and update the Capital Plans.
Maximize access to recreation facilities, utility systems and transportation networks through collaborative agreements with regional entities and neighboring cities.	Actively participate in regional planning and development committees that will support the expansion and improvement of the cities infrastructure.
Comply with National, State and local regulatory requirements for the delivery and operation of utility services.	Conduct an annual review of regulatory requirements and implement operations that will satisfy those requirements in a sustainable manner.
Sustainable Growth through Vision, Planning and Economic Development. Create economic development opportunities, promote long-term economic stability and attract funding to implement economic development strategies that expand a diverse tax base.	
Develop and maintain zoning standards, processes and regulations that promote a business friendly environment.	Review the planning and zoning regulations to ensure a business friendly environment.
Ensure zoning, planning, and building codes are developed and maintained in order to promote and protect architectural integrity of the City.	Review and update the zoning, planning, and building standards of the City.
Recruit viable business that are an asset to the City and region.	Collaborate with the business community to promote economic development opportunities within the City.
Pursue and evaluate economic development possibilities using local, state and national business outlets.	Semiannually review and update a data log of businesses that may be a good fit for the City.
Regularly communicate with key business leaders in the area to reinforce and maintain a positive working relationship.	Attend and actively participate in business development related events throughout the year.
Maintain and develop transportation and utility infrastructure that supports expanding economic development.	Evaluate and strategize critical traffic corridors directly related to job creation and retail business promotion.
Strategically administer the RDA project areas in order support future economic development opportunities.	Develop and promote the RDA in a manner that will benefit the City and region with an expanding taxable property values.
Promote the purchase, lease, and or development of available structures, and commercial properties for business expansion within the City's commercial areas.	Annually develop and maintain the site ready real state list.
Protect and plan for the annexation of the properties identified in the City's annexation plan.	Protect the annexation plan for the City.

Table 3 – Legislative Policy Statements

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

THE BUDGET PROCESS

The budget process is a way to link the legislative policy statements and priorities to the day-to-day operations of the City. Through the budget process, the Council will adopt a budget and financial plan that will serve as a policy document for implementing the legislative policy statements and priorities. The budget provides the executive body with the resources necessary to accomplish the service delivery goals established by the legislative body.

The budget process is an essential element of financial planning, management, control, and evaluation of service delivery. Additionally, the budget process offers a series of public hearings for customers of these services to give input on these programs and levels of services.

According to state statutes, the City Manager shall prepare and present to the City Council a proposed balanced budget by the first regularly scheduled Council meeting in May. According to Utah Code Annotated (UCA) §10-6-110(2), a balanced budget is defined as “the total of the anticipated revenues shall equal the total of appropriated expenditures”. The proposed budget must be available for public inspection during normal business hours after it has been filed with the City Council. The Council holds at least one public hearing on the proposed budget. Before June 22, the Council must adopt either a tentative budget if the certified tax rate is to be exceeded (tax increase) or a final budget and proposed tax rate (no tax increase). If there is a property tax increase, the Council holds an additional public hearing before adopting the budget by August 17.

The City begins the budget process as early as November with the legislative body identifying priorities and objectives for the next year. Each department director is responsible for preparing budget requests for each program based on specific criteria outlined the following “Considerations for Funding”. Legislative objectives are addressed either in the current level budget or as additional options for enhanced, increased, or decreased service levels. The City Manager reviews budget requests, including budget options, with each department director and develops a proposed budget balanced within the limits of the current available resources or with a proposed increase in fees and/or tax revenues. Beginning in April through the first meeting in June, the Council has the opportunity to review the proposed budget, consider public comment,

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

and finally, adopt a balanced budget. The operating budget is adopted on an annual basis. Capital construction normally takes place over more than one fiscal year; therefore, capital budgets are adopted on a project length basis.

Budgetary Control: Budgetary control of each fund is maintained at the department level. Department directors play an active and important role in controlling the budget. The City Council may amend the budget, by motion, during the fiscal year; however, increases in overall fund budgets (governmental funds) require a public hearing. Enterprise fund budgets may be increased by the City Council without a public hearing. Expenditures may not exceed appropriations at the department level.

Considerations for Funding: Requests for increased funding or levels of service should be considered at one time rather than in isolation or on a “piecemeal” basis. This policy does not preclude budget adjustments pursuant to state laws, but encourages that budget decisions, when possible, be part of comprehensive budget process.

Departments are given specific instructions during the budget process that all budget requests must meet prior to being considered by the City Council. All requests should meet at least one of the following criteria:

1. Offset with equal or greater reductions elsewhere within a department’s budget. Requests that are offset with budget reductions in the same budget category. For example: a new personnel request should be offset with existing personnel funding, materials should offset materials, etc. Personnel requests with offsetting existing funds other than personnel are discouraged and will be subjected to a heightened review.
2. Demonstrate an exceptional need that could not have been anticipated during the budget process.
3. Signify a budget reduction in future budget cycles to offset cost.
4. Tied to a legislative policy statement.
5. Generate new revenues.
6. Federal, State, or local mandate.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

7. Tied to contractual obligations.
8. Health/safety concerns.

This stringent process and criteria assists the City in acting fiscally responsible and clearly communicating the expectations for budget requests and changes to levels of services.

On or before the last day of the fiscal period in which a final budget has been adopted, budget amendments may become necessary to change estimated revenues and appropriations in certain funds. The Council, prior to approving budget amendments, must hold a public hearing to solicit public input on said proposed changes.

Budget Format: The budget process is approached on a multi-year basis rather than annually. The multi-year approach or five year financial plan anticipates revenues and expenditures for the appropriation year and four years beyond. This multi-year approach encourages a forward thinking approach to programs and service delivery by offering a comprehensive financial outlook that anticipates budgetary assumptions.

Each budget year beyond the required appropriations period, is referred to as a multi-year financial plan that *does not* act as a formal spending document but rather serves as a plan that can be amended freely without legislative approval. The financial plan only becomes a formal spending document with approval by the legislative body at which time the plan becomes the annual budget.

Implementing a multi-year financial plan offers the City numerous advantages, including but not limited to:

Improve Financial Management
Improve Long-Term Planning
Ability to Evaluate Program and Service Delivery

In addition to the five year plan, anticipated budgetary changes to the current year budget are also considered.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

BUDGET CALENDAR

Preparation of Tentative Budget

November

Legislative body identifies community goals and objectives. Tentative capital improvement plan reviewed and updated.

December

Budget Calendar and instructions presented to departments. Department mid-year performance measures due.

January

Department's submit budget options and tentative performance measures. Department's meet with City Manager and Finance Manager to discuss options and performance measures. Begin rate and fee analysis. Personnel pay plan benchmarking and benefit costs updated.

February – March

Budget analysis conducted. Compilation of Tentative Budget.

Budget Presentation and Public Hearings

April - May

Tentative Budget presented to Council. Staff presents introduction, executive summary, major budget issues, and budget policies.

The Council holds public hearing on the proposed tentative budget. Staff presents operating and capital budgets and tentative rate and fee schedule. Council adopts tentative budget.

Adopt Final Budget and Set Certified Tax Rate

June

The Council holds public hearings on the proposed tentative budget; Council adopts final budget, certified tax rate and fee schedule (adopted prior to June 22nd state deadline with no property tax increase)

July - August

The Council notices and holds Truth-in-Taxation Public Hearing (ad run twice in the two weeks preceding the hearing). Council adopts final budget and certified tax rate with a property tax increase.

Additional Budget Dates and Deadlines

July 17 – Budget due to State Auditor’s Office (no property tax increase)

August 30 - Budget published and available on-line

September 17 - Budget due to State Auditor’s Office (property tax increase)

September 17- Submit Budget Document to Government Finance Officers Association for their Budget Presentation Award

September 30 – Final Budget Document and Citizens Budget made available

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

During the first year of a multi-year budget process is when the majority of the planning occurs. The second year typically will include minor adjustments and anticipated programmatic changes. The goal of this type of planning is to ensure that operational needs are meeting the long-term organization's direction. Each year the City will incorporate the current adjusted budget with the five-year plan.

For the first year, July 1, 2016 – June 30, 2017, the City Council has approved a budget for the upcoming fiscal year and a fiscal plan for the four years thereafter. The Budget Document is a tool to be used by management and staff to implement the direction established by the legislative body to carry out the needs and direction of the community. The budget document consists of six major areas: (1) Executive Summary; (2) Operating Budgets; (3) Budget Summaries; (4) Financial Policies and Objectives; (5) Performance Measurement Program, and (6) Supplemental Information.

- A. The *Executive Summary* offers an introduction to the budget through a budget message that provides a summary explanation of key choices and decisions made during the budget process. This message further addresses the ramification of these choices and decisions. The Executive Summary also includes the legislative policy statements that shape the budget parameters and an outline of the budget process and calendar.
- B. The *Operating Budgets* reports in detail how the City's fiscal resources are used to deliver public services. Included with the operational budgets are the department's service overview, goals, accomplishments and highlights, and performance measures.
- C. The Budget Summaries focus on government-wide revenues and expenditure summaries and individual fund summaries.
- D. The *Policies and Objectives* section focuses on improving the decision making by providing clear, agreed-upon parameters. The guidelines strive to achieving fiscal accountability and management, full disclosure, and act as a planning tool to assist in the decision making process.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

- E. The *Performance Measurement Program* included in this document includes outputs of individual units to provide a meaningful way to assess the effectiveness and efficiency of those units. The performance measures are tied to mission, goals, and objectives of each department.
- F. The *Supplemental Section* offers an introduction to the capital project program, government-wide fee schedule, resolutions adopting the budget, and glossary of terms.

This year's Executive Summary represents staff's recommendations to carry out the Mayor and Council's goals for the upcoming budget year. By adopting the Fiscal Year 2017 budget, City Council is legally appropriating funds and authorizing expenditures in accordance with policies outlined in this document and in accordance with State law. Each year the City Council will be required to adopt the next year's budget. For planning purposes, the Fiscal Plan is not legally adopted but rather it is the anticipated operations plan for future fiscal years.

BUDGET AWARD PROGRAM

The Government Finance Officers Association of the United States and Canada (GFOA) presents an award for Distinguished Budget Presentation. The City has been successful in receiving this prestigious award since 2005. To continue receiving this award, the City must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communication device.

This award is significant for several reasons which include the City's adherence to good budget policies and positive planning efforts. The City receiving this award is an external measure of the proactive budgeting practices the City is employing.

The award is valid for a period of one year. We believe this budget conforms to program requirements and will be submitted to GFOA to determine its eligibility for this prestigious award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Washington Terrace
Utah**

For the Fiscal Year Beginning

July 1, 2014

Executive Director

Economic Indicators

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

FISCAL FIRST AID

The Government Finance Officers Association (GFOA) recently released fiscal first aid techniques governments can implement when responding to financial distress. GFOA states that fiscal first aid techniques can be used as an immediate short-term aid to stop perpetuating financial distresses. While the development of permanent treatments may be necessary, in less severe cases of financial distress, fiscal first aid alone may be sufficient. The four categories of fiscal first aid are as follows:

Primary Treatments – are those that are recommended as the first line of defense and should be considered as a first option. In many cases, the go-to treatments not only provide immediate help but also improve the long-term prognosis.

Treatments to Use with Caution - may be called for if the go-to techniques are not sufficient. However, the side effects of these treatments could potentially worsen financial condition if used improperly.

Treatments to Use with Extreme Caution - might help the near term financial situation, but could ultimately work against financial sustainability. For example, a treatment might damage the government’s reputation, thereby reducing the public’s support for local taxes.

Treatments Not Advised - are ones that can cause trouble.

The first step in implementing fiscal first aid is to diagnose the main causes of the problem. Accurate diagnosis is essential for selecting the right treatment and getting support for the treatment regimen. GFOA states that when diagnosing the problem, it is advisable to emphasize factors internal to the organization such as structure, culture, and communications. While external causes, such as a poor economy or state/federal mandates, may be at least partially to blame for fiscal distress, fixating on these largely uncontrollable items saps confidence that a good solution can be found.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

The City has evaluated its own management practices against the four fiscal first aid treatments identified above. Table 2 compares the actions the City has employed in its current management practices against each treatment. As demonstrated in Table 4, the City has implemented strong fiscal management practices that offer proactive techniques utilized as a short and long-term aid to achieve the highest level of fiscal management. The City has implemented its “Recession/Net Revenue Shortfall Plan” (refer to the Policies and Objectives section) and is closely monitoring the potential budgetary impacts and strategies.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

Fiscal First Aid Techniques			
Primary Treatments			
Action	Revenue	Action	Human Resources and Benefits
X	Audit revenue sources	X	Evaluate overtime use
X	Improve billing and collections procedures	X	Address health care costs & workers' compensation claims patterns
X	Explore fees for services	X	Re-examine labor structures
	Propose taxes with a strong nexus	X	Assess organization structure
	Conduct a tax lien sale	X	Integrate human resources and financial systems
		X	Investigate risk management
	Capital and Debt		
X	Start comprehensive capital project planning		Financial Planning and Analysis
X	Restructure debt	X	Evaluate financial condition & get benchmark data
		X	Inventory programs and ascertain their costs
	Management Practices	X	Audit certain recurring expenditures
X	Make managers manage	X	Divest of loss-generating enterprises
X	Enhance purchasing practices	X	Seek state, federal, and/or regional assistance
X	Pursue inter-organizational cooperation	X	Identify sources of liquidity
X	Revisit control system		
X	Centralize financial management and human resources activities		
X	Develop cash flow reporting		
X	Establish a culture of frugality		
X	Recognize opportunities within crisis		
X	Manage perceptions		
X	Be willing to spend money to save money		
X	Network with peer agencies and individuals		
Treatments to Use with Caution			
	Revenue		Human Resources and Benefits
	Sell assets		Offer early retirement program
	Obtain better returns on idle cash	X	Increase part-time labor
		X	Institute hiring/wage freezes
			Reduce hours worked and pay
	Capital and Debt		Financial Planning and Analysis
	Use short-term debt to pay for vehicles	X	Revisit interfund transfer policies
X	Defer and/or cancel capital projects		Use Fund Balance to Soften the Landing
	Use debt to fund pay-go capital projects		Management Practices
			Close facilities (or reduce hours of operation)
		X	Outsource
Treatments to Use with Extreme Caution			
	Revenue		Human Resources and Benefits
	Levy a broad tax increase		Make across-the-board wage cuts
	Create special taxing districts		Defer compensation
	Capital and Debt		Management Practices
			Make large or sustained across-the-board budget cuts
Treatments Not Advised			
	Revenue		Human Resources and Benefits
			Underfund accrued liabilities like pensions
	Capital and Debt		Management Practices
	Shift operational costs into capital budgets		Use accounting manipulations

Table 4 – Fiscal First Aid Techniques, comparing City practices to treatment techniques

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

PROPERTY VALUATION AND TAX ASSESSMENTS

The Property Tax Act, Title 59, Chapter 2, Utah Code Annotated 1953, as amended, provides that all taxable property must be assessed and taxed at a uniform and equal rate on the basis of its “fair market value” by January 1 of each year. “Fair market value” is defined as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Commencing January 1, 1991, “fair market value” considers the current zoning laws for each property. Section 2 of Article XIII of the Utah Constitution provides that the Utah State Legislature may exempt from taxation up to 45 percent of the fair market value of primary residential property as shown in the table below.

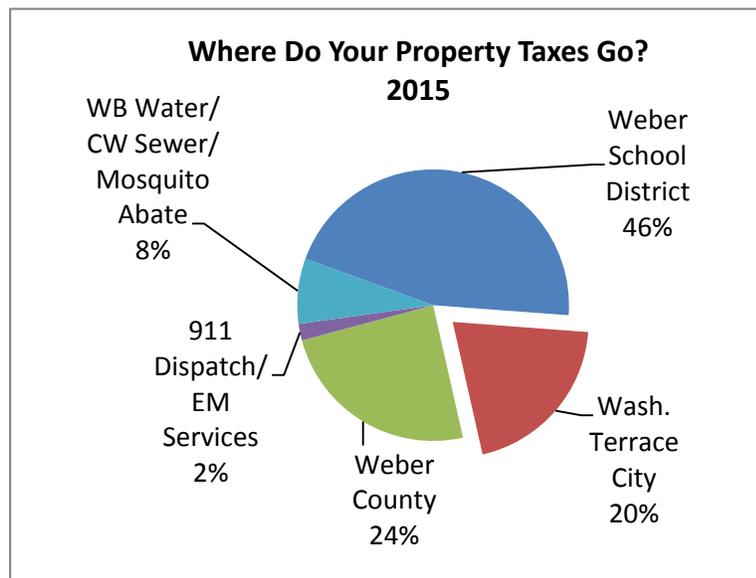
History of Property Statutory Assessment					
	Year	Statutory Assessment Level (% of Market Value)	Real Property Intangible Exemption (Apply to Locally Assessed Only)	Primary Residential Exemption	Total Taxable Value as a Percentage of Market Value
Primary Residential	1961 - 1978	30%	0%	0%	30%
	1979 - 1980	25%	0%	0%	25%
	1981 - 1982	20%	20%	0%	16%
	1983	20%	0%	25%	15%
	1984 - 1985	20%	20%	25%	12%
	1986 - 1990	100%	20%	25%	60%
	1991	100%	5%	29.75%	66.74%
	1992 - 1993	100%	5%	29.50%	66.98%
	1994	100%	0%	32%	68%
1995 - Present	100%	0%	45%	55%	
Other Locally Assessed Real Property	1961 - 1978	30%	0%	N/A	30%
	1979 - 1980	25%	0%	N/A	25%
	1981 - 1982	20%	20%	N/A	16%
	1983	20%	0%	N/A	20%
	1984 - 1985	20%	20%	N/A	16%
	1986 - 1990	100%	20%	N/A	80%
	1991	100%	5%	N/A	95%
	1992 - 1993	100%	5%	N/A	95%
	1994 - Present	100%	0%	N/A	100%
Personal Property	1961 - 1978	30%	N/A	N/A	30%
	1979 - 1980	25%	N/A	N/A	25%
	1981 - 1985	20%	N/A	N/A	20%
	1986 - Present	100%	N/A	N/A	100%
Centrally Assessed Property	1961 - 1978	30%	N/A	N/A	30%
	1979 - 1980	25%	N/A	N/A	25%
	1981 - 1985	20%	N/A	N/A	20%
	1986 - Present	100%	N/A	N/A	100%

Table 5 – The State of Utah property tax statutory assessment from 1961 to present

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

During the 1995 legislative session, the exemption for primary residential property was increased from 32 percent to the constitutional maximum of 45 percent. The local effect of this action was to shift the burden of supporting education, public safety, and general government from primary residents to other classes of property, principally commercial property and vacation or second homes. The Utah Supreme Court held this practice to be constitutional in subsequent tests.

Property Tax Levies and Collections: Weber County levies, collects, and distributes property taxes for the City of Washington Terrace and all other taxing entities within the County. Utah law prescribes how taxes are levied and collected. Generally, the law provides as follows: the County Assessor determines property values as of January 1 of each year and is required to have



the assessment roll completed by May 15. The County Auditor mails notice of valuations and tax changes by July 22.

Figure 1 - Each taxing entity's share of the total levy for property taxes in 2015

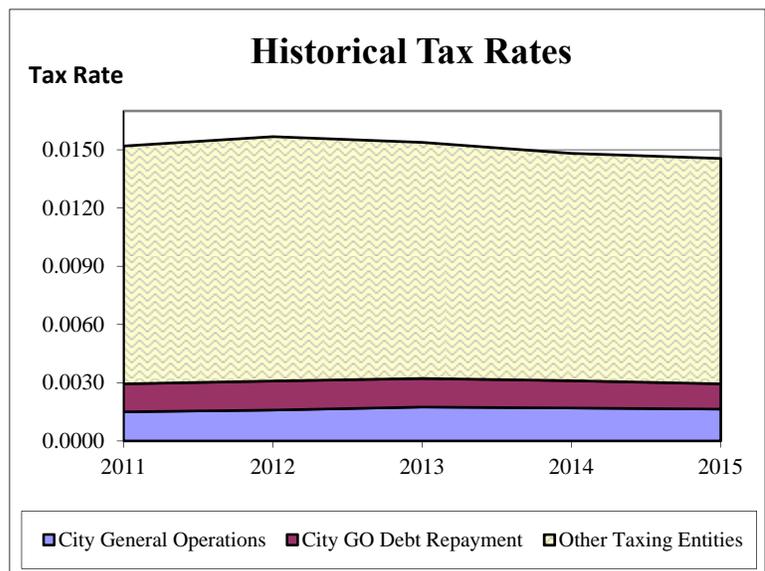
State statutes require that each year a certified tax rate be calculated. The certified tax rate is the rate which will provide the same

amount of property tax revenue as was charged in the previous year, excluding the revenue generated by new growth. If a taxing entity determines that it needs greater revenues than what the certified tax rate will generate, State statutes require that the entity must go through a process referred to as Truth-in-Taxation. The Truth-in-Taxation process is a series of steps that include notification and advertisement of the proposed tax increase and holding a public hearing to receive public input before the final rate is adopted.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

Tax notices are mailed November 1 and are due November 30. Delinquent taxes, together with penalty of the greater of delinquency, the amount of taxes and penalty shall bear interest on a per annum basis from January 1st following the delinquency date. This interest is 600 basis points (6%) above the Federal Discount Rate. Starting in 2010, the penalty and interest requirements have changed. The penalty was changed to the greater of \$10 or 1% of the delinquent amount due if the current year delinquent tax was paid-in-full between December 31st and January 31st, otherwise the penalty amount is the greater of \$10 or 2.5% of the amount that was delinquent on December 1st. Additionally, the interest changed to 6 percent above the targeted federal funds rate, but this must fall within a minimum of 7% and a maximum of 10%.

Figure 2 - City and other taxing entities' historical tax rates since 2010.



If after four and one-half years (May of the fifth year) delinquent taxes have not been paid, the County advertises and sells the property at a tax sale.

The maximum rate of levy applicable to the City for general fund operations authorized by State law is 0.007000 per dollar of taxable value per taxable property within the City. The City may levy an unlimited tax levy to pay the principal of and interest on legally issued General Obligation Bonds.

The City's total tax levy has increased from 0.002938 in 2011 to 0.002950 in 2015. In 2013, the City raised its general purpose tax levy from 0.001588 to 0.001743. Said increase is largely attributed to additional funding of the streets program operations and maintenance.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

As depicted in Table 6, a residential home with a market value of \$160,000 is taxable at 55 percent of its value or \$88,000. In 2013, the City would have received \$283.10 in property tax revenue (general purpose and GO Debt repayment), whereas in 2015, the same residential home valued at \$160,000 would have paid \$259.60 for City property taxes.

Property Taxes	2013		2014		2015	
Taxing Entity	Levy Rate	\$ collected from home market value of \$160k	Levy Rate	\$ collected from home market value of \$160k	Levy Rate	\$ collected from home market value of \$160k
City - General Operations	0.001743	153.38	0.001690	148.72	0.001637	144.06
City - GO Debt Repayment	0.001474	129.71	0.001411	124.17	0.001313	115.54
Total City Levy	0.003217	\$ 283.10	0.003101	\$ 272.89	0.002950	\$ 259.60
<i>% chg from prior year</i>	4%	4%	-4%	-4%	-5%	-5%
Other Taxing Entities	0.012170	\$ 1,070.96	0.011718	\$ 1,031.18	0.011606	\$ 1,021.33
<i>% chg from prior year</i>	-3%	-3%	-4%	-4%	-1%	-1%
Total Tax Levy	0.015387	\$ 1,354.06	0.014819	\$ 1,304.07	0.014556	\$ 1,280.93
<i>% chg from prior year</i>	-2%	-2%	-4%	-4%	-2%	-2%

Table 6 (above) shows historical tax rates and revenue collected by value for the City and the other taxing entities.

The City has a relatively high tax rate compared to other communities and taxing entities in Weber County. This is largely due to: General Obligation Debt issued in 2000 to be repaid with property taxes, the City's limited retail sector, large residential base with a low to moderate taxable value, and high density tax exempt properties.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

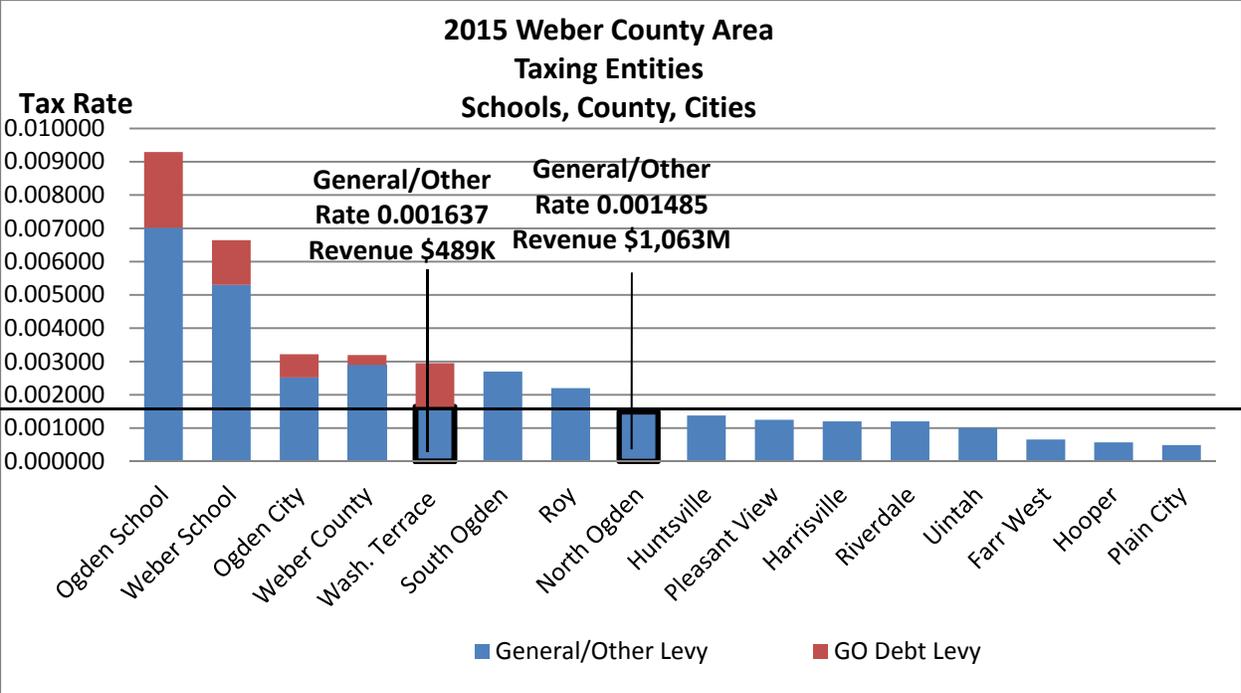


Figure 3 – 2015 tax rates for Weber County area school districts, county, and cities

As depicted in Figure 4, the City’s combined tax rate of 0.002950 is the second highest tax rate among cities and towns in Weber County. This is largely due to the City’s General Obligation Debt tax levy of 0.001313. Ogden City had the highest combined tax rate of 0.003220 and South Ogden City ranked third highest with a tax rate of 0.002696. The highest taxing entities in Weber County in 2015 were Ogden City Schools at a tax rate of 0.009295 and Weber School District the second highest taxing entity at 0.006920.

Also depicted in Figure 4 is how the City’s general purpose tax rate compares with other cities and towns and the revenue for which it generates. In comparison to North Ogden City, the City has a higher tax rate at 0.001637 compared to North Ogden at 0.001485. Due to the City’s smaller tax base that includes a limited retail sector, large residential base with low to moderate taxable value, and high density tax exempt properties, the revenue the City generates from property taxes is \$489,000 compared to North Ogden with a stronger tax base at \$1,063,000.

EXECUTIVE SUMMARY – ECONOMIC INDICATORS

Although the City’s full taxable value is small compared to other cities of similar size at \$334,926,134 (2015 taxable real, personal, and centrally assessed property value), the City’s tax base has increased by 25 percent or \$66,879,854 since 2006. Economic indicators, however, are

Taxpayer	Principal Nature of Business	Rank	2015	
			Taxable Assessed Valuation (1)	% of Total Assessed Value
Columbia Ogden Medical Center.....	Healthcare	1	40,611,377	12.1
The Boyer Company.....	Professional Office	2	6,653,375	2.0
Pleasant Valley Office.....	Professional Office	3	3,715,827	1.1
Washington House Assisted Living.....	Healthcare	4	3,511,710	1.0
Ogden Orthopedic Medical.....	Healthcare	5	2,636,867	0.8
Mt. Ogden Health & Rehab.....	Healthcare	6	2,631,939	0.8
Lake Park Apartments Inc.....	Housing	7	2,614,974	0.8
Venture Investments.....	Healthcare	8	2,302,939	0.7
Ogden Tomotherapy.....	Healthcare	9	2,278,193	0.7
Woodland Cove.....	Housing	10	2,217,588	0.7
Totals			\$ 69,174,789	20.7%
City Taxable Value			\$ 334,926,134	100.0%

encouraging showing stronger commercial values and growth.

Table 7 - City’s largest property tax payers in 2015. Source: City CAFR.

As shown in Table 7, the City’s top ten taxpayers have remained relatively the same with Columbia

Ogden Medical Center continuing to be the largest property tax payer representing approximately 11.8 percent of the City’s total taxable value. The City’s top ten taxpayers represent 20.7 percent of the taxable property value in tax year 2015. Although the City’s top ten taxpayers have remained relatively the same, their share of the total tax base continues to decline thus resulting in a broader more diverse tax base. The top ten taxpayers represent 20.7 percent of the base in 2015 compared to 23.6 percent in 2006.

Budget Overview

EXECUTIVE SUMMARY – BUDGET OVERVIEW

MAJOR BUDGET ISSUES & PRIORITIES

The major budget issues and priorities outlines the basic premises associated with the budget and its major issues driving the budget development.

As staff continues to evaluate and balance the current and future program requirements to the levels of services offered, the analysis continues to highlight the following challenges facing each of these services:

- The ability to *fund current and future operations, fleet and equipment, and capital infrastructure*
- The ability to *fund federal and state mandates*
- The ability to *maintain strong creditworthiness*
- The ability to *build/maintain reserves for unforeseen events/emergencies*
- The ability to *keep taxes and rates as low as possible with a limited customer base*

The budget document uniquely addresses each of these challenges by balancing our customers' ability to pay and the revenue realities with the services offered.

CAPITAL FINANCING

It is anticipated that pay-as-you-go, short-term, and long-term financing options will be necessary to fund capital infrastructure and equipment. **Financing strategies are evaluated to identify challenges and opportunities including sustainability, timing, and balance to deliver a stable level of essential services.**

Although City staff has been diligent in seeking grant revenue, the availability and eligibility of grant assistance has become extremely limited and competitive, thus shifting the full financing burden of capital requirements upon the City's customer base.

The City has taken advantage of low interest loans and an optimal construction environment to assist with keeping costs as low as possible, however, the capital demands continue to exceed available resources thus making progress slower and more expensive.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

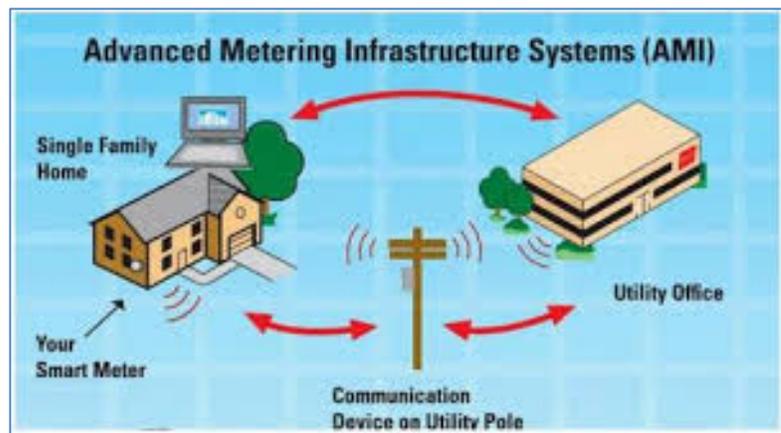
1. WATER METER READING SYSTEM

Legislative Policy Statement/Goal:

- **Fiscal Responsibility**
Diligently manage public funds and resources.
- **Infrastructure, Improvements, and Public Facilities**
Review, develop, and maintain the operation and service delivery of utilities.
- **Open and Responsive Government**
Be responsive to customer needs, stakeholder relationships, and dissemination of information.

Efforts are underway to replace the remaining commercial and residential meters to a Badger metering system. The Badger radio/meter system will be capable of converting from a drive-by (Automatic Meter Reading or AMR) read system to a fixed-base (Advanced Meter Infrastructure or AMI) read system in the future—allowing instantaneous access to every meter from our billing computers and resolution of most resident’s questions on-the-spot. This new system is expected to greatly increase meter reading efficiency and improve customer service.

This system is designed to provide flow management solutions that encourage the responsible use of sustainable resources. This product is said to achieve sustainability in three major categories: 1) Savings of water through customers’ use of its metering; 3) Energy savings from the use of recycled materials in making of Badger products; and 3) Responsible management of facilities.



Fiscal year 2016 adjusted budget anticipates that the remaining meters/radios will be converted to a Badger meter system (\$416k) and an AMI system installed (\$162k) at a combined cost of \$578,000.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

2. CONSTRUCTION OF A PUBLIC WORKS FACILITY

Legislative Policy Statement/Goal:

- **Infrastructure, Improvements, and Public Facilities**
Review, develop, and maintain the operation and service delivery of utilities, transportation, physical facilities, and parks, trails, and open space.
- **Public Safety and Health**
Prepare for and respond to emergencies to protect the life and property of stakeholders.
- **Fiscal Responsibility**
Diligently manage public funds and resources.

The public works facility is an essential facility to provide services to the customers in the City. Having a safe, efficient, and effective facility offers higher serviceability levels for the programs offered.

Services and programs managed in this facility include: culinary water system, sanitary sewer system, storm water system, refuse collection, streets and sidewalks, parks and open space,



general government buildings and facilities, fleet and equipment, and emergency response.

To provide optimal levels of service, the construction of a new public works facility is needed as the following facility deficiencies have been identified as critical needs:

- Structure Vulnerability to Natural Disaster Limiting the City’s Ability to Respond to Emergencies
- Age and Deterioration
- Size and Storing of Equipment and Housing Personnel Now and through Build Out

EXECUTIVE SUMMARY – BUDGET OVERVIEW

- Efficiency and Effectiveness of Service Delivery
- Safety and Security of Employees and Assets
- Comply with Federal and State Mandates

The concept of constructing a new public works facility is in the planning and design phase. Financing options/feasibility, project scope, design, cost, and location are being carefully analyzed to determine what plan is in the best interest of the City. Public input has been identified as an integral part of this planning process. Information on this forum will be made available during the planning phase.

The Budget Document includes the following fiscal considerations in approaching the construction of a new facility. The funding sources to be used to finance this project include all utility funds

(water, sewer, storm, refuse) and the general fund/capital projects fund (streets, general govt.) Each funding source will contribute to financing the project based on its share of facility use.

- FY 2015 Actual (Jul 1, 14- Jun 30, 15) - \$4,992 preliminary planning
- FY 2016 Adj. Budget (Jul 1, 15- Jun 30, 16) – \$160,271 planning, design, bidding, etc.
- FY 2017 Budget (Jul 1, 16- Jun 30, 17) – Issue bonds *estimated* at \$5.460M (\$5M for construction and land acquisition; \$460k for cost of issuance, deposit to debt service reserve fund, underwriters discount, etc.)
- FY 2017- 2036 Plan – Debt service fiscal total *estimated* \$353,560 (20-year amortization)

This fiscal approach may change pending the outcome of the planning and analysis phase.



EXECUTIVE SUMMARY – BUDGET OVERVIEW

The project timeline is as follows:

- **Planning, Design, and Bidding** – January 2016 – December 2016
- **Secure Financing** – September 2016 – November 2016
- **Land Acquisition** – September 2016 – December 2016
- **Materials Acquisition & Construction** – January 2017 – September 2017

Significant Impacts to Ongoing Operating Costs

Additional ongoing operations and maintenance costs are estimated at \$15,100 annually. These costs include utilities and other general buildings and grounds operations and maintenance. Capital maintenance for asphalt treatment is anticipated for 2021.

Public Works Facility Renderings



EXECUTIVE SUMMARY – BUDGET OVERVIEW

3. STORM WATER MANAGEMENT REGULATIONS

Legislative Policy Statement/Goal:

- **Infrastructure, Improvements, and Public Facilities**
Review, develop, and maintain the operation and service delivery of utilities, transportation, physical facilities, and parks, trails, and open space.
- **Open and Responsive Government**
Be responsive to customer needs, stakeholder relationships, and dissemination of information.
- **Fiscal Responsibility**
Diligently manage public funds and resources.

Federal and state agencies have issued storm water management regulations governing municipal storm water discharge. These regulations require the City to develop, implement, and enforce a plan designated to reduce the discharge of pollutants from the municipal separate storm sewer system, protect water quality, and satisfy the appropriate water quality requirements.



These regulations are requiring higher levels of service to be in compliance and are increasingly more costly. Affected entities are required to maintain a Storm Water Discharge permit that requires extensive monitoring, control, documentation, and public outreach/education. Staff will continue to evaluate and implement the best alternatives at the lowest possible cost.

In February 2016, the City underwent a storm water compliance review by the Utah Department of Environmental Quality to assess the City's storm water management program. The outcome of this review is impending; fiscal considerations will need to be addressed at that time.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

4. UTILITY RATES

Legislative Policy Statement/Goal:

- **Infrastructure, Improvements, and Public Facilities**
Review, develop, and maintain the operation and service delivery of utilities, transportation, physical facilities, and parks, trails, and open space.
- **Public Safety and Health**
Prepare for and respond to emergencies to protect the life and property of stakeholders.
- **Open and Responsive Government**
Be responsive to customer needs, stakeholder relationships, and dissemination of information.
- **Fiscal Responsibility**
Diligently manage public funds and resources.

The City is committed to setting fees and rates at levels which fully cover the total direct and indirect costs of operating utility service. The fee and rate structures are reviewed at least annually to ensure that they remain appropriate and equitable based on factors such as, but not limited to: inflation and other cost increases, desired levels of service, the adequacy of cost coverage, policy considerations, and benchmarking with comparable or neighboring cities.

As a result, beginning July 1, 2016, utility rates for water, sewer, and storm water services will increase monthly by \$1.20 bringing the base minimum bill for a ¾” single family residential user to \$57.15.

Service	Single Family Residential					
	Base (\$/4,000 gal.)			Overage (\$/1,000 gal.)		
	Current	New	Change	Current	New	Change
Water	17.80	18.20	0.40	5.10	5.10	-
Sewer	17.55	18.10	0.55	5.03	5.03	-
Refuse	13.70	13.70	-			-
Storm	6.90	7.15	0.25			-
Minimum Bill	\$ 55.95	\$ 57.15	\$ 1.20	\$ 10.13	\$ 10.13	\$ -

Table 8 - Single family residential utility rate structure effective July 1, 2016.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

The increases are necessary to continue to fund the ongoing operations and capital requirements of the system. As depicted in Figure 6, 90% or \$1.08 of the increased is expected to fund system operations while 10% or \$0.12 is to fund system capital requirements.

For a complete fee schedule for all users refer to the Supplemental Section, Fee Schedule.

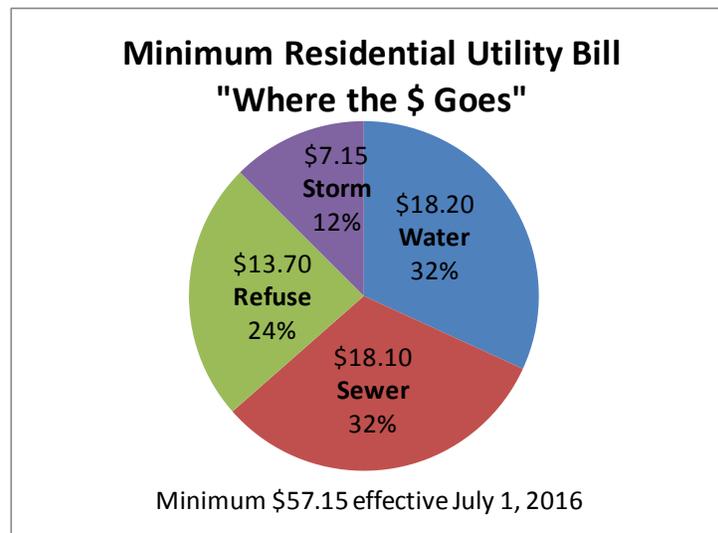


Figure 4 (above) – illustrates a minimum residential utility bill by service type.

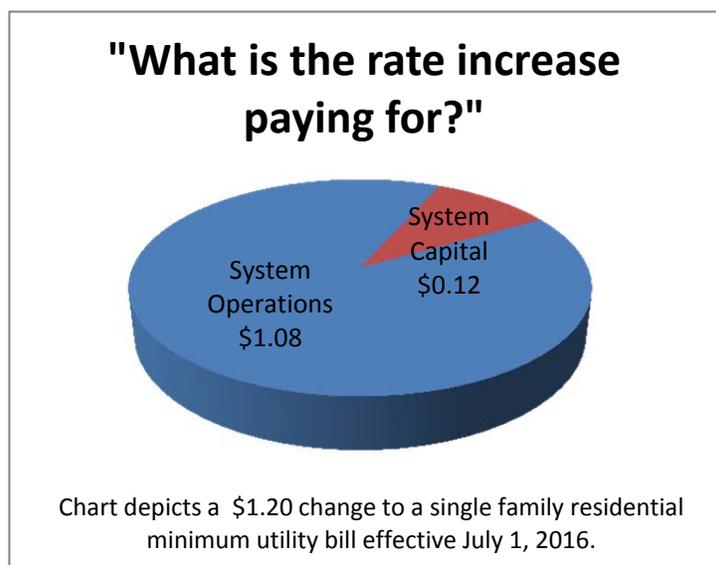


Figure 5 (above) – illustrates "What is the rate increase paying for?" effective July 1, 2016.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

CULINARY WATER services for 2017 are expected to require an additional \$15,000 in resources to fund ongoing operating requirements, thereby, increasing the base monthly water fee for a ¾” single family residential user from \$17.80 to \$18.20 or an increase of \$0.40. Overage per 1,000 gallons would remain at \$5.10.

For a complete fee schedule for all users refer to the Supplemental Section, Fee Schedule.

Plan Projections

Additional requirements of \$15,000 are projected annually through 2021, thereby, anticipating future customer rate increases for these services. Significant cost drivers include: (1) cost of wholesale water (Weber Basin Water); (2) capital; (3) overhead, labor, & materials.

Billable gallons of water have steadily decreased since 2006. Several contributing factors are believed to be the cause of this trend: (1) The cost of water to the users has progressively increased since 2004 costing the users exponentially more for gallons used; (2) state-wide water conservation initiatives; and (3) technology that has increased water use efficiency.

Given this trend combined with low City growth and an increasing regional and state-wide demand on water, future projections for billable gallons of water are that current consumption levels will remain flat—no growth in billable gallons of water. These projections are expected to, therefore, shift the full cost burden of the system on the existing users. These projects will be reviewed at least annually to capture current water trends and policies that may impact projections.

Wholesale Water

The City purchases 1,000 acre feet of wholesale culinary water from Weber Basin Water at a cost of \$184,000 for 2017. Since 2014, annual increases have averaged 3 percent. Future projections through 2021 anticipate a continued 3 percent annual increase.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

Capital

The 2016 Adjusted Budget decreased capital contributions until a reliable trend of billable usage can be determined. Capital contributions were reduced by \$75,000. The budget plan does not include a plan to restore capital capacity back to original levels.

Overhead, Labor, & Materials

Additional requirements of \$4,000 - \$5,000 are projected annually through 2021.

For more information on culinary water services, refer to Fund Summaries, Culinary Water Enterprise Fund.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

SEWER services for 2017 are expected to require an additional \$20,700 in resources to fund ongoing operating requirements, thereby, increasing the base monthly water fee for a ¾” single family residential user from \$17.55 to \$18.10 or an increase of \$0.55. Overage per 1,000 gallons would remain at \$5.03.

For a complete fee schedule for all users refer to the Supplemental Section, Fee Schedule.

Plan Projections

Additional requirements of \$25,000 - \$50,000 are projected annually through 2021, thereby, anticipating future customer rate increases for these services. Significant cost drivers include: (1) sewer treatment services (Central Weber Sewer Improvement District or CWSID); (2) capital; (3) overhead, labor, & materials.

Sewer services are billed based on the number of water gallons used. Billable gallons of water have steadily decreased since 2006. Several contributing factors are believed to be the cause of this trend: (1) The cost of water to the users has progressively increased since 2004 costing the users exponentially more for gallons used; (2) state-wide water conservation initiatives; and (3) technology that has increased water use efficiency.

Given this trend combined with low City growth and an increasing regional and state-wide demand on water, future projections for billable gallons of water are that current consumption levels will remain flat—no growth in billable gallons of water. These projections are expected to, therefore, shift the full cost burden of the system on the existing users. These projects will be reviewed at least annually to capture current water trends and policies that may impact projections.

Sewer Treatment

Historically sewer operating costs have experienced significant increases. These increases were largely attributed to fees charged by CWSID for the operations and expansion of their sewer treatment facility. Between 2009 and 2013 requirements attributed to CWSID have increased on average by 33 percent annually. Requirements are expected to increase by an estimated 2.5 - 3 percent annually through 2021. Impending greater treatment compliance standards are

EXECUTIVE SUMMARY – BUDGET OVERVIEW

anticipated within the next 5 and 10 years, thereby, creating more uncertainty of future requirements. CWSID requirements have captured an increasing share of the systems total operating requirements. For 2017, the budget is estimated at \$508,150 represent 62.3% of the total operating requirements. Future years through 2021 anticipate a 3 percent annual increase or \$15,000 - \$17,000 annually.

Capital

The 2016 Adjusted Budget decreased capital contributions until a reliable trend of billable usage can be determined. Capital contributions were reduced by \$65,000 resulting in remaining capital capacity of \$50,000.

While the budget plan, beginning in 2018, proposes increases to capital contributions by \$29,000 then an additional \$5,000 for each year thereafter through 2021 to recapture part of the 2016 reduction, a more aggressive plan may need to be considered to restore the capacity back to original levels.

Overhead, Labor, & Materials

Additional annual requirements of \$3,000 - \$5,500 are projected through 2021.

For more information on sanitary sewer services, refer to Fund Summaries, Sanitary Sewer Enterprise Fund.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

STORM WATER services for 2017 are expected to require an additional \$15,000 in resources, thereby, increasing the monthly storm water fee from \$6.90 to \$7.15 or an increase \$0.25 to fund necessary operating and capital requirements—operating \$6,700 and capital \$8,300.

Plan Projections

Additional requirements of \$15,000 are projected annually through 2021, thereby, anticipating future customer rate increases for these services. Significant cost drivers include: (1) capital and (2) overhead, labor, & materials.

Although the Plan does not anticipate any notable increases to levels of services for storm water management, it is highly likely given the outcome of the impending state review that higher levels of services may be required. Higher service levels are likely to affect capital and overhead, labor, & materials contributions. Increase service levels will require additional funding resources.

In February 2016, the City underwent a storm water compliance review by the Utah Department of Environmental Quality to assess the City's storm water management program. The outcome of this review is impending; fiscal considerations will need to be addressed at that time.

Capital

Additional capital requirements of \$9,000 - \$16,000 are projected through 2021 to fund impending high priority storm water capital projects.

Overhead, Labor, & Materials

Additional annual requirements of \$2,000 - \$7,000 are projected through 2021.

For more information on storm water services, refer to Fund Summaries, Storm Water Enterprise Fund.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

REFUSE services for 2017 are expected to require no an additional resources, thereby, keeping the monthly fee at \$13.70. Current fee levels are adequate to cover projected \$6,000 increase to service requirements.

Plan Projections

Additional operating requirements of \$5,000 - \$10,000 annually are projected annually through 2021, thereby, anticipating future customer rate increases for these services. Significant cost drivers include: (1) waste collection services (Republic Services); (2) waste disposal services (Weber Transfer Station); and (3) overhead, labor, & materials.

Waste Collection

The City contracts with Republic Services for waste collection services at an estimated annual cost of \$256,500 for 2017. Annual increases for these services are driven by the change in the Consumer Price Index (CPI). Between 2015 and 2016 annual increases have averaged 1.65 percent. Additional budget requirements for these services in 2018 are estimated at 1 percent then 2 percent annually through 2021.

Other future considerations are (1) The current service contract is set to expire on June 30, 2018. Rebidding this contract will subject the cost of this contract to market changes. (2) Current service contracts allows for a fuel surcharge on diesel fuel when prices exceed \$4.00/gallon. While fuel prices have remained low for several years, the future risk of higher fuel prices, specifically diesel fuel prices exceeding \$4.00/gallon could cause the price of this service to increase beyond the change of the CPI.

Waste Disposal

Waste disposal services are provided by the Weber County Transfer Station. While the disposal fee of \$32/ton is not expected to change in 2017, future fee and disposal tonnage increase are likely through 2021. Increased budget requirements for disposal services are estimated at 1 percent in 2018 than 2 percent annually through 2021.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

Overhead, Labor, & Materials

Additional requirements of \$1,000 - \$2,000 are projected annually through 2021.

For more information on refuse services, refer to Fund Summaries, Refuse Enterprise Fund.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

5. PERSONNEL

Legislative Policy Statement/Goal:

- **Fiscal Responsibility**

Diligently manage public funds and resources.

Offer a competitive compensation plan in order to retain and attract a competitive workforce.

Personnel requirements have been driven from the City's compensation philosophy. Compensation is based on market driven salaries/wages and benefits of other benchmark communities. It is a priority of the City to establish and maintain a compensation plan that balances the interests of the operating budget while attracting, developing, retaining, and rewarding high quality staff.

Budgeted Personnel costs for 2017 are estimated to increase by up to 3 percent or \$52,000 compared to the 2016 adjusted budget—salaries and wages \$19,326 and benefits \$35,636.

Major benefit cost drivers include health and dental coverage and retirement benefits.

Health coverage offered by PEHP will have a rate renewal increase of 5.5% and dental a 3% increase. The employees' share of health/dental premiums is 10% and the City's share is 90%.

Retirement benefits administered through Utah Retirement Systems Public Employees' Noncontributory Tier 1 System employer contribution rate will remain *unchanged* at 18.47%. The Tier 2 system will also remain *unchanged* at 16.69%.

The firefighters' retirement system (including employer pickup election) will experience a rate *decrease* of 0.10% or a total employer contribution rate of 18.94%.

Plan Projections

Future projections for Personnel requirements include 3 percent annual increases in 2017 and 2018 followed by 2 percent annual increases in 2019-2021. Staffing levels are project to remain

EXECUTIVE SUMMARY – BUDGET OVERVIEW

unchanged. Of said increases, salaries and wages are projected to increase up to 2 percent in 2018, 1 percent in 2019, and then remain flat through 2021. Benefit requirements are estimated to increase by 5 percent annually through 2021.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

6. COMMUNITY REDEVELOPMENT AND RENEWAL AGENCY aka REDEVELOPMENT AGENCY (RDA)

Legislative Policy Statement/Goal:

- **Sustainable Growth through Vision, Planning, and Economic Development**

Create economic development opportunities, promote long-term economic stability and attract funding to implement economic development strategies that expand a diverse tax base.

The two redevelopment project areas in the City, the Southeast and Central Business District, were established to promote economic development and redevelopment. Both project areas service the City's core commercial areas. The tax increment collected within those project areas has acted as an invaluable financing tool for the City to achieve a variety of economic development goals.

While the original Southeast Project Area was set to expire on December 31, 2015 a project area renewal was approved by all affected taxing entities and therefore extending the redevelopment project area for an additional 10 years. The goal of this renewed project area is to further promote economic development and redevelopment within the southeast area of the City. This recent extension is expected to greatly increase the City's future ability to actively promote and incentivize economic development and redevelopment within this project area. It is estimated that the renewed project area will generate between \$500K and \$585K annually through 2021 for redevelopment and renewal projects. Recently, increment funds have been used to replace the utility infrastructure on Adams Avenue and widen and resurface Adams Avenue.

The Central Business District is set to expire on December 31, 2021 or fiscal year 2022. There are no plans to renew this project area. It is estimated that the renewed project area will generate \$25,000 annually through 2021 for redevelopment and renewal projects.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

Levels of Service

It is the desire of the City to provide a high level of public services to our customers that include offering these services at the highest professional level including staff, equipment/technology, and facilities. The levels of service provided for in the 2017 budget match the revenue realities of our customer base.

Significant changes to levels of service and delivery are addressed in major budget issues and priorities: 1. Water Meter Reading System and 2. Construction of Public Works Facility.

Changes in Fund Balance

Table 9 reports ending fund balances for fiscal year ended June 30, 2015, and depicts estimated fund ending balances for governmental funds for fiscal years ended 2016 – 2021. Fund balances are generally projected to continue to decline between 2016 and 2021--decreasing from \$4,722,837 to \$3,760,489 or by 20% or \$962,348. Said decrease is primarily being reported in the Capital Projects Fund and Redevelopment Agency Fund. The decline of these balances are being attributed to the use capital reserves (balances) for one-time capital purchases/improvements.

Governmental Funds: Ending Fund Balances

Fund	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
10 General	\$ 1,227,580	\$ 1,027,580	\$ 1,027,581	\$ 1,027,581	\$ 1,027,581	\$ 1,027,581	\$ 1,027,581
12 Recreation	3,844	191	191	191	191	191	191
53 Parks Capital Projects	70,467	70,467	70,467	70,467	70,467	70,467	70,467
55 Capital Projects	3,012,118	2,468,913	2,396,168	2,321,847	2,234,510	2,131,940	2,058,949
65 Debt Service	88,402	87,229	85,479	83,729	81,979	80,229	78,479
66 Special Improvement District	296,117	294,449	292,781	291,113	289,574	288,036	286,499
70 Redevelopment Agency	774,008	774,008	48,440	96,474	144,145	191,434	238,324
TOTAL ENDING BALANCES	\$ 5,472,536	\$ 4,722,837	\$ 3,921,107	\$ 3,891,401	\$ 3,848,446	\$ 3,789,878	\$ 3,760,489
<i>\$ change from prior year</i>	<i>\$ 624,572</i>	<i>\$ (749,699)</i>	<i>\$ (801,730)</i>	<i>\$ (29,705)</i>	<i>\$ (42,955)</i>	<i>\$ (58,569)</i>	<i>\$ (29,388)</i>
<i>% change from prior year</i>	<i>13%</i>	<i>-14%</i>	<i>-17%</i>	<i>-1%</i>	<i>-1%</i>	<i>-2%</i>	<i>-1%</i>

Table 9 – Governmental Funds ending fund balance summary

EXECUTIVE SUMMARY – REVENUES

FUND STRUCTURE & BASIS OF BUDGETING

FUND STRUCTURE

State law requires that budgets be prepared for the following funds: general fund, special revenue funds, debt service funds, and capital improvement funds. All City funds are accounted for in accordance with Generally Accepted Accounting Principles (GAAP). Major funds are as follows:

General Fund: The General Fund is the principal fund of the City. The General Fund accounts for the normal recurring operating activities of the City (i.e. general government, public safety, streets and public works, parks and recreation). User fees, property, sales, and franchise taxes primarily fund these activities.

Enterprise Funds: The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a business.

- Water, Sewer, Refuse, and Storm Water Enterprise Fund - Accounts for the operation and maintenance of the City's utility services, including the accumulation of monies for the repayment of debt service.

Debt Service Fund: Accounts for the accumulation and payment of governmental long-term debt principal and interest. Refer to Requirements, Debt, for a complete schedule of outstanding debt.

Redevelopment Agency Fund: Accounts for operations and redevelopment activities within the Southeast and Central Business District Redevelopment Areas. The activities include the collection of tax increment from properties located within the redevelopment areas for the purpose of redevelopment activities within the project areas and the repayment of the Series 2003 Tax Increment Revenue and Refunding Bonds through 2015.

Special Improvement District Fund: Accounts for the operations and improvements within the SID and the accumulation of money for the repayment of the 2001 Special Assessment Bonds

EXECUTIVE SUMMARY – REVENUES

payable in annual installments through 2021. The principal source of revenue is levying a special tax on the properties located within the SID.

Capital Project Funds: The capital project funds are used to account for the construction and acquisition of capital assets for general governmental purposes or non-enterprise. These purposes include streets & sidewalks, parks & open spaces, public facilities, and related supporting equipment.

BASIS OF BUDGETING

Accounting records and budgets for governmental fund types are accounted for using the *modified accrual basis* of accounting. That is, revenues are recognized when they become measurable and available to finance expenditures in the current period. “Measurable” means the amount of the transaction can be determined and “available” means collective within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Accounting records and budgets for enterprise fund types are accounted for using the *accrual basis* of accounting. That is, revenues are recorded when earned and expenses recorded when goods and services are received.

EXECUTIVE SUMMARY – REVENUES

Fund Structure & Budgetary Basis

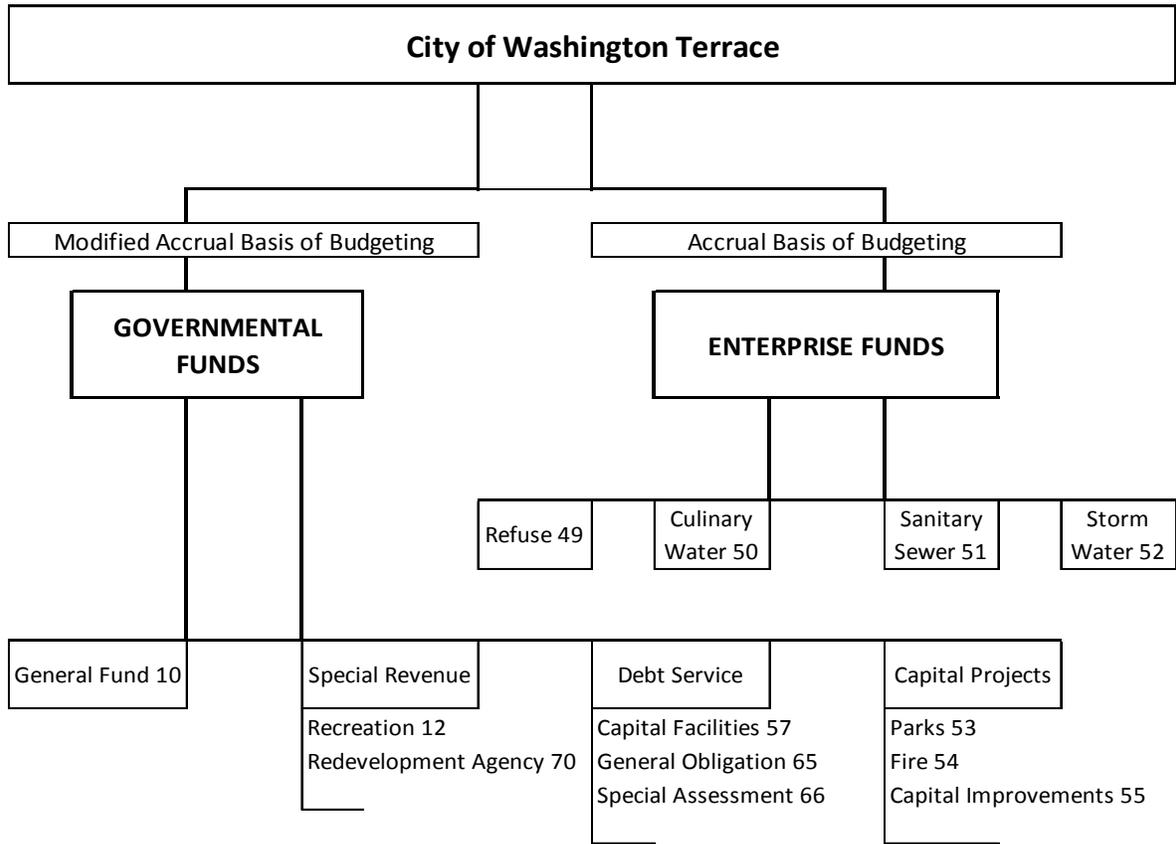


Figure 6 – Fund Structure

Revenues

EXECUTIVE SUMMARY – REVENUES

MAJOR REVENUES SUMMARY

Revenue Forecasting- The City has endorsed the recommended practices issued by the *National Advisory Council on State and Local Budgeting* addressing budgeting and financial planning, specifically the six revenue forecasting practices.

- Multi-year revenue/resource projections
- Maintaining an in-depth understanding of revenues/resources
- Assessing the effects of potential changes to revenue source rates and bases
- Periodically estimate the impact and potential foregone revenue/resources as a result of policies that exempt from payment, provide discounts and credits, or otherwise favor a particular category of taxpayers or service users
- Developing a process for achieving consensus on the forecast of revenues used to estimate available resources for a budget
- Preparing and maintaining a revenue manual that documents revenue sources and factors relevant to present and projected future levels of those revenues

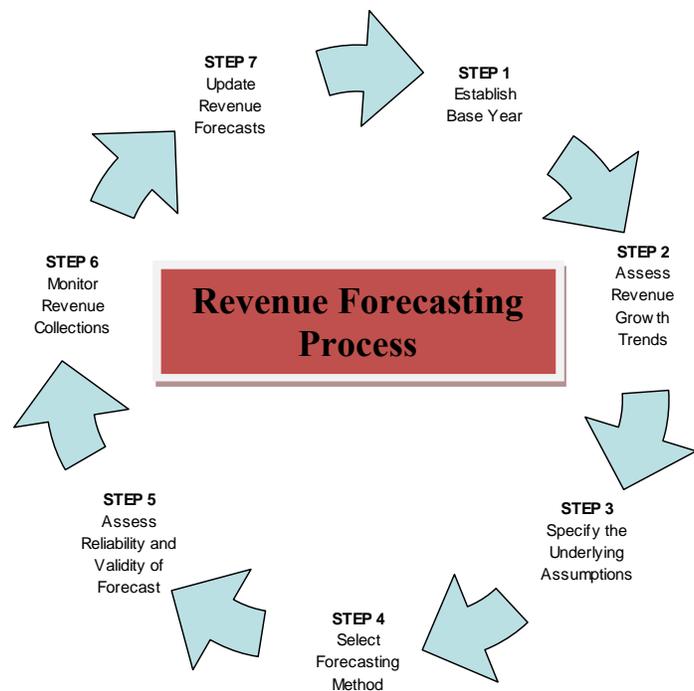


Figure 7 – Revenue Forecasting Process

Forecasting Methodology- The City uses *qualitative* and *quantitative* approaches to forecasting revenues that include, but are not limited to:

- Economic Reviews/Publications/Symposiums
- Departmental Surveys
- Comparing Collections against Projections

EXECUTIVE SUMMARY – REVENUES

- National, State, and Local Policy Changes
- Consensus, Expert, and Judgmental Forecasting
- Trend Analysis

Both forecasting methods include global, national, state, and local analysis that may impact revenues and financial planning.

Government-wide **Charges for Services** or a fee charged to a user for goods or services are expected to increase by 2 percent in 2017. Said increase is primarily attributed to a utility rate increases for culinary water, sanitary sewer, and storm water services. Charges for services are expected to increase at by 2-3 percent annually through 2021 to cover growing operating, capital, and debt requirements anticipated for utility services. Charges for services represent 23 percent of total revenues in 2017, excluding interfund transfers & charges.

Government-Wide: Revenues by Major Object							
Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	\$ 3,124,852	\$ 3,061,567	\$ 3,121,025	\$ 3,205,650	\$ 3,269,650	\$ 3,332,650	\$ 3,396,650
% Change from Prior Year	-2%	-2%	2%	3%	2%	2%	2%
Property Tax	1,171,345	1,176,293	1,179,921	1,198,217	1,207,776	1,215,507	1,146,592
% Change from Prior Year	9%	0%	0%	2%	1%	1%	-6%
Sales & Franchise Tax	1,655,508	1,683,900	1,701,288	1,723,449	1,745,908	1,768,671	1,791,741
% Change from Prior Year	2%	2%	1%	1%	1%	1%	1%
Intergov Revenue	2,790,049	2,338,764	1,044,207	1,063,548	1,081,104	1,099,136	1,117,658
% Change from Prior Year	21%	-16%	-55%	2%	2%	2%	2%
Court Fines	154,858	149,000	150,000	150,000	150,000	150,000	150,000
% Change from Prior Year	6%	-4%	1%	0%	0%	0%	0%
Licenses, Permits, & Fees	158,860	193,700	144,750	145,750	146,750	155,000	155,000
% Change from Prior Year	-27%	22%	-25%	1%	1%	6%	0%
Other Revenue	492,800	2,235,837	5,962,477	167,224	165,756	161,969	2,960,815
% Change from Prior Year	-53%	354%	167%	-97%	-1%	-2%	1728%
Interfund Transfers & Charges	2,378,479	2,372,492	2,213,564	2,186,133	2,186,019	2,204,233	2,183,249
% Change from Prior Year	50%	0%	-7%	-1%	0%	1%	-1%
TOTAL REVENUES	\$11,926,750	\$13,211,553	\$15,517,232	\$ 9,839,970	\$ 9,952,963	\$10,087,166	\$12,901,705
\$ Change from Prior Year	\$ 740,924	\$ 1,284,802	\$ 2,305,680	\$ (5,677,262)	\$ 112,993	\$ 134,203	\$ 2,814,539
% Change from Prior Year	7%	11%	17%	-37%	1%	1%	28%

Table 10- Government-wide revenues by major object

Government-wide **Property Tax** revenues in 2017 are expected to remain relatively flat at \$1,179,921. Property Tax revenue represents 9 percent of total government-wide revenues in 2017, excluding interfund transfers & charges. Property Taxes revenue imposed by the City are

EXECUTIVE SUMMARY – REVENUES

reported in the following funds: General, Debt Service, and SID funds.

Tax receipts deposited in the General Fund help support general governmental programs/services including public safety (police, fire, justice court, inspections) streets, parks and recreation, public facilities, and other supporting administrative services.

Figure 8 - “Where the Money Comes From - FY 2017” budget identifies the major resources for all funds combined excluding interfund transfers.

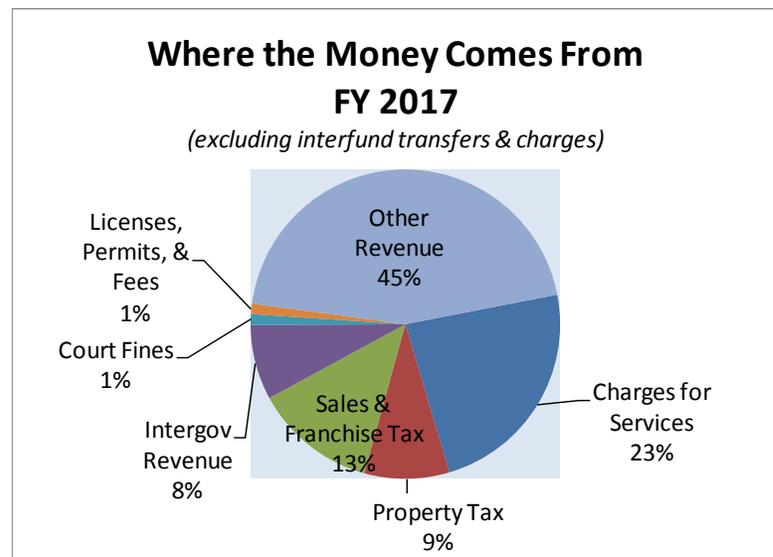
Tax receipts deposited in the Debt Service Fund are used to repay long-term debt issued for the purpose of constructing and reconstructing of roads within the City together with related

sidewalk, storm drainage, water and sewer, other related improvements, and capital equipment.

Tax receipts deposited in the Special Improvement District (SID) Fund are used to repay bonds issued for the improvements in a specific area. The SID Bonds were used for the paving of streets on an extension of Adams Avenue together with related sidewalk, storm drainage, water and sewer, and other related improvements.

Government-wide **Sales & Franchise Tax** receipts are estimated to reach \$1,701,288 in 2017 up 1 percent or \$17,388 compared to 2016. Sales and franchise taxes represent 13 percent of total government-wide revenues in 2017 (excluding interfund transfers).

The 2017 budget estimates revenue generated from **Sales Tax** receipts at \$1,009,400 up 2 percent or \$20,188 compared to 2016.



EXECUTIVE SUMMARY – REVENUES

Sales & Franchise Tax receipts are deposited into the General Fund to support general governmental services. Table 12 represents the sales and use tax rates for the City in the Weber

Sales Tax Current Rates	
Tax	Rate
State Sales & Use Tax	4.70%
Local Sales & Use Tax	1.00%
Mass Transit Tax	0.25%
Add'l Mass Transit Tax	0.25%
County Botanical, Cultural, Zoo Tax (a.k.a. R.A.M.P. Tax)	0.10%
County Option Transportation	0.25%
Supplemental State Sales & Use	0.05%
County Options Sales Tax	0.25%
Transportation Infrastructure	0.25%
Total Sales Tax	7.10%

Effective April 1, 2016

County locality as of April 1, 2016. The combined sales and use tax rates includes: state sales & use, local option sales & use, mass transit, arts & zoo, transportation, and county option sales tax.

Table 11 (left) Effective Sales Tax Rates for the City since April 1, 2016.

The sales tax rate remained unchanged at 6.60 percent between April 1, 2005, through January 1, 2008, when the rate decreased by 1.52 percent to 6.50 percent-- the State's portion of the combined sales and use tax was reduced by 0.10 percent on certain transactions. On April 1, 2008, the tax rate increased from 6.50 to 6.75 percent for county option transportation tax. On July 1, 2008, a supplemental state sales and use tax was imposed increasing the tax rate from 6.75 to 6.80 percent. Effective January 1, 2009, the state sales tax rate increased from 4.65 percent to 4.70 percent resulting in a combined tax rate of 6.85 percent. Lastly, effective April 1, 2016, the rate increased from 6.85 percent to 7.10 percent attributed to a new county imposed local option transportation tax of \$0.0025.

Table 12 (right) Historical Sales Tax Rates for the City between October 1, 2007 and April 1, 2016.

Historical Sales Tax Rates		
Period Effective	Rate	Change
10/1/2007	6.60%	0.00%
1/1/2008	6.50%	-1.52%
4/1/2008	6.75%	3.85%
7/1/2008	6.80%	0.74%
1/1/2009	6.85%	0.74%
4/1/2016	7.10%	3.65%

The tax on food and ingredients is 3 percent statewide. This includes the state rate of 1.75 percent, local option rate of 1 percent, and county option rate of 0.25 percent. In general, for each dollar collected from the sales and use tax, 50 percent is paid to each county, city, and town on the basis of the percentage that the population bears to the total population of all counties, cities, and towns in the state. An additional 50 percent is paid to each county, city, and town on the basis of the location the point of sale. The City receives one half of 1 percent of the Local

EXECUTIVE SUMMARY – REVENUES

Sales and Use Tax. Additionally, for sales of residential energy, the combined rate is reduced by 2.70 percent.

Government-wide **Franchise Tax** in 2017 is projected to decrease by 0.4% or \$2,800 compared to 2016. Franchise Tax receipts for cable services are collected at 5 percent of gross sales. Power and gas services are collected at 6 percent and telecommunications 3.5 percent of gross sales.

Government-wide **Intergovernmental Revenue** represents 8 percent of total revenue in 2017, excluding interfund transfers & charges. Intergovernmental revenue receipts are estimated to report a net decrease of 55 percent or \$1,294,557. Said decrease is largely attributed one-time capital grant funding of \$1,194,577 reported in 2016 from the State Transportation Program (STP) Funds. The total award of \$4,049,348 is expected to be recognized through 2016. The grant was used to fund the Adams Avenue road reconstruction project.

Intergovernmental Revenues also reports the collection of Class B & C road funds. The State legislature has assigned a formula that appropriates Class ‘C’ monies as follows: 50 percent based on population and 50 percent to weighted road miles. Since October 2013, the City has reported 29.04 miles of eligible paved road. Class ‘C’ road monies are collected in the General Fund and are restricted to road related improvements and maintenance. Class C road funds are expected to reach \$305,000 in 2017 up from an estimated \$281,000 from 2016. Said increase is being attributed to a \$0.05 increase to the state gas tax effective January 1, 2016.

Additionally, a new local option, county imposed transportation sales tax of \$0.0025 was imposed April 1, 2016. The fiscal impact for 2017 is estimated at \$245,968.

Lastly, the Redevelopment Fund reports property tax increment revenue (imposed by other taxing entities) deposited with the Redevelopment Agency Fund to be used to repay bonds issued through tax increment financing for redevelopment and economic development. The redevelopment improvements include land acquisition, street construction, installation of utilities and other related improvements in effort to achieve economic development goals of growth in property values, growth in sales tax receipts, job creation, and protection of the local base.

EXECUTIVE SUMMARY – REVENUES

The fiscal year 2017 anticipates receiving \$398,372 from the Southeast Project Area and \$19,800 from the Central Business District. The Southeast Project Area is anticipating a reduction in the increment collected. In 2016, the Southeast Project Area was renewed for an additional 10-year term beginning 2017. The renewal allows for the redevelopment area to collect increment based on 50 percent of its marginal value compared to 2016 collecting at 60 percent of marginal value. This decrease in available marginal value is estimated to cost the project area \$34,628 in 2017.

Government-wide **Court Fine** revenue is estimated to increase by 1 percent or \$1,500 in 2017. Fines represent 1 percent of the City's revenue in 2017. Fines and Forfeitures are collected in accordance to the bail schedule established by the State Judicial Council and City ordinance. In general, the City collects 20 percent of the fee imposed for a court security charge, 85 percent for Class B misdemeanors, and 35 percent for Class C misdemeanors. The difference is collected and disseminated to the state as a surcharge. Beginning April 1, 2010, the City entered into an interlocal agreement with Mariott-Slaterville City to consolidate Justice Court services, thereby expanding the jurisdiction of the Washington Terrace Justice Court to include the municipal limits of Mariott-Slaterville City. In 2016, it is estimated that Mariott-Slaterville City will generate \$70,000 in revenue for the City.

Government-wide **Licenses, Permits, & Fees** are collected in accordance with the City's fee schedule established by the local legislative body. Licenses, Permits, and Fees include building permits, business licenses, and planning fees and are deposited in the General Fund. Receipts in 2017 are expected to decrease by 25 or \$48,950 compared to 2016 as fewer building permits and related planning fees are expected to be issued. Licenses, Permits, and Fees represent 1 percent or \$144,750 of the City's total revenue sources in 2017.

Government-wide **Other Revenue** represents 45 percent or \$5,962,477 of the City's projected revenues for 2017 resulting in a net increase of \$3.7 million from prior year. This significant difference is attributed to the anticipation of issued long-term debt of \$5,460,000 to finance a new public works facility. Additionally, in 2016, the City refinanced the General Obligation Bonds Series 2005 to obtain a lower interest rate. The refinance \$1,802,000 proceeds were

EXECUTIVE SUMMARY – REVENUES

reported in 2016, thereby reducing the net increase in 2017 by the same.

Other revenue includes, but not limited to, interest earned, late fees and penalties, non-intergovernmental grants, long and short-term debt proceeds, impact fees, sale of fixed assets, and other miscellaneous receipts.

Requirements

EXECUTIVE SUMMARY – REQUIREMENTS

MAJOR REQUIREMENTS SUMMARY

Departments are given specific instructions during the budget process that all budget requests must meet prior to being considered by the City Council. Generally, the criteria is as follows: (1) directly tied to a legislative policy statement/direction; or (2) the department can demonstrate through quantifiable means that there is an exceptional need; or (3) offset by a new revenue source; or (4) directly tied to an expense reduction in the department’s existing operating budget; or (5) federal, state, or local mandate; (6) contractual obligation; or (7) health/safety issue. See Budget Process for more information.

Government-Wide: Requirements by Major Object							
Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Departmental Operations	\$ 4,398,169	\$ 4,689,676	\$ 4,711,697	\$ 4,832,149	\$ 4,923,717	\$ 5,016,160	\$ 5,079,812
<i>% Change from Prior Year</i>	-13%	7%	0%	3%	2%	2%	1%
Capital	2,842,711	5,992,198	8,107,588	1,551,940	1,595,745	1,627,778	4,495,946
<i>% Change from Prior Year</i>	21%	111%	35%	-81%	3%	2%	176%
Debt Service	1,152,623	2,734,711	1,271,451	1,284,391	1,275,788	1,282,661	1,157,337
<i>% Change from Prior Year</i>	-5%	137%	-54%	1%	-1%	1%	-10%
Interfund Transfers & Charges	2,354,563	2,347,618	2,189,278	2,161,247	2,161,754	2,179,582	2,158,831
<i>% Change from Prior Year</i>	58%	0%	-7%	-1%	0%	1%	-1%
TOTAL REQUIREMENTS	\$ 10,748,065	\$ 15,764,203	\$ 16,280,014	\$ 9,829,728	\$ 9,957,004	\$ 10,106,181	\$ 12,891,925
<i>\$ Change from Prior Year</i>	\$ 630,197	\$ 5,016,137	\$ 515,812	\$ (6,450,287)	\$ 127,276	\$ 149,178	\$ 2,785,743
<i>% Change from Prior Year</i>	6%	47%	3%	-40%	1%	1%	28%

Table 13 – Government-Wide Requirements by Major Object – Departmental Operations (Personnel and Materials, Services, & Supplies combined).

Government-wide **Departmental Operating** requirements include Personnel and Materials, Supplies, and Services. Departmental Operating requirements are expected to increase by 0.47 percent or \$22,020 in 2017 then 1-3 percent annually between 2018 and 2021.

EXECUTIVE SUMMARY – REQUIREMENTS

Departmental Operating requirements are typically the largest requirement. In 2017, however, Department Operations, (excluding interfund transfers) are expected to represent approximately 37 percent of total requirements due to unusually high capital requirements representing a larger share of total requirements.

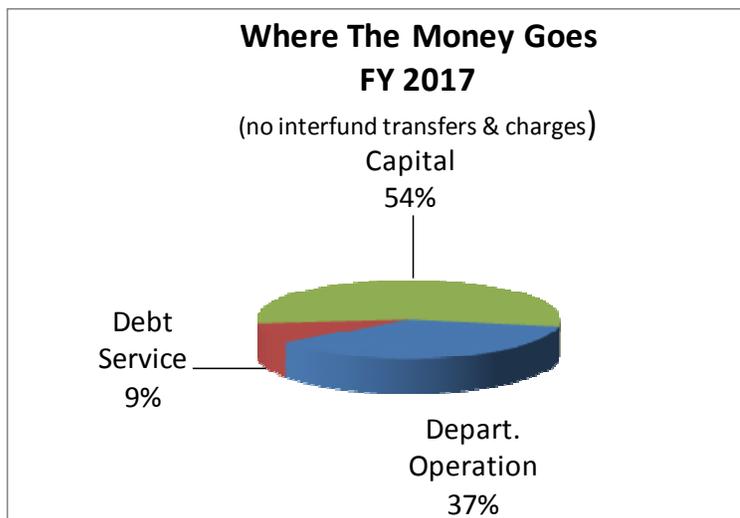


Figure 12 (right) “Where The Money Goes FY2017,” represents the three major city-wide requirements.

Government-Wide: Requirements by Major Object

Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	\$ 1,624,721	\$ 1,753,990	\$ 1,805,952	\$ 1,855,841	\$ 1,897,578	\$ 1,926,462	\$ 1,956,734
% Change from Prior Year	3%	8%	3%	3%	2%	2%	2%
Materials, Supplies, & Services	2,773,448	2,935,686	2,905,745	2,976,308	3,026,139	3,089,698	3,123,078
% Change from Prior Year	-20%	6%	-1%	2%	2%	2%	1%
Debt Service	1,152,623	2,734,711	1,271,451	1,284,391	1,275,788	1,282,661	1,157,337
% Change from Prior Year	-5%	137%	-54%	1%	-1%	1%	-10%
Capital	2,842,711	5,992,198	8,107,588	1,551,940	1,595,745	1,627,778	4,495,946
% Change from Prior Year	21%	111%	35%	-81%	3%	2%	176%
Interfund Transfers & Charges	2,354,563	2,347,618	2,189,278	2,161,247	2,161,754	2,179,582	2,158,831
% Change from Prior Year	58%	0%	-7%	-1%	0%	1%	-1%
TOTAL REQUIREMENTS	\$ 10,748,065	\$ 15,764,203	\$ 16,280,014	\$ 9,829,728	\$ 9,957,004	\$ 10,106,181	\$ 12,891,925
\$ Change from Prior Year	\$ 630,197	\$ 5,016,137	\$ 515,812	\$ (6,450,287)	\$ 127,276	\$ 149,178	\$ 2,785,743
% Change from Prior Year	6%	47%	3%	-40%	1%	1%	28%

Table 14 (above) – Government-Wide Requirements by Major Object – Departmental Operations separated by Personnel and Material, Supplies & Services.

Personnel requirements, representing 12 percent of government-wide requirements, are expected to increase by 3 percent or \$51,962 in 2017 then 2-3 percent annually between 2018 and 2021. Personnel requirement increases are attributed to market adjustments, staffing levels, and employee benefits (i.e. retirement, health care, FICA, travel and training). Salaries and wages are driven from the Wasatch Comp Group (see Personnel, Market Pay Analysis).

EXECUTIVE SUMMARY – REQUIREMENTS

For more information on Personnel requirements refer to the Major Budget Issues and Priorities section of this document.

Materials, Services, and Supplies, the largest operating requirement, are projected to remain relatively constant at \$3,693,022 in 2017 then increase by 1-2 percent annually through 2021.

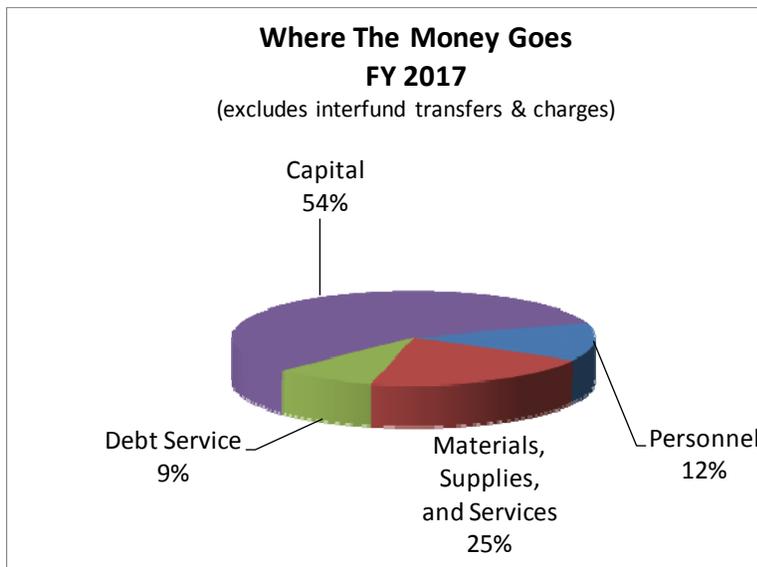
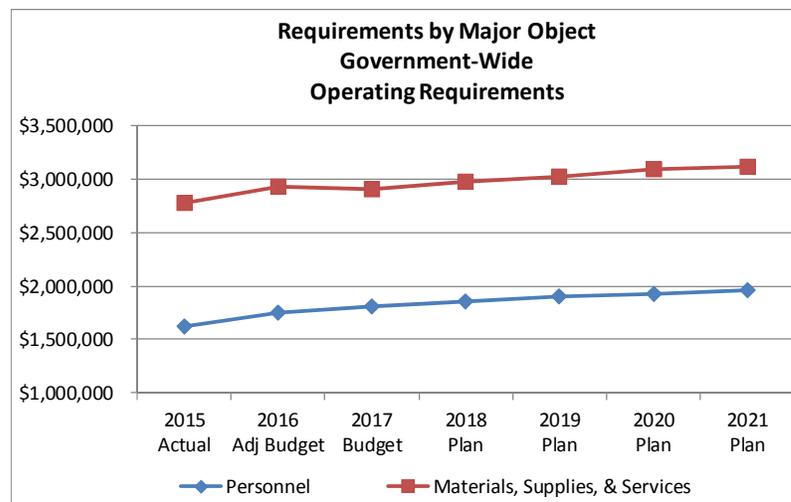


Figure 10 (left) “Where The Money Goes FY 2017,” represents the four major government-wide requirements.

Materials, Supplies, and Services requirements, as a percentage of Departmental Operating requirements, represent 67 percent of total Departmental Operating requirements in 2017.

Additional detailed information on Department Operations including Materials, Supplies, Services and Personnel Requirements can be found in the Operating Budgets and Fund Summaries.

Figure 11 (right) represents Personnel and Materials, Services, and Supplies as a dollar amount of Operating requirements for all funds combined.



EXECUTIVE SUMMARY – REQUIREMENTS

PERSONNEL & COMPENSATION

Recruiting and retaining high quality employees is a primary goal of the City. There continues to be an increasingly competitive market for municipal employees and highly competitive market for general employment.

According to the *Utah's Employment Summary: June 2016* issued by the Utah Department of Workforce Services, Utah's nonfarm employment for June 2016 grew by an estimated 3.5 percent, adding 48,500 jobs to the economy compared to June 2015. Current employment registers at 1,427,800. June's seasonally adjusted unemployment rate increased two-tenths from May to 4.0 percent. Approximately 59,200 Utahans were unemployed in the month and actively seeking work. The national unemployment also rose two-tenths of a percentage point to 4.9 percent.

According to the Utah Department of Workforce Services, there is no consumer price indexes (CPI) data specific to Utah, therefore national data is used. The United States Department of Labor Bureau of Labor and Statistics the CPI program produces data on changes in the prices paid by urban consumers for a representative group of goods and services. The Denver metro area (the closest metro area reported) reported a change of +2.73 percent between June 2015 and June 2016.

Compensation Philosophy: The quality of life in and surrounding the City assists in attracting qualified candidates. The City must maintain a competitive total compensation package in order to attract and retain a competent workforce. Establishing a compensation plan that balances the interest of the operating budget and attracting, developing, retaining, and rewarding high quality staff is challenging. Variables that may be considered in developing the City's pay plan include the following: (1) salary and total compensation plans for similar positions among selected benchmark communities; (2) supply and demand of qualified candidates; (3) internal equity; (4) the cost of living; and (5) available City resources.

EXECUTIVE SUMMARY – REQUIREMENTS

Market Pay Analysis

Each year, as part of the budget process, the City will complete a pay benchmarking study with the Wasatch Comp Group and a number of governmental entities to determine how the City’s salaries, wages, and benefits package compare with other benchmark communities. A predetermined group of cities have been identified by the City Council as a “benchmark” group whereby each position will be compared for market analysis to ensure that the City’s compensation packages are comparable to that of other local communities. The City Manager and Human Resource Director have evaluated the compensation and benefits data with other benchmark communities to determine if any position changes or adjustments are necessary. Positions determined by the benchmark to be eligible for an adjustment have been included in the tentative budget.

Salary & Wage Plan: The City compensation plan is a “Pay-for-Performance” strategy that is based on market driven salaries and wages determined by benchmark communities in connection *with* incentives for performance pay. This represents a substantial change from a traditional step-and-grade system to a pay-for-performance model. The City has moved away from a “step-and-grade” system to a market model for compensation. Each year as part of the budget process, the City conducts a wage compensation study/review.

Salary & Wage Compensation Plan				
<u>Market Adjustments and Pay-For-Performance</u>				
Non-Exempt Employees (Hourly)				
Position	2016		2017	
	Min	Max	Min	Max
Court Clerk	\$ 11.47	\$ 14.39	\$ 11.47	\$ 14.39
Fire shift pay (per 12 hr. shift)	59.68	59.68	59.68	60.38
Recreation Aide	8.84	9.00	8.84	9.00
Recreation Coordinator	8.84	14.86	8.84	14.86
Utility Service Worker I	12.63	16.34	12.63	16.50
Utility Service Worker II	15.19	18.03	15.19	18.44
Utility Service Worker III	17.59	20.86	17.59	21.56
GIS	11.54	14.35	11.54	14.35
Recorder	16.59	25.44	16.59	25.44
Utility Billing Clerk	12.50	17.39	12.50	17.89
Exempt Employees (Salary)				
Building Official	\$43,216	\$64,445	\$43,216	\$64,974
City Manager	72,000	103,300	72,000	103,300
Council Member	2,400	2,400	2,400	2,400
Court Judge	20,685	26,230	20,685	26,230
Court Supervisor	32,167	45,618	32,167	46,839
Finance Director	56,000	85,291	56,000	87,079
Fire Captain	4,992	4,992	4,992	4,992
Fire Chief	31,262	48,500	31,262	49,955
Maintenance Operations Sup.	43,680	56,888	43,680	58,656
Mayor	7,200	7,200	7,200	7,200
Public Works Director	56,800	85,100	56,800	86,807
RDA Board Member	2,400	2,400	2,400	2,400
Recreation Director	31,933	46,910	31,933	46,910
Treasurer/HR	39,500	69,616	39,500	70,213

Table 15 – City-wide Pay Plan

EXECUTIVE SUMMARY – REQUIREMENTS

The review includes collection wage data comparable to other benchmark communities in Weber and Davis Counties. The benchmark results have been addressed in the budget that includes a 4 percent at-risk performance pay. The pay plan as illustrated in Table 18 is broken into exempt and nonexempt pay plans according to Fair Labor Standards Act (FLSA).

Benefits: The City offers a comprehensive and competitive benefit package/options that include, but not limited to: health, dental, life, disability insurance, pension, 401k, 457, Roth IRA, and Traditional IRA savings plans, and a variety of leave benefits including vacation, holiday, and sick leave.

Health and Dental: The City implements a cost sharing strategy with employees for health, dental, accidental death and dismemberment (AD&D), and basic life insurance coverage. Public Employees Health Program (PEHP) is the City’s current health, dental life, and AD&D provider. Each year the City evaluates plan coverage and related cost to determine the best affordable option. The sustainability of health care’s growing costs continues to be on going concern and will be continue to be closely monitored by staff to determine what will be in the best interest of the employees and the City. In order to support the local economy and the direct benefit to the City, it is the practice of the City to ensure that Ogden Regional Medical Center is a primary care provider for hospital services.

Table 16 – Employer/employee share of health, dental, employer provided basic life, and AD&D

Advantage/Summit Plan			
Share of Premium	Single	Double	Family
Employer's	90%	90%	90%
Employees'	10%	10%	10%

The City offers through PEHP two different coverage plans for employees to choose from— Advantage and Summit. Essentially each plan offers different options for network providers. The following table represents the employer and employees’ share of premiums. For 2017, the Advantage and Summit plans are offer the same premium rate. In plan years for which plan premiums may differ, the employer’s share will be 90% of the most inexpensive plan—the employee would be required to fund the plan difference thus requiring a contribution in excess of 10%. The 2017 budget anticipates that health coverage premiums will increase by 5.5% and dental 1%.

EXECUTIVE SUMMARY – REQUIREMENTS

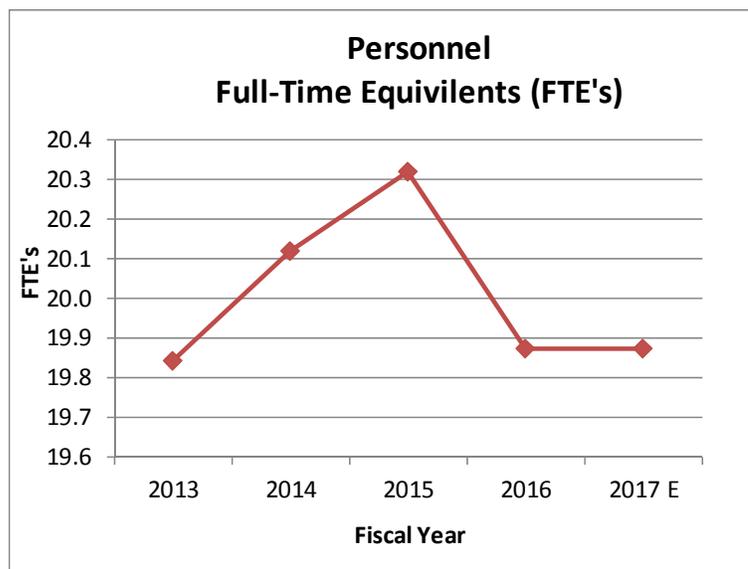
Retirement: The City offers pension retirement through Utah Retirement Systems (URS) Public Employees' Noncontributory Retirement System. Employer paid retirement contributions are governed by Utah State Law and are subject to change annually.

Retirement benefits administered through Utah Retirement Systems public employees' noncontributory Tier 1 system employer contribution rate will remain unchanged at 18.47%. The Tier 2 system employer contribution rate will remain unchanged at 16.69%. The Firefighters' Retirement System Division A (including employer pickup election) will experience a rate *decrease* of 0.10% resulting in a total employer contribution rate of 18.94%. Of said amount, 15.05 percent represents the required employee contribution (the City has elected to pick up the employee contribution indefinitely) and 3.89 percent represents the required employer contribution. Additionally, the City contributes a non-matching 4 percent to eligible exempt employees' qualified 401k plan.

Beginning approximately January 1, 2009, the City began offering pension retirement through URS Firefighter's Retirement System Division A for eligible employees. The City has chosen a pick-up election in which the City elects to pay all of the employees required contribution within the contributory plan. Employer and employee paid retirement contributions are governed by Utah State Law and are also subject to change annually.

Figure 12 - Changes in full-time equivalents (FTEs).

Between 2012 and 2014, full-time equivalents have increased by 0.48. Changes to FTEs during this period



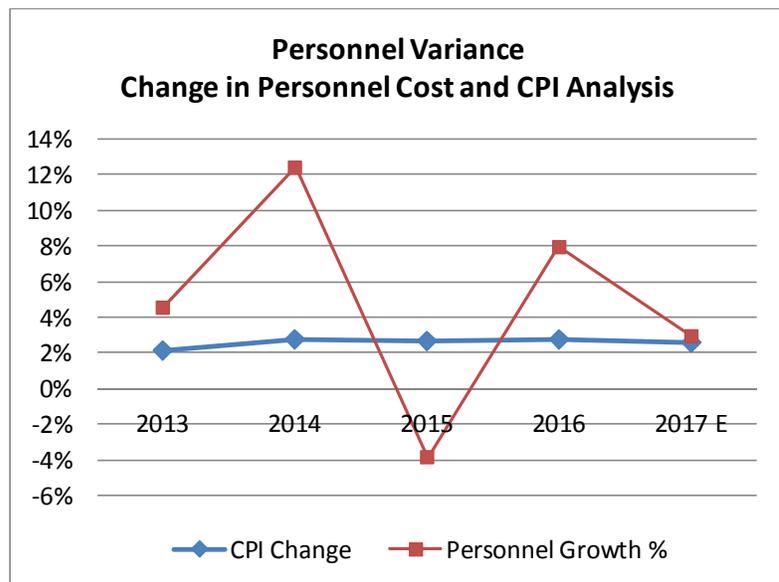
were largely due to temporarily staffing the Communities that Care (CTC) Program in the Administration Department. No other changes in FTEs are anticipated at this time.

EXECUTIVE SUMMARY – REQUIREMENTS

Figure 14 shows that personnel growth rates since 2013 have an altering year spike valley pattern. Although this unsmoothing growth rate pattern may not depict meaningful correlation with the Consumer Price Index (CPI), it does offer staff an informational tool to begin analyzing personnel variables that attribute to these differences. Further variable and correlation analysis would be necessary to ascertain direct correlation between personnel growth and the CPI.

CPI source: Bureau of Labor Statistics, Denver Metro Area.

Figure 13– Changes to personnel costs to changes in the consumer price index relative to growth

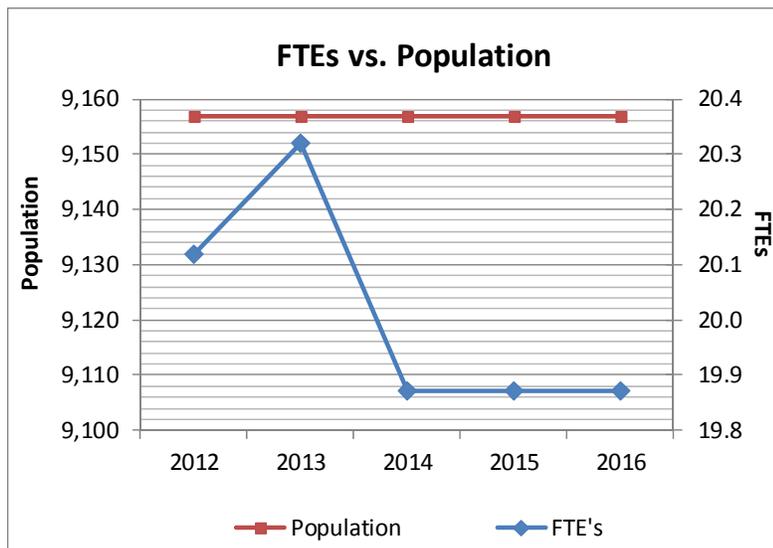


There are several variables to consider when comparing personnel cost and CPI are the differences between budget year estimates in 2016 - 2017 and actual expenditures in 2013, 2014, and 2015. Estimated years may show higher personnel costs than actual years—estimated costs may be higher than actual. Other contributing factors include reinstating the pay plan beginning in 2013; position changes/staffing levels, turnover, and personnel benefits that follow other indexes. Relatively short tenure of employee’s or frozen pay bands indicates that growth could be occurring at a higher rate while employees are moving through their pay scales in addition to raising benefit costs such as health insurance and pension.

EXECUTIVE SUMMARY – REQUIREMENTS

Figure 15 depicts the relationship between the number of FTEs or labor productivity to population. Between 2012 and 2016, the number of FTEs grew on average, 0.6 percent annually.

The number of FTEs between 2012 and 2016 decreased by 0.03 FTEs. Changes to FTEs between 2012 and 2014 were largely due to temporarily staffing the Communities that Care (CTC) Program. Excluding the CTC Program from the analysis would otherwise depict flat FTE growth since 2012. These FTE growth patterns are consistent with the City’s population



growth which has remained largely flat--estimated annual growth rate of 0.27%.

Figure 14 (left) compares the number of full-time equivalents (FTEs) to population.

As shown in Table 20, the Public Works Department is the largest department by FTEs at 8.73. All

departments have remained relatively flat between 2013 and 2017, except Administration. Changes to FTEs in 2012-2014 are attributed to temporarily staffing the Communities That Care Program as described above. The Fire/EMS Department is a volunteer department comprised of 1 full-time chief and up to 25 volunteers—Table 20 only reports the 1 full-time chief position.

FTEs BY DEPARTMENT					
Department	2013	2014	2015	2016	2017E
Administration	3.78	4.00	3.00	3.00	3.00
Code Enforcement, Building, and Planning	1.00	1.00	1.56	1.56	1.56
Fire & Emergency Medical Services	1.00	1.00	1.00	1.00	1.00
Human Resources, Treasurer, and Utility Billing	2.56	2.56	2.55	2.55	2.55
Justice Court	1.63	1.63	1.63	1.63	1.63
Leisure Services	1.40	1.40	1.40	1.40	1.40
Public Works	8.75	8.73	8.73	8.73	8.73
TOTAL	20.12	20.32	19.87	19.87	19.87

Table 17 (above) compares the number of full-time equivalents (FTEs) by department.

EXECUTIVE SUMMARY – REQUIREMENTS

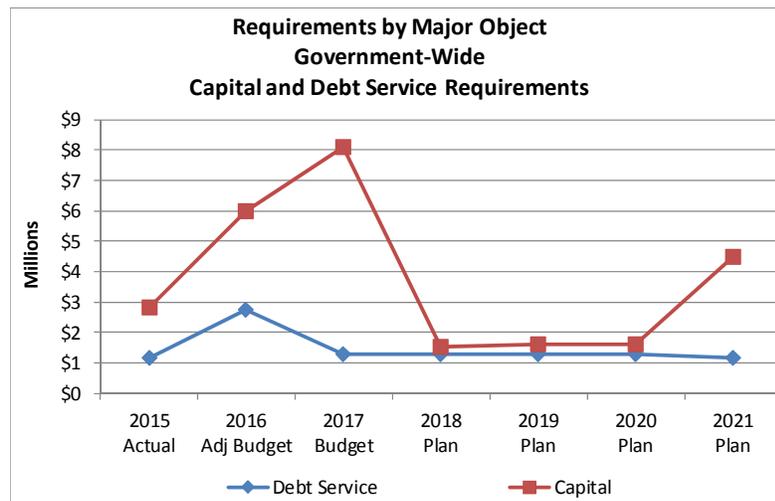
CAPITAL AND DEBT SERVICE REQUIREMENTS

Capital requirements are scheduled to increase from \$5,992,198 to \$8,107,588 or a change of \$2,115,390 in 2017.

The greatest increase and change in capital requirements for 2017 are expected to occur within the Water Enterprise Fund. Capital requirements are expected to increase from \$1,791,617 to \$5,835,148 or an increase of \$4,043,531. Said increase is attributed to the constructing of a new public works facility estimated at \$5,460,000. This project is expected to be financed by issuing utility revenue bonds to be repaid by water, sewer, storm water, and refuse utility funds in addition to general governmental contributions.

Capital project plans are subject to change within and beyond this budget plan according to project priorities and funding availability.

Additionally, in 2021, the budget and capital plan anticipate the road reconstruction of 300 west between 5000 south to the Riverdale City limits. Plans and preparations are being made to



secure STP funding for this project. STP funding requires a 6.77% city match for eligible project costs.

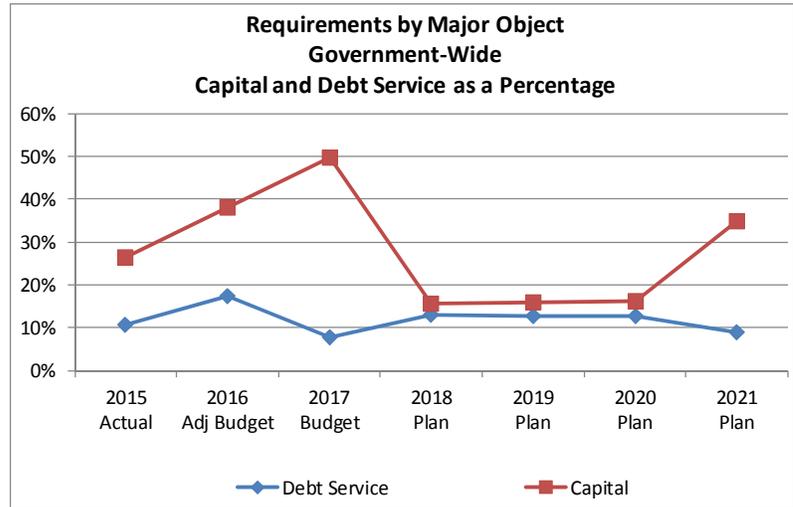
Figure 15 (left) represents capital and debt service requirements for all funds combined.

The share of capital, as a percentage and dollar requirements, tends to fluctuate with funding availability. The City's Capital Facilities Plan addresses capital needs in the following areas: Road Maintenance and Replacements; Fleet Replacements; Building Maintenance and Replacements; Park Improvements; and Culinary Water, Sanitary Sewer, and Storm Drainage Infrastructure. The

EXECUTIVE SUMMARY – REQUIREMENTS

Plan further anticipates potential funding sources that include: Class ‘C’ road funds, Enterprise Funds, Impact Fees, Grants, and General Fund contributions.

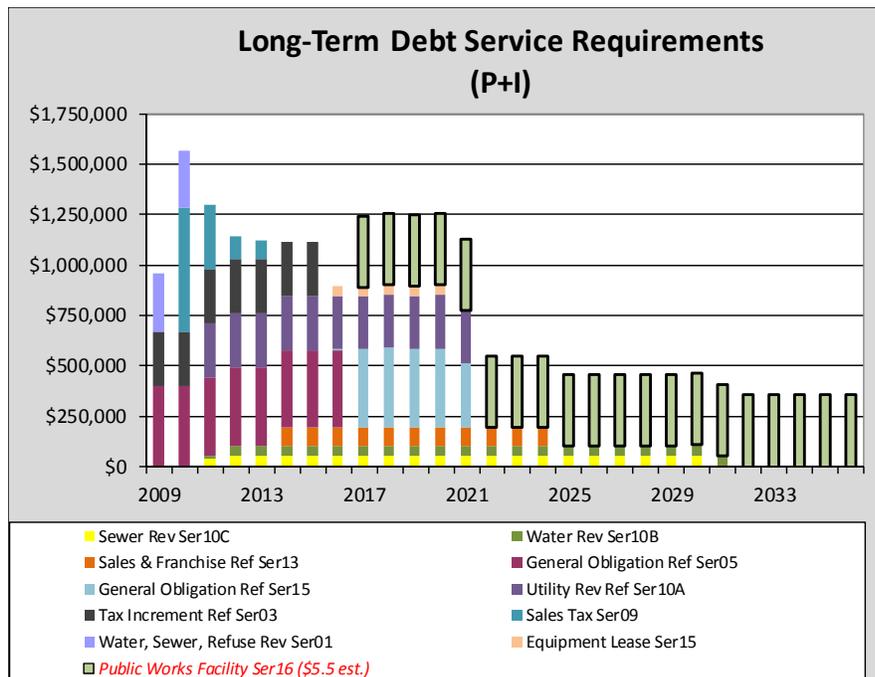
Figure 16 (right) represents capital and debt service requirements for all funds combined as a percentage.



Debt Service

Recently Issued

The most recent long-term debt issued was in February 2015. The City entered into a \$220,000, 5- year Lease Purchase Agreement with Zions First National Bank for the purchase a fire ladder truck. The true interest cost (TIC) is stated at 2.14% with semi-annual principal and interest payments due of \$23,315.



Retired

The Redevelopment Agency made its final principal and interest payments due on its Tax Increment Refunding Series 2003 Bonds in 2015. There are no imminent plans to issue additional tax increment revenue bonds.

Figure 17 (above) represents total annual debt service requirements through 2036.

EXECUTIVE SUMMARY – REQUIREMENTS

Impending

Impending long-term debt to be issued includes an estimated \$5,460,000 of utility revenue bonds in 2017 for construction and land acquisition of a new public works facility.

Debt Limits

The State of Utah limits a city’s direct general obligation debt to 4 percent of assessed valuation; in 2015, the City’s outstanding GO debt is 0.60 percent of assessed value.

For more information on the City’s debt management policies, see the Policies and Objectives section of this budget document.

Outstanding Debt (Bonds)											
Fiscal Year ended June 30, 2015											
Fund	Bonds Outstanding	Series	Activity	Par Amount	Ending Balance	Principal Due within one year	Interest Due within one year	Maturity (year)	Interest Rate	*Rating	
Debt Service	Fund 65	General Obligation Refunding	2005	Governmental	3,445,000	2,085,000	315,000	64,863	2021	2.1-4.1%	Rated 'Aaa' (XLCA Insured; underlying 'A3')
Capital Facilities	Fund 57	Sales and Excise Tax Revenue	2013		1,195,000	902,000	102,000	17,860	2024	1.98%	Not rated
Redevelopment Agency	Fund 70	Redevelopment Agency Tax Increment	2003		2,490,000	-	-	-	2015	4.70%	Not rated
Water, Sewer, Storm Drain, & Refuse Enterprise	Fund 50	Utility Revenue	2010A	Business-Type	2,425,000	1,385,000	210,000	50,962	2021	4.00 - 5.25%	Rated 'AAA' (AGM Insured; underlying 'AA')
	Fund 51	Utility Revenue	2010B		708,000	630,000	28,000	21,431	2031	3.56%	Not rated
	Fund 52	Utility Revenue	2010C		835,000	736,000	35,000	17,525	2031	2.50%	Not rated
Total Outstanding					\$ 9,455,000	\$3,653,000	\$ 375,000	\$107,778			

*Stated as reflected in the official statement. Does not include any subsequent rating upgrades or downgrades.

Table 18 – Long-term debt (bonds) outstanding

Table 21 details government-wide outstanding debt, principal and interest payments due within one year, maturity, interest rates, and ratings.

Bond Ratings

Bond ratings function as an evaluation of credit risk, not a recommendation to invest in a bond or the risk preference of an investor. The bond rating is the most important factor affecting the interest cost on bonds. There are three rating agencies for municipal bonds: Moody’s Investors Services, Standard & Poor’s, and Fitch Ratings. Of these agencies, Standard & Poor’s and Moody’s rate over 80 percent of all municipal and corporate bonds. The analytical framework used by rating agencies includes both qualitative and quantitative aspects. The areas of analysis generally include the economy, debt structure, financial condition, demographic factors, and

EXECUTIVE SUMMARY – REQUIREMENTS

management practices of the governing body and administration.

Insured ratings is the rating agencies assessment of a particular obligation's credit quality given the credit enhancement provided by a financial guarantor. Underlying issuer ratings are the rating agencies opinions of the obligators ability to honor unsecured financial obligations and contracts.

For a comprehensive look at assigned ratings and their representations, please visit www.moodys.com, www.standardpoors.com, or www.fitchratings.com.

As depicted in Table 21, of the six outstanding debt issuances, two have been rated—General Obligation Refunding Bonds, Series 2005 and the Water, Sewer, and Refuse Collection Revenue Refunding Bonds, Series 2010. The remaining four issuances have been privately placed and unrated.

As part of the refunding process for the General Obligation Refunding Bonds, Series 2005, and the City solicited Moody's to conduct a full-rating review. The rating assigned to these bonds was an 'Aaa' XL Capital Assurance Insured with an underlying rating of 'A3'.

Standard & Poor's (S&P) conducted a full-rating review of the refunding process for the Water, Sewer, and Refuse Collection Revenue Refunding Bonds, Series 2010. The rating assigned to these bonds was an AGM insured 'AAA' with an underlying 'AA'. According to S&P, a long-term issue credit rating of 'AA' differs from the highest-rated obligations only to a small degree and believes that obligor's capacity to meet its financial commitments on the obligation is very strong. The highest quality credit rating from Standard & Poor's is AAA.

EXECUTIVE SUMMARY – REQUIREMENTS

Interfund Transfers & Charges or internal sales and purchase of goods, services, or movement of assets between funds, with or without equivalent consideration. Common interfund transfers and charges include: 1) the General Fund charging the utility funds and special revenue funds their share labor, services, and supplies for the operations and management of those programs; 2) Funds charging other internal funds for their share of debt repayment and capital obligations; and 3) Moving resources from the General Fund to the Capital Projects Fund to fund governmental or non-utility capital projects and equipment.

Transferring excess (>25% statutory limit) General Fund balance to the Capital Projects Fund may become necessary for 2015. A determination will be made in the forthcoming months if a transfer of excess funds will be necessary. Reported interfund transfers have been for the purpose of funding one-time capital projects.

Interfund Transfers & Charges are expected to decrease by 7 percent or \$158,340 in 2017 moving from \$2,347,618 in 2016 to \$2,189,278 in 2017.

EXECUTIVE SUMMARY – REQUIREMENTS

Summary of Capital Issues: The following is a summary of the major capital projects included in this year's budget process. As part of the budget process, staff has identified high priority projects for the next 5 years and devised a funding strategy. In some instances, it was necessary to adjust the capital schedule identified in the Plan until funding becomes available. Project priorities may change as capital plans are updated and facility needs and conditions are evaluated.

Refer to the City's Capital Facilities Plans for a comprehensive look at all outstanding capital projects.

Significant Non-Recurring Capital Projects

As part of the budget process and presentations to Council, staff has identified the following major (projects > \$200,000) capital projects as priorities for fiscal year 2017-2021:

A. Construction of Public Works Facility (BM) \$5,000,000 - The concept of constructing a new public works facility is in the preliminary planning phase. Financing options/feasibility, project scope, design, cost, and location will be carefully analyzed to determine what to be in the best interest of the City.

The FY 2015-2017 budget includes the following fiscal considerations in approaching the construction of a new facility. The funding sources to be used to finance this project include all utility funds (water, sewer, storm, refuse) and the general fund/capital projects fund (streets, general govt.).

- FY 2015 (Jul 1, 14- Jun 30, 15) - \$15,000 preliminary planning
- FY 2016 (Jul 1, 15- Jun 30, 16) - \$150,000 planning, design, bidding, etc.
- FY 2017 (Jul 1, 16- Jun 30, 17) - Issue bonds *estimated* at \$5.460M (\$5 for construction and land acquisition; \$460k for cost of issuance, deposit to debt service reserve fund, underwriters discount, etc.)
- FY 2017- 2036 - Debt service fiscal total *estimated* \$353,560 (20-year amortization)

This fiscal approach may change pending the outcome of the planning and analysis phase.

EXECUTIVE SUMMARY – REQUIREMENTS

B. Water Meters with Time-Saving Reading System (CW-21) \$780,334 - The Project scope includes the installation of a Badger water meter system and Automatic Meter Reading (AMR) reading system. This project is funded as follows: \$201,858 expended in 2015 to convert to Badger system; and \$578,00 appropriated in 2016 to convert to Badger system \$302,000 and AMI system \$162,000. This project will be funded with existing resources and the residual balances from the State Revolving Loan Funds. Funds made available 2016 – 2017.

C. 500 West Waterline (CW5) \$406,935 – The Project scope includes a new 10” supply and distribution line. Funding to be made available 2021.

D. Rehabilitate Water Storage Tank #1 (CW6) \$318,000 – The Project scope includes the rehabilitation of tank #1 located on 500 West. Funding to be made available 2021.

E. Well Improvements (CW7) \$200,000 – The Project scope includes various well improvements located at the tank #1 500 West site. Funding to be made available 2021.

F. Replace Water Line (CW30) \$201,775 - The Project scope includes the replacing existing 6” transite pipe with 10” D.I.P. on 300 West between 4800 South and 5000 South. Funding to be made available 2021. Funding to be made available 2021.

G. Replace Sewer Line (SS5) \$268,450 – The Project scope includes the installation of a 10” regraded relief line on 500 West and 5200 South to 4900 South. Funding to be made available 2021.

H. Regional Detention Basin (SD6) \$371,206 – The Project scope includes the installation of a regional detention basin at or about 5200 South and 300 West. Funding to be made available 2021.

I. Intersection Drainage Improvements (SD21) \$135,000 – The Project scope includes various storm water intersection drainage improvements throughout the City. Funding to be made available annually between 2016 and 2020.

EXECUTIVE SUMMARY – REQUIREMENTS

J. **Road Maintenance (RM) \$268,000-\$460,000** – The Project scope includes annual city-wide road maintenance that includes various types of road seal and protection applications and other minor road rework. Funding to be made available annually between 2017 and 2021.

K. **300 West Road Reconstruction (RR) \$3,012,100** - The Project scope includes the road reconstruction of 300 West between 5000 south and Riverdale City limits. Construction to begin 2021.

Significant Changes to Operation and Maintenance Costs

- **Construction of Public Works Facility (BM)** – Additional ongoing operations and maintenance costs are estimated at \$15,100 annually. These costs include utilities and other general buildings and grounds operations and maintenance. Capital Maintenance of \$10,000 for asphalt treatment is anticipated for 2021.

- **Water Meters with Time-Saving Reading System** - TBD

No other *significant* changes to O&M costs are expected with any other projects mentioned above. The majority of the projects focus primarily on infrastructure replacement and maintenance rather than infrastructure additions. The City's aggressive approach to capital planning and replacement has been successful in anticipating growing problems before they have a significant impact on current and future operating budgets. As part of the capital planning process, capital infrastructure additions and replacements are individually analyzed to determine if and to what extent the capital project will impact the operating budgets. *Minor* changes to direct O&M costs can typically be absorbed within the operating budgets.

OPERATING BUDGETS

General Government

Mayor & City Council

City Manager

Finance Director

City Recorder

Treasurer

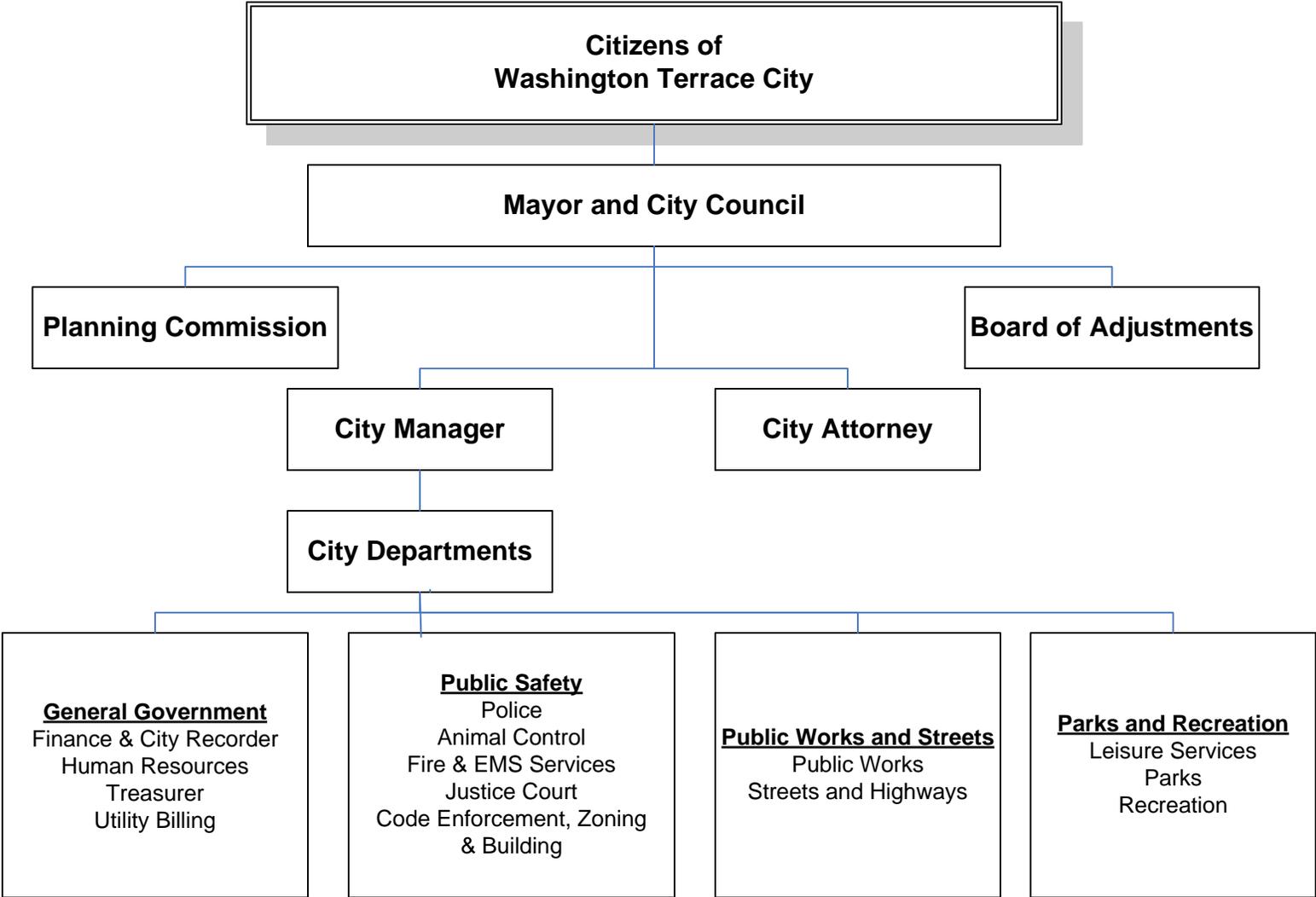
Human Resources

Utility Billing

Non-Departmental

Buildings

City of Washington Terrace Organizational Structure



GENERAL GOVERNMENT: MAYOR AND CITY COUNCIL

Mission

To provide the citizens of Washington Terrace with essential and innovative services in a timely and cost efficient manner.

Department Overview

The City operates under a six-member council form of government as defined by Utah Code Annotated §10-3b-102, with the power and authority set forth in Utah Code Annotated §10-3b-301, et seq, as amended, and subject to the provisions of the existing ordinance appointing a city manager.

The governing body is comprised of six elected at large members, one of which is the Mayor. Each Council member shares equal voting power, the mayor only votes in the cases of a tie. The Mayor and Council serve staggered four-year terms, providing for three office vacancies each municipal election.

General Fund 10: Mayor & City Council

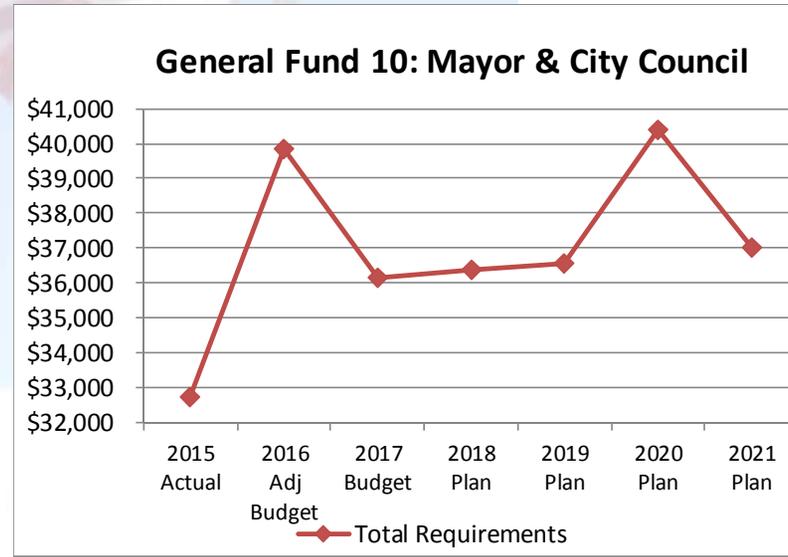
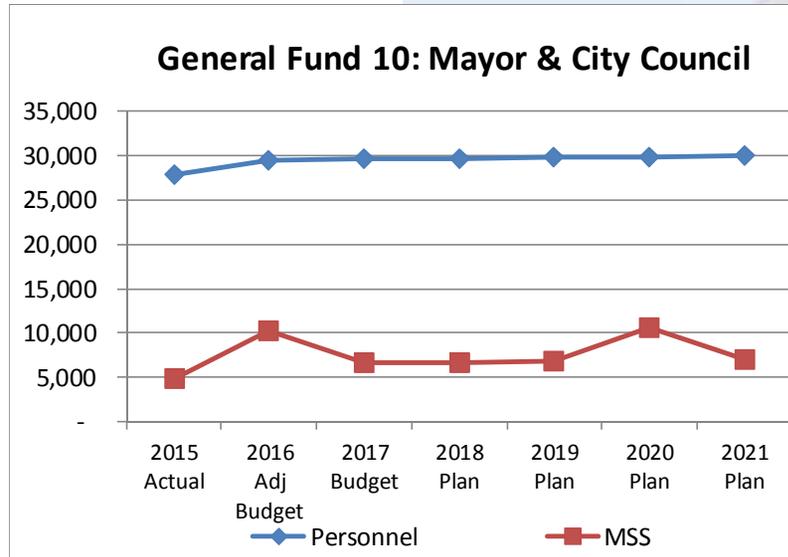
Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Personnel	27,888	29,500	29,580	29,661	29,742	29,825	29,908
Materials, Supplies, and Services	4,838	10,331	6,585	6,706	6,831	10,559	7,091
Total Requirements	\$ 32,726	\$ 39,831	\$ 36,165	\$ 36,367	\$ 36,573	\$ 40,384	\$ 36,999
<i>\$ Change from Prior Period</i>	<i>\$ (1,531)</i>	<i>\$ 7,105</i>	<i>\$ (3,666)</i>	<i>\$ 202</i>	<i>\$ 206</i>	<i>\$ 3,811</i>	<i>\$ (3,385)</i>
<i>% Change from Prior Period</i>	<i>-4%</i>	<i>22%</i>	<i>-9%</i>	<i>1%</i>	<i>1%</i>	<i>10%</i>	<i>-8%</i>

The Mayor and Council’s budget remains largely unchanged from year-to-year. The budget includes compensation for the Mayor and Council, membership dues to professional organizations, travel and training, public relations, and office/equipment expenses.

GENERAL GOVERNMENT: MAYOR AND CITY COUNCIL

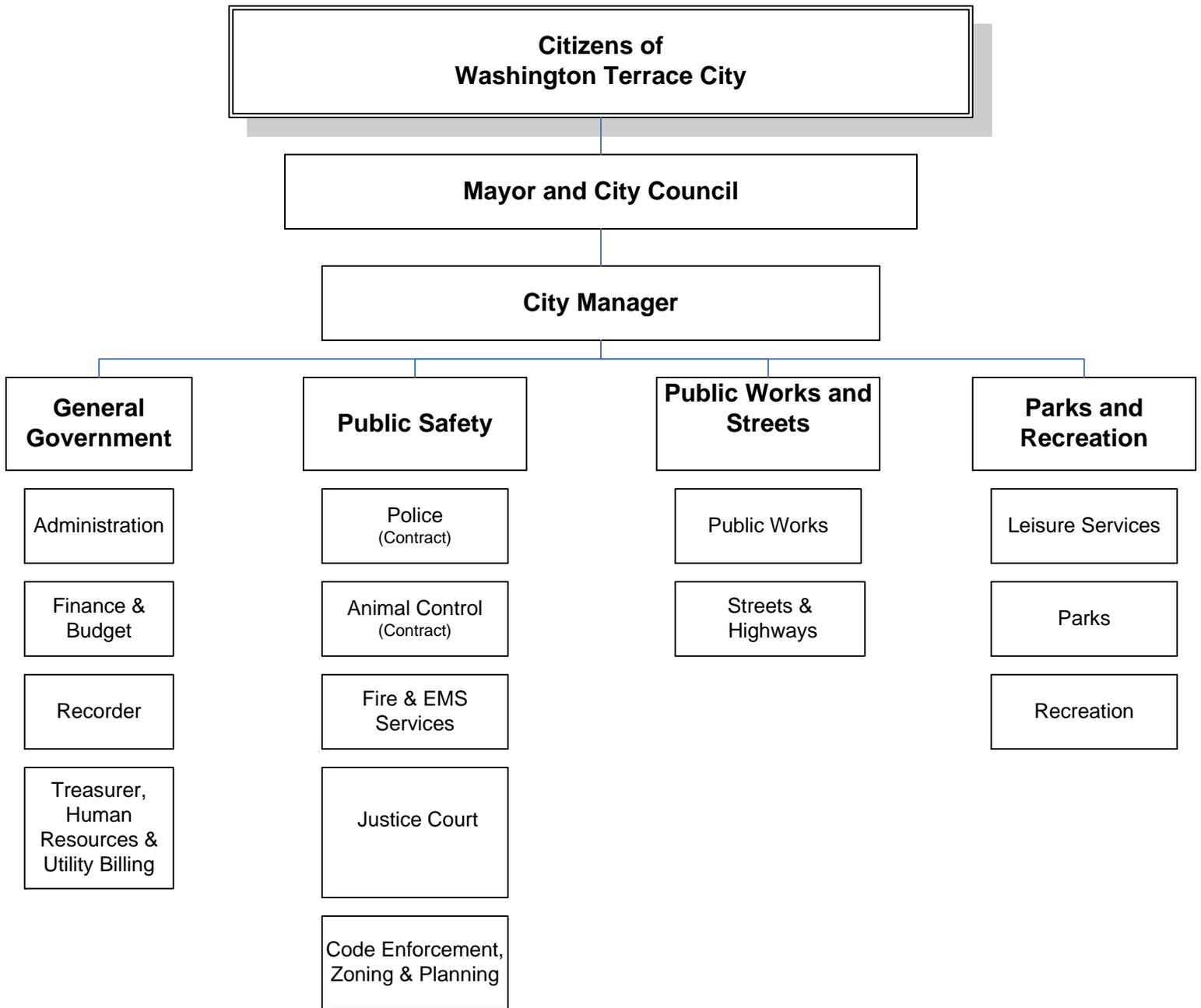
Personnel costs that include salaries/wages, benefits, allowances, and travel and training, are expected to remain relatively flat in 2017. Personnel requirements between 2018 and 2021 are expected to continue to remain relatively flat.

Materials, Supplies, and Services (MSS) include costs for professional membership dues, public relations, and office equipment/supplies. Budget fluctuations in 2016 and 2020 are largely attributed to replacing one-time office equipment needs and planning commission public relations.



GENERAL GOVERNMENT- CITY MANAGER

City of Washington Terrace
Organizational Structure



Departmental Activities

- Administer City Business
- Oversee the Management of City Departments
- Economic Development
- Risk Management

GENERAL GOVERNMENT: CITY MANAGER

Mission

The mission of the City Manager is to insure that the City and all of its functions are operated in an efficient and effective manner with a high level of customer service and professionalism.

Vision

The vision of the City Manager is to insure the organization carries out the will of the Mayor and Council in the governance of our community.

Department Overview

The City Manager is the chief executive officer of the City appointed by the Mayor and City Council to direct the delivery of municipal services. As the CEO the City Manager is responsible for all supervision of staff, providing the Mayor and City Council with information, and is responsible to insure that the mission and policies enacted by the Mayor and City Council are implemented throughout the organization. The City Manager provides all City departments with basic administrative support, including coordination and guidance of City operations, programs, and projects. The City Manager's Office is the focal point for the day-to-day management of City Government. The City Manager serves at the will of the Council.

The major objective for the City Manager is to facilitate the Mayor and City Council in achieving its objectives. While this concept is often implied the City Manager will be involved in all the policies, goals, and action items identified by the Mayor and City Council.

The Administration Department budget in 2017 comprises of the City Manager and Finance Director representing 2 FTEs.

GENERAL GOVERNMENT: CITY MANAGER

Genral Fund 10: Administration

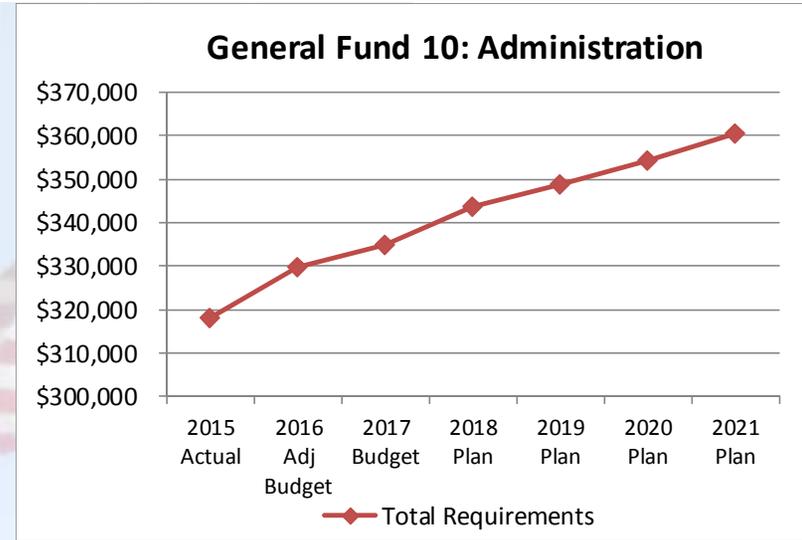
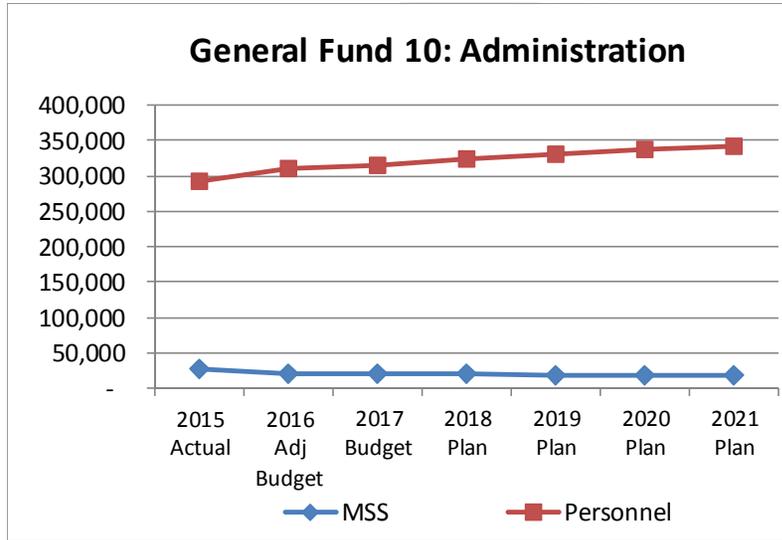
Requirements by Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	291,613	309,339	314,250	323,003	330,458	336,249	342,329
Materials, Supplies, and Services	26,365	20,544	20,700	20,700	18,200	18,200	18,200
Total Requirements	\$ 317,979	\$ 329,883	\$ 334,950	\$ 343,703	\$ 348,658	\$ 354,449	\$ 360,529
<i>\$ Change from Prior Period</i>	<i>\$ 2,507</i>	<i>\$ 11,904</i>	<i>\$ 5,067</i>	<i>\$ 8,753</i>	<i>\$ 4,955</i>	<i>\$ 5,791</i>	<i>\$ 6,080</i>
<i>% Change from Prior Period</i>	<i>1%</i>	<i>4%</i>	<i>2%</i>	<i>3%</i>	<i>1%</i>	<i>2%</i>	<i>2%</i>

Personnel costs account for salaries/wages, benefits (i.e. retirement, healthcare, allowances, and FICA) and travel and training. Salaries and wages are driven from the Wasatch Compensation Group and benefits are driven from the benefits provider (refer to Personnel requirements in the Executive Summary). Although salaries/wages and benefits are expected to increase annually according to the City's compensation philosophy (increases vary with each position), it is subject to funding availability. The tentative budget proposes full implementation of all changes consistent with the City compensation plan.

Personnel requirements are expected to increase by 1.6 percent or \$4,911 in 2017 than average 2 percent annual changes through 2021.

Materials, Supplies, and Services (MSS) are expected to increase by 0.8 percent or \$156 in 2017. MSS are expected to decline by \$2,500 in 2019 when the Communities That Care Program participation expires.

GENERAL GOVERNMENT: CITY MANAGER



GENERAL GOVERNMENT: CITY MANAGER

Fiscal Year 2016 Accomplishments and Highlights		
Legislative Policy	Objective	Department Strategy
Fiscal Responsibility	Budget Document	Coordinated the budget process to integrate Council policy priorities, staff member goals and finance department expertise to produce the 2015 budget.
Open and Responsive Government	Keep Stakeholders Informed	Produced a monthly news letter articles describing events, activities and information that supports and informs stakeholders of the goals, policy priorities and accomplishments of the Mayor, Council, staff and community.
	Philanthropic Support of City Sponsored Events	Successfully worked with community businesses to support our Terrace Days event in excess of \$8,000.
Sustainable Growth / Economic Development	Strategically Administer the RDA	Coordinated efforts with State and local stakeholders to successfully extend the Redevelopment Area (RDA) for an additional 10 years at a value to exceed \$5 million.
	Annexation Plan	Negotiated the annexation of undeveloped land while preserving the future annexation opportunities of the city.
	Update Codes to Encourage Economic Development	Coordinated efforts with staff, City Council and the Planning Commission to change building codes allowing for full 3 story commercial buildings to be constructed.
Public Safety and Health	Public Safety Operations	Coordinated Public Safety operations with the Mayor, and Council goals and objectives in order to improve law enforcement, fire and code enforcement outcomes.

Fiscal Year 2017 Goals		
Legislative Policy	Objective	Department Strategy
Fiscal Responsibility	Budget Document	Review, update and edit Performance Measures in order to collect relevant data that will generate key performance indicators resulting in purposeful outcomes.
	Operate within Budget Parameters	Successfully manage the Public Works shop project to ensure that expenditures do not exceed \$5,000,000.
Open and Responsive Government	Online Services	Develop online services for development application preparation, application and review .
	Keep Stakeholders Informed	Engage in meaningful correspondence with stakeholders monthly through the news letter and social; media outlets.
Sustainable Growth / Economic Development	Annexation Plan	Work with future land owner to annex remaining land into the city allowing for the potential growth of the area.

GENERAL GOVERNMENT: CITY MANAGER

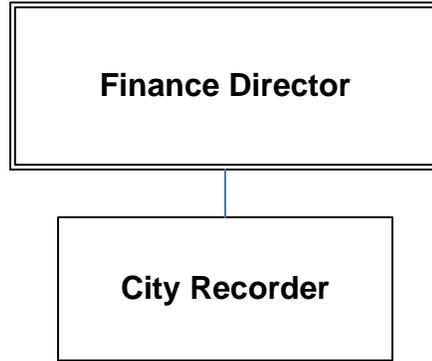
Performance Measures

Legislative Policy Statement	Legislative Objective	Program	Performance Measure	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
				2012	2012	2013	2013	2014	2014	2015	2015	2016	2016	2017
All	All	Administration	% of departmental goals met on an annual basis	90	90	90	90	90	90	90	90	90	90	90
Open and Responsive Government	Stakeholders informed	Administration	% of Council Policy Priorities accomplished during year	75	80	80	85	90	90	90	90	90	90	90
			# of Facebook and newsletter posting	12	45	40	40	40	56	52	65	52	63	52
			# program and project updates to Council	45	48	50	50	50	60+	50	52	50	48	50
Economic Development	Development Planning	Economic Development	# of months with economic development activities and promotion	12	12	12	12	12	12	12	12	12	12	12
			Sustainable and Effective Public Safety	Sheriff Reports	% of monthly reports	90	100	100	95	90	100	100	100	100
Fire Reports	% of quarterly reports	90		100	100	100	100	100	100	100	100	100	100	
Animal Control Reports	% of quarterly reports				100	50	100	100	100	100	100	100	100	
Economic Development	City Manager / Planning	Administration	# of Weber County and State outreach activities			12	12	12	12	12	12	12	12	12
		Planning / Economic Development	# of evaluations for possible development			4	4	6	6	6	3	6	6	6
	All	City Manager	# program and project updates to Council	45	48	40	40	40	42	40	52	40	50	40
Family Oriented Community	Leisure Services / City manager	Administration	# of programs evaluated and updated			4	4	4	4	6	6	6	6	6
			Annual Terrace Day Evaluations			Annual					1	1	1	1
Infrastructure	Public Works	Administration	Semi Annual infrastructure evaluations and planning			Annual				Annual			1	
Vision and Planning	All	Administration	Annual Forecasting Meeting			Annual								
Emergency Management	All	All	# of times Emergency Plan reviewed and exercised			3	1	2	2	2	2	2	2	2
Recreation Programs and Facilities	Leisure Services / City manager	Administration	Evaluate and apply improvements to Recreation Programs			Annual								
			# of outreach opportunities to engage regional cooperation that supports the City			6	12	12	12	12	14	12	12	12



GENERAL GOVERNMENT- FINANCE AND CITY RECORDER

City of Washington Terrace Organizational Structure



- Departmental Activities**
- Operating & Capital Budgeting
 - Financial Reporting
 - Audit
 - Payroll
 - Asset Management
 - Financial Analysis
 - Elections
 - Agendas & Minutes
 - Records Management
 - Accounts Payable
 - GRAMA Requests
 - Business Licensing
 - Notary

GENERAL GOVERNMENT: FINANCE AND CITY RECORDER

Mission

Our mission is to provide our internal and external customers with the highest level of professional service and information in a timely, efficient, and effective manner.

Vision

Our vision is to promote excellence and commitment to people, services, results, and communications.

Finance Core Functions

- Control** To protect and preserve the assets of the City
- Efficiency** Balance capabilities, cost, and service levels
- Performance** Provide financial leadership in determining strategic direction and align financial strategies
- Execute** Simulate behaviors across the organization to achieve strategic and financial objectives

Department Goals & Overview

Our goal is to meet the policy statements of the City and the City Council and by performance measurement to determine the success of our programs in accomplishing our mission, vision, goals, and objectives.

Our department is responsible for maintaining detailed, accurate records of the City's financial performance and business conducted by its elected officials.

Services & Programs Overview

The services and programs of the Finance Department include, but not limited to: preparation of the annual budget including the Redevelopment Agency, responsible for all internal and external financial reporting functions, coordinates with the city's independent auditor in completing the annual audit, performs all payroll functions, and is responsible for city-wide asset management.

GENERAL GOVERNMENT: FINANCE AND CITY RECORDER

The Recorder’s Office, working under the direction of the Finance Director, offers services and programs that include, but not limited to: preparing and posting agendas and notices for all city sponsored public meetings, records and transcribes public meeting minutes. Responsible for maintaining city ordinances, resolutions, contracts, and other official documents, acts as the election official to coordinates all municipal and special elections. The City Recorder is the city records official responsible for the city’s records management system. Performs accounts payable functions.

General Fund 10: City Recorder

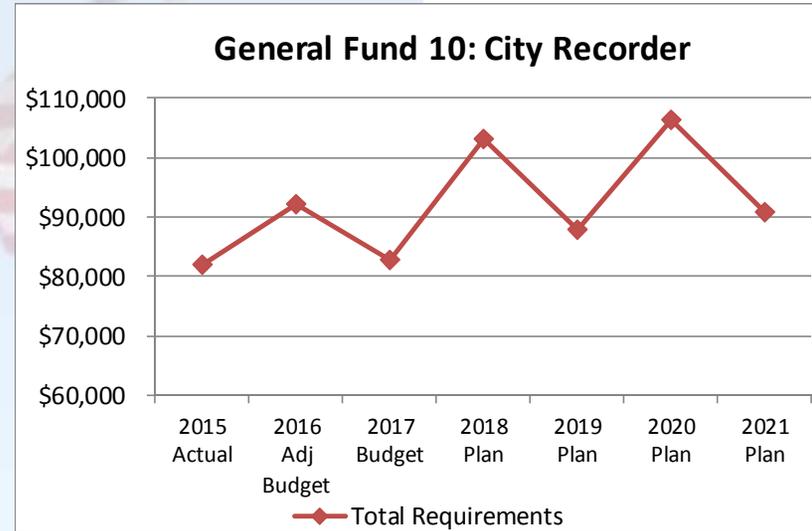
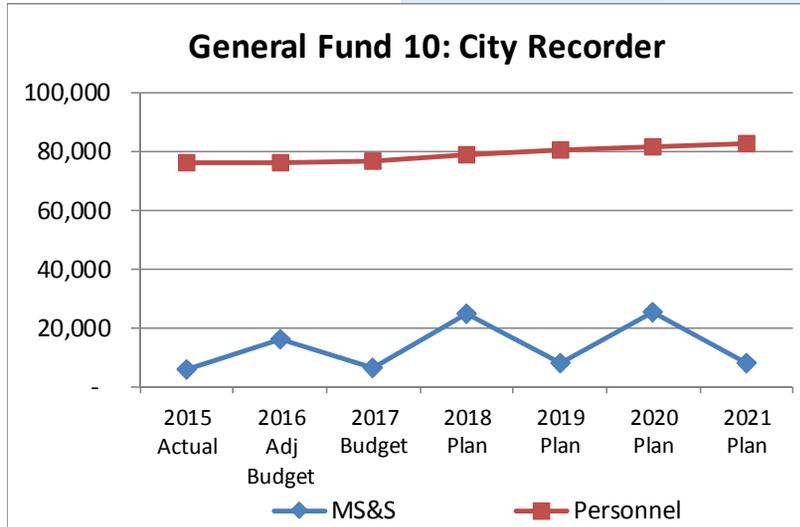
Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Personnel	76,123	75,961	76,315	78,468	80,158	81,365	82,633
Materials, Services, and Supplies	5,855	16,190	6,390	24,590	7,790	24,990	8,190
Total Requirement	\$ 81,978	\$ 92,151	\$ 82,705	\$ 103,058	\$ 87,948	\$ 106,355	\$ 90,823
<i>\$ Change from Prior Period</i>	<i>\$ (2,654)</i>	<i>\$ 10,173</i>	<i>\$ (9,446)</i>	<i>\$ 20,353</i>	<i>\$ (15,111)</i>	<i>\$ 18,407</i>	<i>\$ (15,532)</i>
<i>% Change from Prior Period</i>	<i>-3%</i>	<i>12%</i>	<i>-10%</i>	<i>25%</i>	<i>-15%</i>	<i>21%</i>	<i>-15%</i>

Personnel costs account for salaries/wages, benefits (i.e. retirement, healthcare, allowances, and FICA) and travel and training. Salaries and wages are driven from the Wasatch Compensation Group and benefits are driven from the benefits provider (refer to Personnel requirements in the Executive Summary). Although salaries/wages and benefits are expected to increase annually according to the City’s compensation philosophy (increases vary with each position), it is subject to funding availability. The tentative budget proposes full implementation of all changes consistent with the City compensation plan.

Personnel requirements are expected to remain relatively constant in 2017 then increasing between 1.5-2.8 percent annually through 2021.

GENERAL GOVERNMENT: FINANCE AND CITY RECORDER

Materials, Supplies, and Services (MSS) are expected to increase by over 370 percent or \$22,200 in 2016. Said increase is attributed to funding municipal elections in 2015. Municipal elections are required on even numbered fiscal years. The next municipal elections are schedule for 2018 and 2020. Municipal elections are the primary driver to increases in MSS.



GENERAL GOVERNMENT: FINANCE AND CITY RECORDER

Fiscal Year 2016 Accomplishments and Highlights		
Legislative Policy	Objective	Department Strategy
Fiscal Responsibility	Apply for Grants	Applied for and successfully awarded CDBG funding for the purchase of fire equipment. Grant funding totaled \$97,023. Successfully administered two awarded grants through the CDBG program to ensure compliance with various federal regulations while meeting the programs national objectives.
	Vigilantly Manage Public Funds & Resources	Developed water consumption model that tracks user group consumption that is used to measure system performance.
Open and Responsive Government	Disseminate Information Consistent with Legislative Objectives	Successful recipient of GFOA's Distinguished Budget Award Program that recognizes budget documents prepared to the highest quality.
		Successful recipient of GFOA's Achievement for Excellence in Financial Reporting Program that recognizes annual reports prepared to the highest quality.
		Developed a Good Landlord Program database tracking system to be used as a program management tool. Transitioned the City to a vote by mail county-wide system to enhance the effectiveness of the election process.
Fiscal Year 2017 Goals		
Legislative Policy	Objective	Department Strategy
Fiscal Responsibility	Vigilantly Manage Public Funds & Resources	Issue long-term securities for the purpose of timely construction of a new public works facility at the lowest borrowing cost and in accordance with debt policies and objectives.
	Apply for Grants	Successfully administer and closeout awarded grants through the CDBG program to ensure compliance with various federal regulations while meeting the programs national objectives.
Open and Responsive Government	Disseminate Information Consistent with Legislative Objectives	Successful recipient of GFOA's Distinguished Budget Award Program that recognizes budget documents prepared to the highest quality.
		Successful recipient of GFOA's Achievement for Excellence in Financial Reporting Program that recognizes annual reports prepared to the highest quality.

GENERAL GOVERNMENT: FINANCE AND CITY RECORDER

Performance Measures

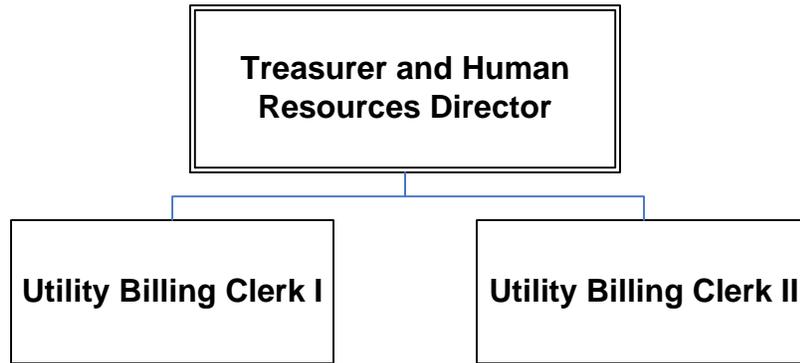
Legislative Policy Statement	Legislative Objective	Performance Measure	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
			2013		2014		2015		2016		2017
Open and Responsive Government	Disseminate Information	# of days council meeting agendas are posted prior to meeting	5	5	5	5	5	5	5	5	5
		% of times council minutes are ready for approval by next regular meeting	100	100	100	100	100	100	100	100	100
	Maintain Fiscal Responsibility	# of times annually scheduled records are destroyed	1		1	1	1	1	1	1	1
Fiscal Responsibility	Fiscal Management/Development	# of months for budget process	7	7	7	7	7	7	7	7	7
		# of public tentative budget meetings in a year	3	3	3	3	4	4	5	5	5
		# of months to close out year end and produce CAFR	5	5	5	5	5	5	5	5	5
	Open and Responsive	Disseminate Information	# of months report financials to council	12	8	12	12	12	12	12	12
# of quarterly reports presented to council					4	4	4	4	4	4	4

Output Measures

# of business licenses issued annually	na	415	na	438	na	423	na	444	na
# of Good Landlord Program participants	na	112	na	115	na	125	na	124	na

GENERAL GOVERNMENT- HUMAN RESOURCES, TREASURER, AND UTILITY BILLING

City of Washington Terrace
Organizational Structure



- Departmental Activities**
- Utility Billing
 - Frontline Customer Service
 - Accounts Receivable
 - Cash Receipting
 - Newsletter
 - Investments
 - Recruitment
 - Benefits Administration
 - Training
 - Employee Policies & Procedures
 - Manual Maintenance
 - Notary

GENERAL GOVERNMENT: HUMAN RESOURCE, TREASURER, & UTILITY BILLING

Mission

To provide the highest quality service with integrity, responsiveness and sensitivity to the citizens of the City of Washington Terrace and customers.

Vision

- Be responsive to the City’s mission to be the “Best Managed Municipality in Utah”.
- Address customers questions and concerns with sensitively and accurate information.
- Respect team members whose values may be different from our own.
- Create an atmosphere, which fosters career and personal development, fun, and safety.

Goals

- Make quality a part of the way we work.
- Develop a sense of teamwork.
- Develop and implement proactive procedures.
- Enhance our ability to support the City and its goals.
- Improve the efficiency and effectiveness at all levels.
- Strive to be proactive and accomplish beyond and above the minimum required.
- Employ technology and methods, which enhance service, communications, and productivity.
- Make the City a great place to work.

Overview

The Treasurer/Human Resources/Utility Billing Department is responsible for providing a wide range of services for the City’s external and internal customers. Services include, but not limited to: customer service, cash receipting and management, investment management, utility billing and collection services, and human resource management. The positions funded in the department include the Treasurer/Human Resources Director and Utility Billing Clerk I and II or 2.56 FTEs.

GENERAL GOVERNMENT: HUMAN RESOURCE, TREASURER, & UTILITY BILLING

General Fund 10: Treasurer/Human Resources/Utility Billing

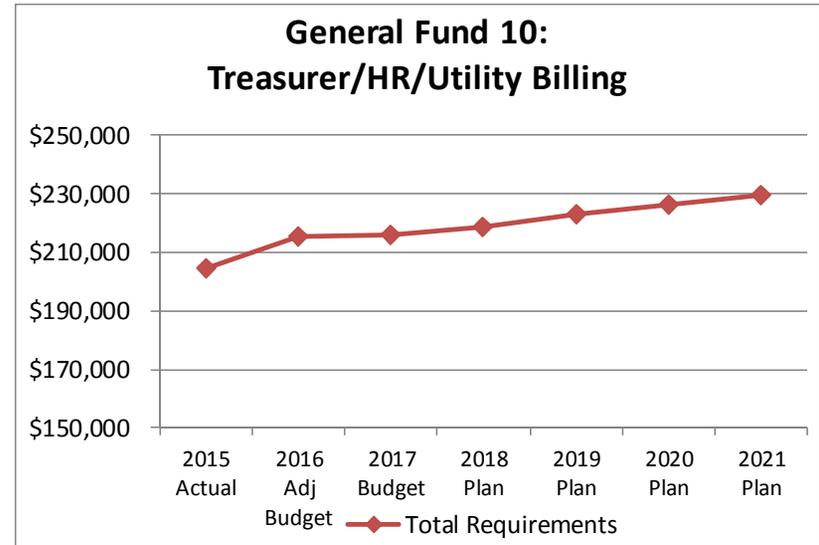
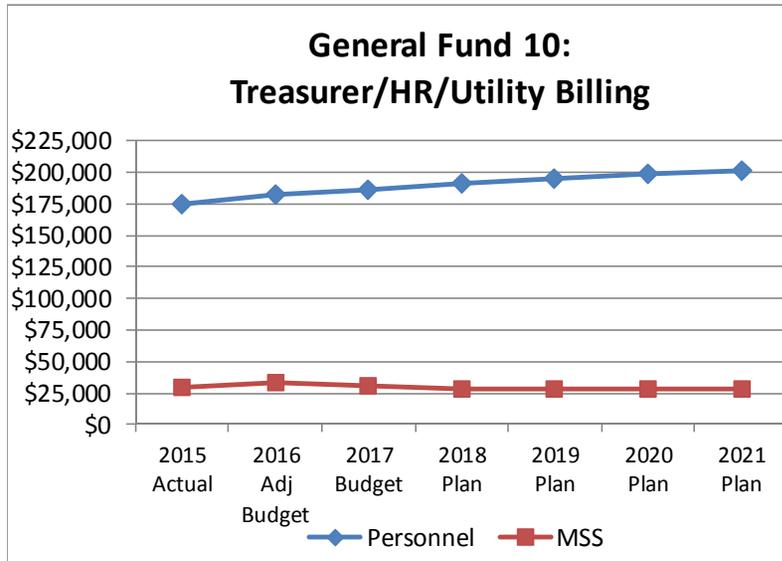
Requirements by Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	174,316	181,775	185,550	190,888	195,109	198,172	201,387
Materials, Supplies, and Services	30,027	33,490	30,290	27,990	27,990	27,990	27,990
Total Requirements	\$ 204,343	\$ 215,265	\$ 215,840	\$ 218,878	\$ 223,099	\$ 226,162	\$ 229,377
<i>\$ Change from Prior Period</i>	<i>\$ 19,018</i>	<i>\$ 10,922</i>	<i>\$ 575</i>	<i>\$ 3,038</i>	<i>\$ 4,222</i>	<i>\$ 3,062</i>	<i>\$ 3,215</i>
<i>% Change from Prior Period</i>	<i>10%</i>	<i>5%</i>	<i>0%</i>	<i>1%</i>	<i>2%</i>	<i>1%</i>	<i>1%</i>

Personnel costs account for salaries/wages, benefits (i.e. retirement, healthcare, allowances, and FICA) and travel and training. Salaries and wages are driven from the Wasatch Compensation Group and benefits are driven from the benefits provider (refer to Personnel requirements in the Executive Summary). Although salaries/wages and benefits are expected to increase according to the City's compensation philosophy (increases vary with each position), it is subject to funding availability. The tentative budget proposes full implementation of all changes consistent with the City compensation plan.

Personnel costs in the 2017 budget are expected to increase by 2.1 percent or \$3,775. Personnel costs are expected to average 2.1 percent annual increases between 2018 and 2021. The number of full-time equivalents (FTEs) are expected to remain the same at 2.56.

Materials, Supplies, and Services (MSS) are expected to decrease by 9.6 percent or \$3,200 in 2017 then again in 2018 by 7.6 percent or \$2,300. MSS requirements through 2021 are projected to remain flat.

GENERAL GOVERNMENT: HUMAN RESOURCE, TREASURER, & UTILITY BILLING



GENERAL GOVERNMENT: HUMAN RESOURCE, TREASURER, & UTILITY BILLING

Accomplishments and Highlights		
Fiscal Year 2016		
Legislative Policy Statement	Legislative Objective	Department Strategy
Fiscal Responsibility	Improve and review our policies and procedures in the Utility Billing	Reviewed and updated City Utility Billing procedures resulting in improve lien/collection results, also provided our customers with an option of temporary disconnect when applicable.
Open and Responsive Government	Customer Service	<p>Provided employees with ongoing customer service training resulting in a higher level of friendly customer interaction, effective conflict resolution and a heightened awareness of customer needs.</p> <p>Coordinated the data migration of the new radio read water meter system with the utility billing system resulting in improved customer service, billing accuracy, water meter accuracy and a reduction of manually read water meters.</p>
Fiscal Responsibility	Develop practices that promote fiscal accountability, full disclosure, and planning	<p>Audited Utility Billing accounts to verify completion and accuracy of sign-up forms confirming that all utility accounts have a contractual agreement with the City as required per ordinance. Updated missing or incomplete forms resulting in an up to date record of utility accounts and verifying account holder.</p> <p>Audited Storm Water Utility accounts to ensure accuracy of commercial property ERU allocations resulting in a more accurate billing for commercial storm water services.</p>
Fiscal Year 2017 Goals		
Fiscal Responsibility	Develop practices that promote fiscal accountability, full disclosure, and planning	<p>Audit the water meter system to verify ERT numbers and meters along with property identification parameters to ensure correct billing and accountability to our customers.</p> <p>Review the Utility Billing accounts to ensure accuracy through internal audits. This year we look to accomplish a meter audit with the help of Public Works.</p> <p>Create a Cash Handling and Fraud Prevention plan based on national best practices and standards in order to function more efficiently and effectively.</p>
Open and Responsive Government	Customer Service	Providing timely communication to our customers by using social media outlets, webpage and newsletter as needed.

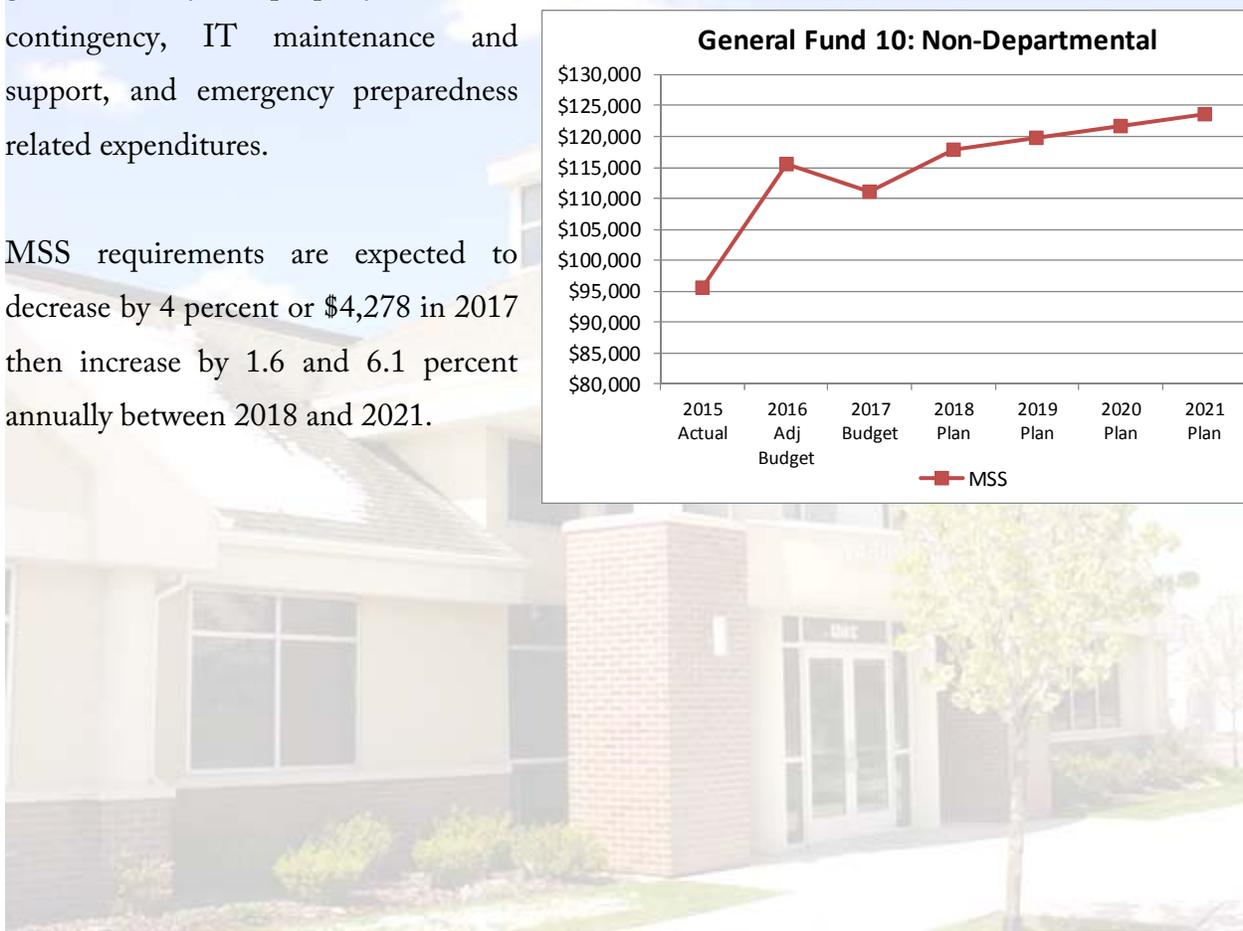
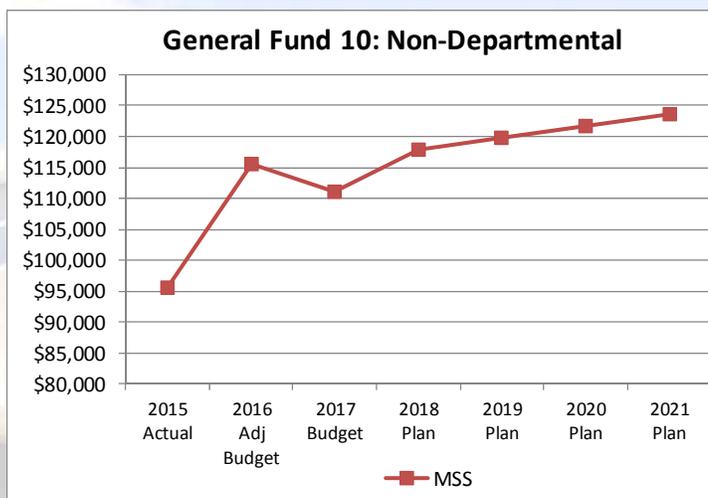
GENERAL GOVERNMENT – NON-DEPARTMENTAL

General Fund 10: Non-Departmental

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Services	95,557	115,456	111,178	117,917	119,785	121,691	123,635
Total Requirements	\$ 95,557	\$ 115,456	\$ 111,178	\$ 117,917	\$ 119,785	\$ 121,691	\$ 123,635
<i>\$ Change from Prior Period</i>	<i>\$ 4,965</i>	<i>\$ 19,899</i>	<i>\$ (4,278)</i>	<i>\$ 6,739</i>	<i>\$ 1,868</i>	<i>\$ 1,906</i>	<i>\$ 1,944</i>
<i>% Change from prior period</i>	<i>5%</i>	<i>21%</i>	<i>-4%</i>	<i>6%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>

Materials, Supplies, and Services (MSS) requirements for Non-Departmental largely consist of general liability and property insurance, contingency, IT maintenance and support, and emergency preparedness related expenditures.

MSS requirements are expected to decrease by 4 percent or \$4,278 in 2017 then increase by 1.6 and 6.1 percent annually between 2018 and 2021.



GENERAL GOVERNMENT – BUILDINGS

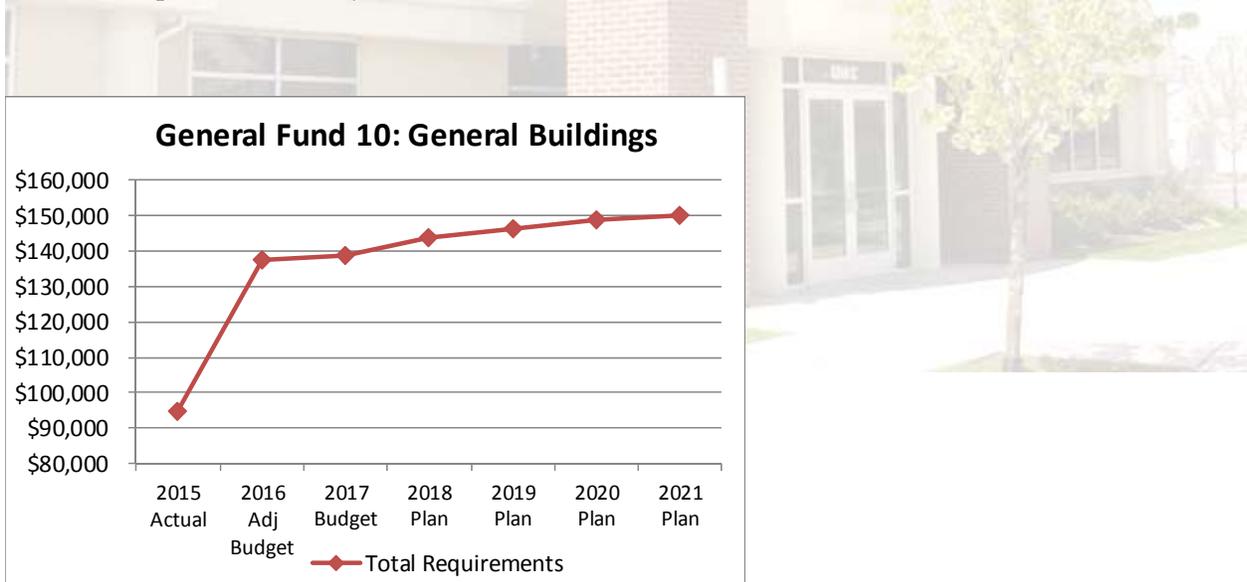
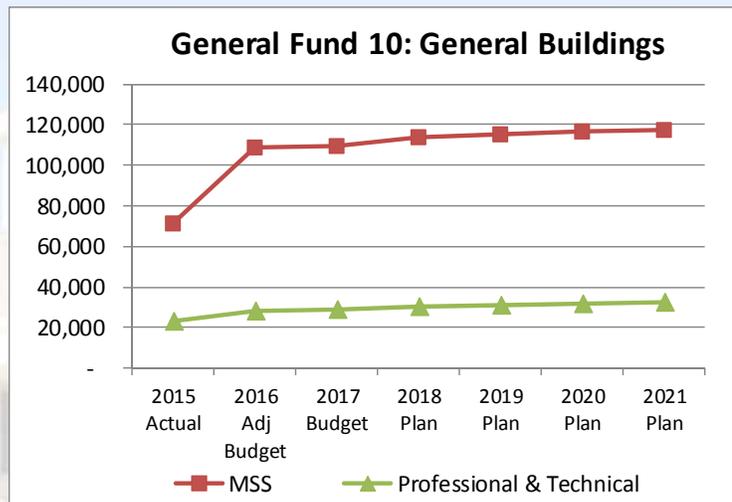
General Fund 10: Buildings

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Services	71,536	109,069	109,419	113,682	115,190	116,868	117,362
Professional & Technical	23,032	28,325	29,175	30,050	30,951	31,880	32,836
Total	\$ 94,568	\$ 137,394	\$ 138,594	\$ 143,732	\$ 146,141	\$ 148,747	\$ 150,198
<i>\$ Change from Prior Period</i>	<i>\$ (9,312)</i>	<i>\$ 42,826</i>	<i>\$ 1,200</i>	<i>\$ 5,138</i>	<i>\$ 2,409</i>	<i>\$ 2,606</i>	<i>\$ 1,451</i>
<i>% Change from Prior Period</i>	<i>-9%</i>	<i>45%</i>	<i>1%</i>	<i>4%</i>	<i>2%</i>	<i>2%</i>	<i>1%</i>

Materials, Supplies, and Services (MSS) and Professional & Technical include costs related to the operations and maintenance of City operated public buildings—City Hall, Civic Center, and the city shop facilities.

In 2017, requirements are expected to remain relatively flat at \$109,419.

In 2018, requirements increases of 3.9 percent are largely attributed to one-time building maintenance projects. Requirements between 2019 and 2021 are expected to increase between 0.4 and 1.5 percent annually.



Public Safety

Animal Control

Building, Planning & Zoning

Fire

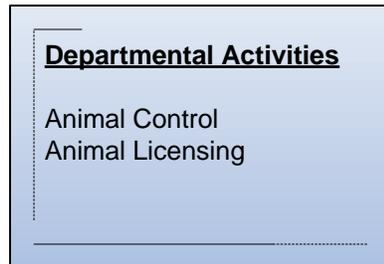
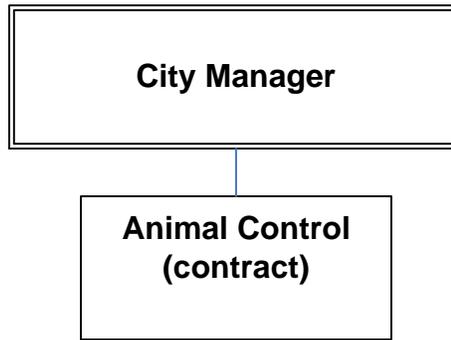
Emergency Medical Services

Justice Court

Police

PUBLIC SAFETY- ANIMAL CONTROL

City of Washington Terrace Organizational Structure



PUBLIC SAFETY – ANIMAL CONTROL

General Fund 10: Public Safety - Animal Control

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Services	369	700	900	700	900	700	700
Professional & Technical	50,463	51,750	54,079	55,500	56,960	58,459	60,000
Total Requirements	\$ 50,832	\$ 52,450	\$ 54,979	\$ 56,200	\$ 57,860	\$ 59,159	\$ 60,700
<i>\$ Change from Prior Period</i>	<i>\$ 2,948</i>	<i>\$ 1,618</i>	<i>\$ 2,529</i>	<i>\$ 1,221</i>	<i>\$ 1,660</i>	<i>\$ 1,300</i>	<i>\$ 1,541</i>
<i>% Change from Prior Period</i>	<i>6%</i>	<i>3%</i>	<i>5%</i>	<i>2%</i>	<i>3%</i>	<i>2%</i>	<i>3%</i>

Animal Control service costs are expected to increase by 5 percent in 2017, then average 2.5 percent annual increases for each year thereafter through 2021. Contract provisions allow increases up to the change in the consumer price index.

Contract animal control service fees for South Ogden City are expected to increase from \$33,455 in 2016 up to \$34,459 in 2017 or a 3 percent increase. Contract animal sheltering services for Weber County Animal Shelter are expected to increase from \$18,045 in 2016 to \$19,370 in 2017 or a \$1,325 or 7 percent increase. Said increase is being attributed to covering the increased operating costs to run the shelter and cover the required bond payment for the construction of the facility.



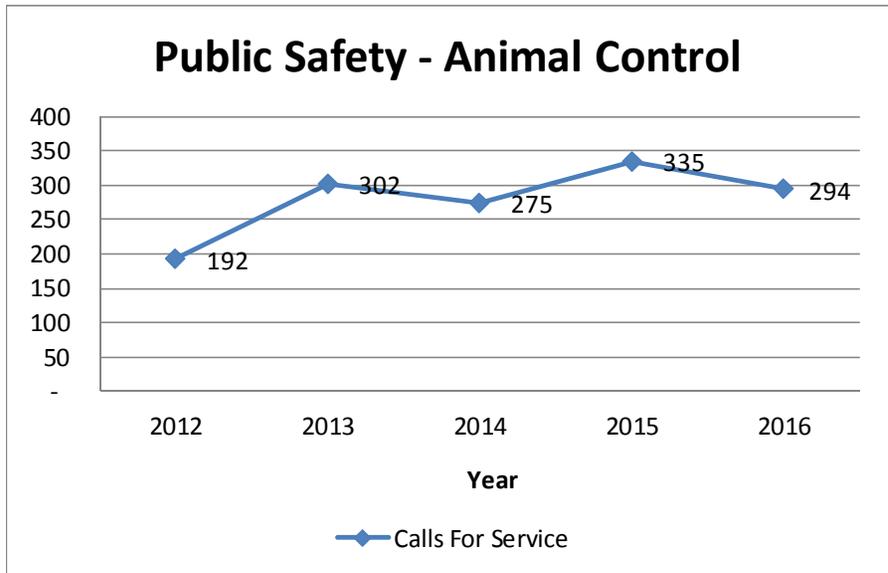
PUBLIC SAFETY – ANIMAL CONTROL

On June 19, 2012, the City entered into an interlocal agreement with South Ogden City to provide animal control services effective July 1, 2012. Animal control services include enforcing the ordinances and regulations of the City; providing routine patrol coverage and responding to citizen requests during regular business hours; 24/7 emergency response to all animal incidents; investigation of all animal bites and coordination of rabies



services; temporary animal sheltering; provide inspections and reports; and inspections animal related businesses. Animal

licensing is administered by the City. Sheltering and adoption services are provided by the Weber County Animal Shelter.

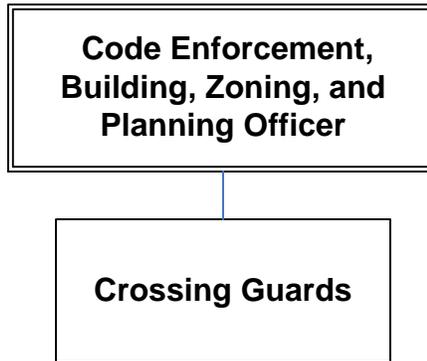


For more information on South Ogden Animal Services, visit them online at www.southogdencity.com.

For more information on the Weber County Animal Shelter, visit them online at http://www.webercountyutah.gov/animal_shelter/.

PUBLIC SAFETY- CODE ENFORCEMENT, BUILDING, ZONING AND PLANNING

City of Washington Terrace
Organizational Structure



- Departmental Activities**
- Inspections
 - Permits
 - Plan Check Reviews
 - Engineer Reviews
 - Zoning Review
 - Planning Commission
 - Code Compliance
 - Appeals
 - Nuisance Ordinance
 - Code Inspections
 - Citations
 - Court Appearances
 - Education
 - Crossing Guard Management

PUBLIC SAFETY – BUILDING, PLANNING & ZONING

Mission

We are committed to providing excellent service as a professional Planning, Building, and Code Enforcement department to establish, implement, identify and develop plans and provide Inspections and code enforcement for maintaining the Quality of Life, Health and Safety for the citizens of the City of Washington Terrace.

Vision

In order to fulfill our mission, we have established several guidelines. We are committed to these basic principles:

- *Integrity.* How we get the job done is as important as getting the job done.
- *Courtesy.* Our interaction with the community will be professional, responsive, direct, personal, caring and appropriate.
- *Fairness.* We will promote teamwork, employee satisfaction, and professional development in order to provide innovative, cost effective, efficient service.
- *Honesty.* We want our citizens, clients and customers to have high expectations of government service, and we will do our best to meet and exceed those expectations. The Planning, Building, and Code Enforcement dept. envisions itself to be a model of service to the citizens, customers, and visitors and to the staff of the City.

Department Goals

- *Teamwork.* We will work together, demonstrating collaboration through mutual reliability, openness and flexibility to accomplish our goals.
- *Integrity.* We will demonstrate an uncompromising allegiance to the core values of honesty, respect for others, loyalty, consistency, accountability and sincerity.
- *Excellence.* We will deliver a superior level of commitment, responsiveness, performance and provision of services to all, with the attitude that everything is worth our best effort.

PUBLIC SAFETY – BUILDING, PLANNING & ZONING

- *Unity.* There is no way we can go forward except together and no way anybody can win except by serving the people's needs, In an atmosphere of openness and accessibility, encourage communication and involvement with the community.
- *Creativity.* Create an atmosphere that entrusts and motivates employees to serve as problem solvers within the community. Support creativity and acceptable risk taking in community problem solving.
- *Trust.* Serve in a manner that demonstrates pride and promotes trust from the community. Respect present community ideas while encouraging a vision of the future and recognize employees as a valuable resource in providing quality services and support their professionalism.
- *Responsibility.* Promote the health, safety and welfare of the community and value fiscal responsibility.

Department Overview

The Building, Planning, and Zoning Department oversee the construction and renovation of buildings and structures in the City and ensure compliance with applicable zoning, construction, and building codes; enforces zoning and nuisance ordinances; and coordinates with the Planning Commission on zoning and planning issues. Additionally, the Department manages and oversees three part-time school crossing guards.

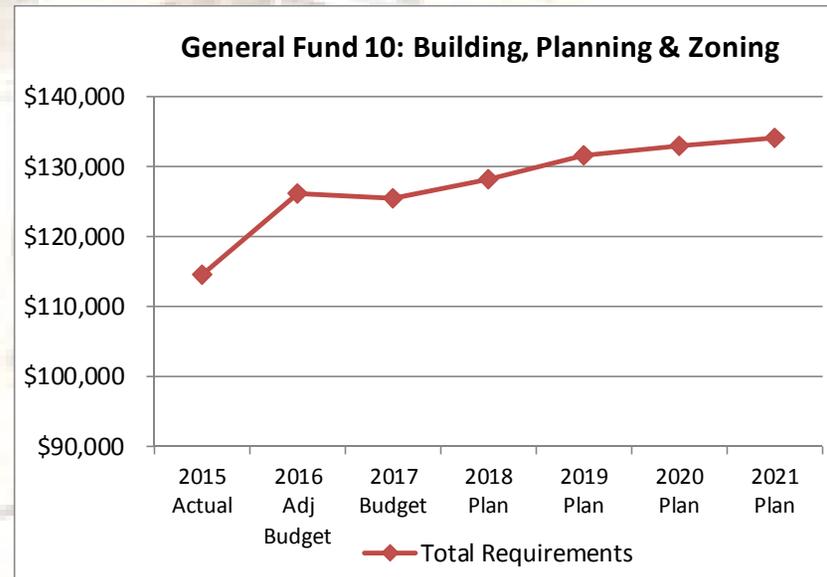
PUBLIC SAFETY – BUILDING, PLANNING & ZONING

General Fund 10: Building, Planning & Zoning

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Personnel	105,916	112,743	115,432	118,012	121,464	122,663	123,898
Materials, Supplies, and Services	8,605	13,450	10,090	10,132	10,176	10,222	10,271
Total	\$ 114,521	\$ 126,193	\$ 125,522	\$ 128,144	\$ 131,640	\$ 132,885	\$ 134,169
<i>\$ Change from Prior Period</i>	<i>\$ 14,235</i>	<i>\$ 11,672</i>	<i>\$ (671)</i>	<i>\$ 2,622</i>	<i>\$ 3,497</i>	<i>\$ 1,245</i>	<i>\$ 1,284</i>
<i>% Change from Prior Period</i>	<i>14%</i>	<i>10%</i>	<i>-1%</i>	<i>2%</i>	<i>3%</i>	<i>1%</i>	<i>1%</i>

Personnel costs account for salaries/wages, benefits (i.e. retirement, healthcare, allowances, and FICA) and travel and training. Salaries and wages are driven from the Wasatch Compensation Group and benefits are driven from the benefits provider (refer to Personnel requirements in the Executive Summary). Although salaries/wages and benefits are expected to increase according to the City's compensation philosophy (increases vary with each position), it is subject to funding availability. The tentative budget proposes full implementation of all changes consistent with the City compensation plan.

Personnel requirements are expected to increase by 2.4 percent or \$2,689 in 2017 then increase by 1-2.2 percent annually through 2021. Department FTEs are expected to remain at 1.56 for years 2017-2021.



PUBLIC SAFETY – BUILDING, PLANNING & ZONING

Materials, Supplies, and Services (MSS) are expected decrease by 25 percent or \$3,360 in 2017 then remain relatively flat through 2021.

Fiscal Year 2016 Accomplishments and Highlights		
Legislative Policy	Objective	Department Strategy
Regional Cooperation	Collaborate with Neighboring Communities	Maximized Building Official performance capacity by contracting with Uintah City for Building Official services for 77 hours generating \$4,458 in revenues.
Open and Responsive Government	Improve Online Services	Improved online services by Implementing digital Fillable form for building permits, and home owner project affidavits.
Sustainable Growth through Vision and Planning	Zoning, Planning, and Building Codes	Professionally managed, inspected and oversaw the permitting and building processes for projects valued in excess of \$8.5 million.
Family Oriented Community	Code Enforcement	Obtained 90% compliance for notices issued against nuisance violations within 14 days receiving notice.

Fiscal Year 2017 Goals		
Legislative Policy	Objective	Department Strategy
Open and Responsive Government	Customer Service	Fully integrate the new iWORq building official program and update CM and Council on results.
	Improve Online Services	Improve online services by implementing full access to developer requirements and regulations.
	Customer Service	Create a punch list of items needed for the Development Review Committee and development processes to ensure accuracy and reduce confusion.
Sustainable Growth through Vision and Planning	Zoning, Planning, and Building Codes	Review and update zoning ordinances to appropriately encourage development of infill properties.
Family Oriented Community	Code Enforcement	Create and update a "hot spot" code enforcement log that will track and communicate code enforcement activities related specific problem areas.

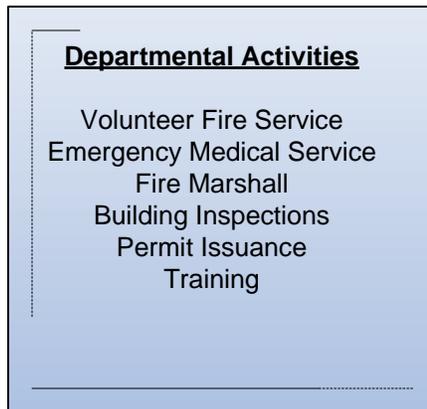
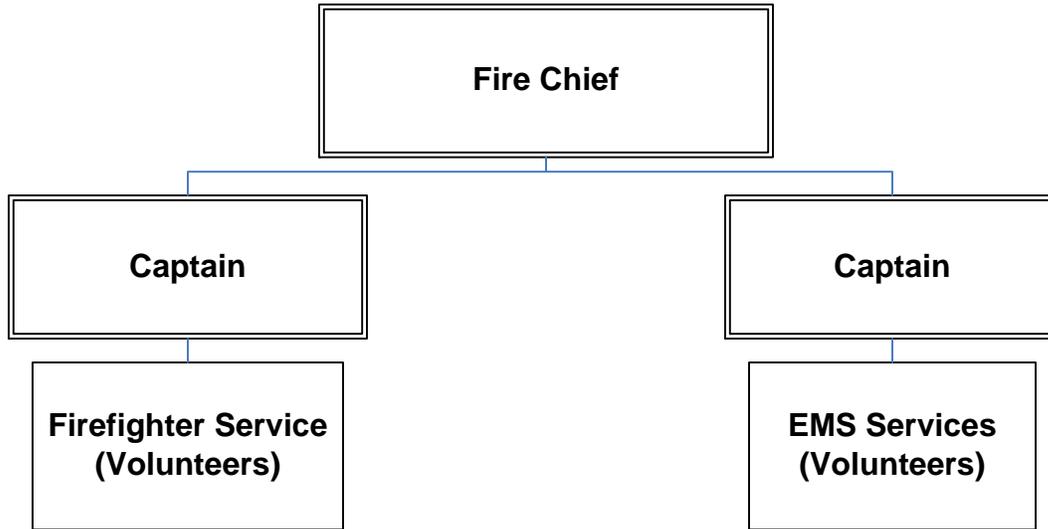
PUBLIC SAFETY – BUILDING, PLANNING & ZONING

Performance Measures													
Legislative Goal	Legislative Objective	Program	Performance Measure	Target	Actual	Target	Target	Actual	Target	Actual	Target	Actual	Target
				2012		2013	2014		2015		2016		2017
			% of cases that action taken within 30 days	100	100	100	100	100	100	100	100	100	100
			% of complaints logged & investigated within 24 hours	100	100	100	100	100	100	100	100	100	100
Open & Responsive Government	Improve Customer Service	Planning	% of applications completed and on agenda within 14 days	100	100	100							
			% of inspections completed in a month	100	100	100	100	100	100	100	100	100	100
			% of plan check reviews completed within 5 days of receipt	100	100	100	100	100	100	100	100	100	100
			Output Measure										
			# of nuisance citations issued						na	376	na	360	na
			# o building permits issued	na	139	na	135	na	na	155	na	189	na
			# of building inspections	na	417	na	405	na	na	465	na	527	na



PUBLIC SAFETY- FIRE AND EMERGENCY MEDICAL SERVICES

City of Washington Terrace
Organizational Structure



PUBLIC SAFETY – FIRE & EMERGENCY MEDICAL SERVICES

Mission

Our mission is to provide the citizens of Washington Terrace with the most efficient, effective and professional service as possible in the areas of fire protection, emergency medical services and other emergency services in the most cost-effective manner. We will accomplish this by:

- Conducting ourselves in a professional manner, dedicated to our individual roles, activities and our department's Mission Statement.
- Communicating openly and honestly in all interactions, meetings and written documentation.
- Making decisions, which reflect: consistency, utilization of current technology and practices in the field and attention to human needs.
- Striving to create and move toward a vision of our preferred future, while we continuously seek high performance and improvement each day.

Vision

To be recognized by our customers as:

- The model of excellence in providing fire protection and emergency services.
- Dedicated to continuous improvement in every detail of the services we provide.
- An organization that fosters an environment of tolerance, trust, and involvement.
- Responsive to community needs and concerns.



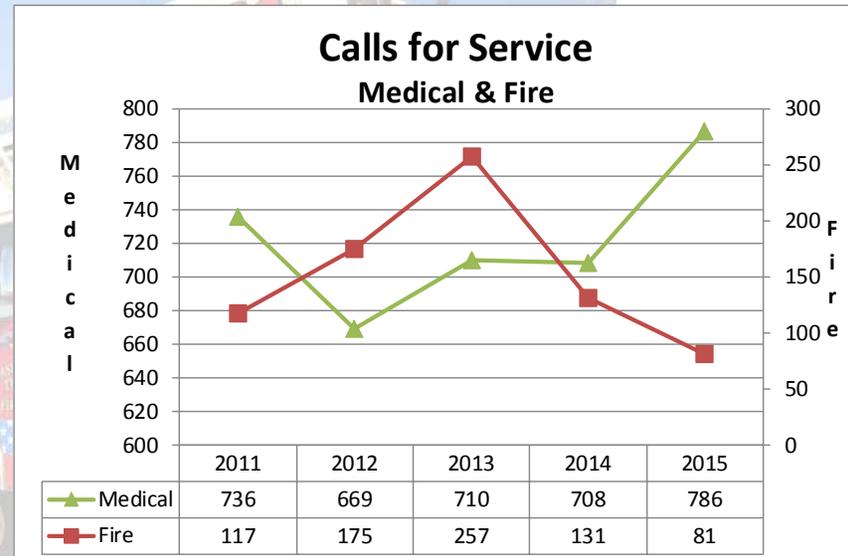
PUBLIC SAFETY – FIRE & EMERGENCY MEDICAL SERVICES

Department Overview

The Washington Terrace Fire Department is a "Paid On-call and Volunteer" Department. The Department provides EMS first responder, fire protection/prevention and emergency management services. Fire services include fire protection, fire suppression, training, inspections, code enforcement, and HAZMAT. Additionally, the City is covered by a series of Mutual Aid Agreements with the County and other agencies. The Mutual Aid Agreement requires that in the event of an emergency other jurisdictions will respond to the emergency in our community.

The Department is staffed with 1 full-time fire chief and up to 20 firefighters/EMTs. Two firefighter/EMTs are on duty 24/7. The firefighter/EMTs are trained to a minimum of EMT-B (Emergency Medical Technician - Basic) and firefighter II levels of certification.

In 2015, the Department responded to 867 medical and fire calls. Medical calls represented 91 percent and fire 9 percent of the total calls for service. Between 2011 and 2015 medical calls for service average 722 annually or 83 percent of the call volume, while fire averaged 152 annually or 17 percent of the total call volume.



PUBLIC SAFETY – FIRE & EMERGENCY MEDICAL SERVICES

General Fund 10: Fire & Emergency Medical Services

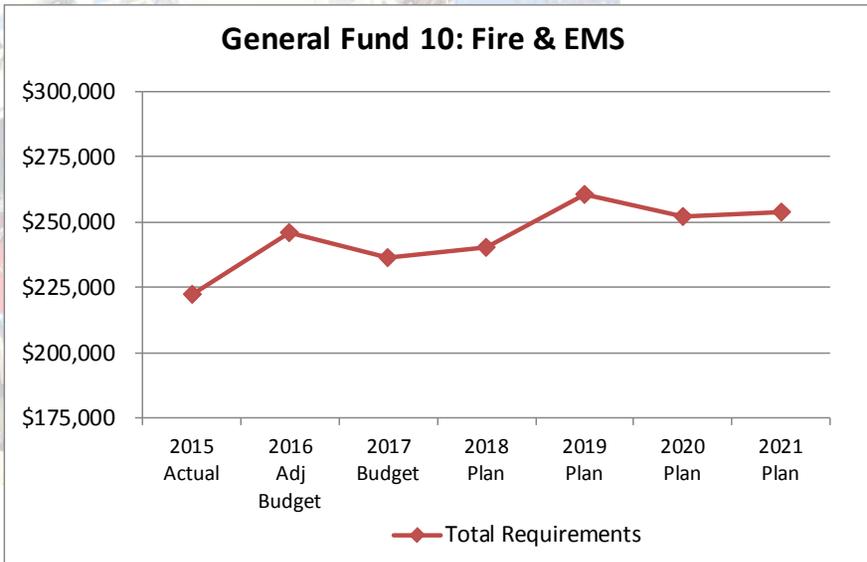
Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018	Plan 2019	Plan 2020	Plan 2021	Plan
Personnel	178,665	198,674	197,600	202,662	206,351	207,707	209,103	
Materials, Supplies, and Service	43,695	47,282	38,945	37,527	54,326	44,636	44,963	
Total	\$ 222,360	\$ 245,956	\$ 236,545	\$ 240,189	\$ 260,676	\$ 252,343	\$ 254,066	
<i>\$ Change from Prior Period</i>	\$ 6,908	\$ 23,597	\$ (9,411)	\$ 3,644	\$ 20,487	\$ (8,334)	\$ 1,724	
<i>% Change from Prior Period</i>	3%	11%	-4%	2%	9%	-3%	1%	

Personnel costs account for salaries/wages, benefits (i.e. retirement, healthcare, allowances, and FICA) and travel and training. Salaries and wages are driven from the Wasatch Compensation Group and benefits are driven from the benefits provider (refer to Personnel requirements in the Executive Summary). Although, salaries/wages and benefits are expected to increase according to the City’s compensation philosophy (increases vary with each position), it is subject to funding availability. The tentative budget proposes full implementation of all changes consistent with the City compensation plan.

Budgeted personnel requirements are expected to decrease by 0.5 percent or \$1,074 in 2017 then increase by 0.7 – 2.6 percent annually through 2021. Said decrease is attributed to adjusting budgeted employee benefit cost with benefit eligibility.

Materials, Supplies, and Services (MSS) are expected to decrease

by 17.6 percent or \$8,337 in 2017. Said decrease is attributed to one-time requirements in 2016.



PUBLIC SAFETY – FIRE & EMERGENCY MEDICAL SERVICES

Fiscal Year 2016 Accomplishments and Highlights		
Council Policy Statement	Policy Objective	Department Strategy
Fiscal Responsibility	Apply for grants	Complied NFIRS reporting requirements in order to maintain grant funding eligibility. Coordinated with the Finance Department to apply for and receive CDBG funding for \$97,023 for refill station, SCBA equipment and thermal imaging camera
Emergency Preparedness	Training	Administered wide Emergency Pre Hospital Care (PEPH) training and certification classes to improve infant and child emergency response and care. Administered Advanced Cardiac Life Support and FF 1&2 training courses in order to update employee certifications.

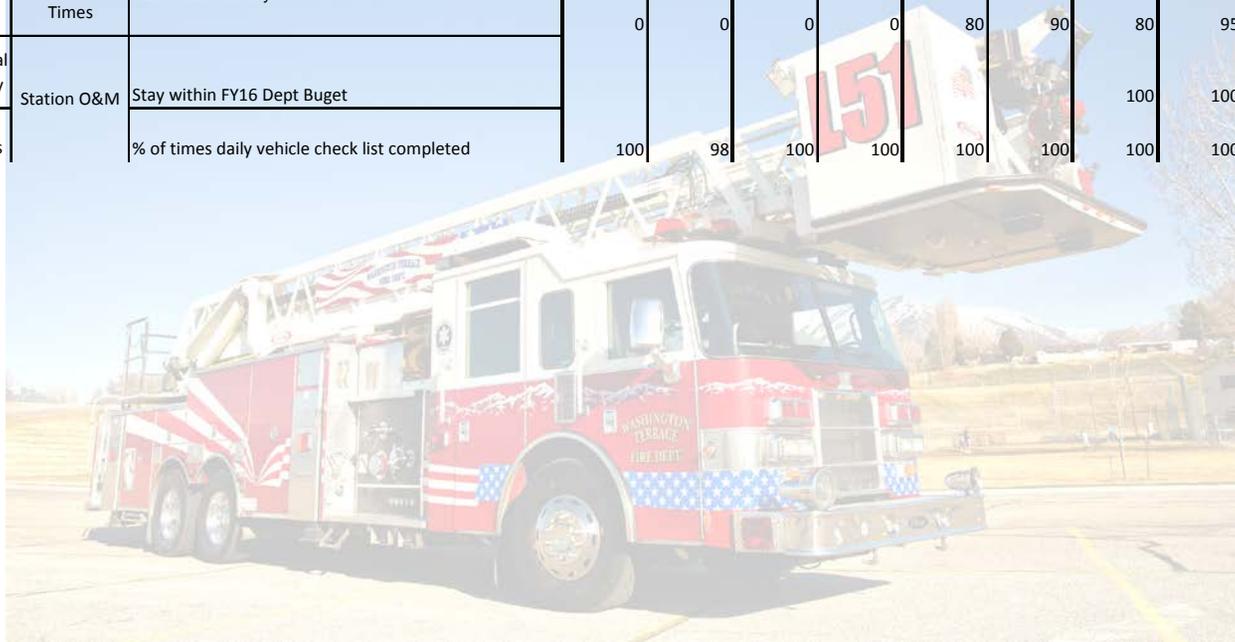
Fiscal year 2016 Accomplishments and Highlights / Emergency Manager		
Council Policy Statement	Policy Objective	Department Strategy
Fiscal Responsibility	Apply for grants	Applied for and received \$7,500 From EMPG Grant to help fund the city's emergency preparedness efforts Applied for FEMA Mitigation Grant for PW shop removal can water control. Approved by State waiting for Federal approval
Open and Responsive Government	Community Outreach	Provided Emergency preparedness information through social media and conducted the City's Emergency PREP Fair in September
Emergency Preparedness	Training	Conducted EOC training for city employees, conducted and participated in the Utah Shakeout earthquake drill

Fiscal Year 2017 Goals		
Fiscal Responsibility	Apply for grants	Submit annual reports to NFIRS reporting system in order to maintain grant funding eligibility. Apply for at least 1 EMS grant and 1 Fire grant.
Open and Responsive Government	Customer Service	Maintain a 4-6 minute response time 80% of the time for Fire/EMS calls within the City.
Emergency Preparedness	Training	Ensure that all new hire Firefighters are certified level 1&2 within 1 year of hire date. Have all officers trained to NIMS 300, 400, and EMS training officer by February 2016.

Fiscal Year 2017 Goals / Emergency Manager		
Open and Responsive Government	Electronic Media	Provide viable emergency preparedness information through social media outlets.
Emergency Preparedness	Customer Service	Maintain a 4-6 minute response time for 80% of Fire/EMS calls within the City. Conduct and over see city's Emergency Preparation Fair in September
Fiscal Responsibility	Apply for grants	Apply for and professionally manage the Emergency Management Preparedness Grant. Manage the Mitigation Grant (if awarded) in order to fully comply with grant requirements and proposed outcomes.
Public Safety and Health	Training	Apply for the EMPG Program Grant to purchase a backup generator for the secondary EOC/PW facility Provide Viable and useful EOC training for city employees. Plan and conduct city Shake out Drill

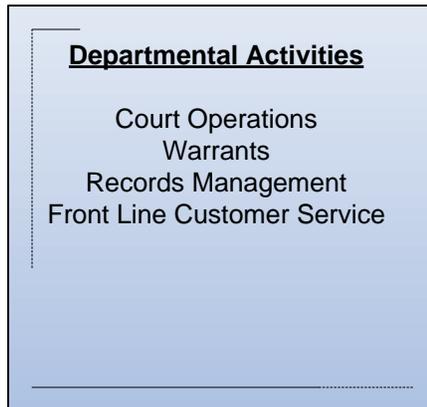
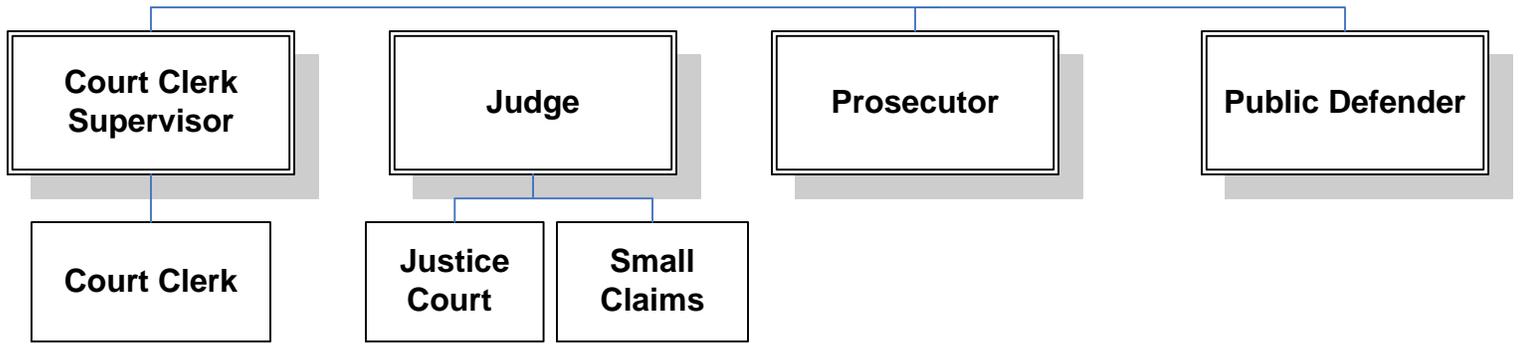
PUBLIC SAFETY – FIRE & EMERGENCY MEDICAL SERVICES

Performance Measures														
Fire & Emergency Medical Services Department														
Council Goal	Council Objective	Program	Performance Measure	Target	Actual	Target								
				2012		2013		2014		2015		2016		2017
Emergency Preparedness	City Preparedness	Medical Services	% of monthly medical reports tracked	100	100	100	100	100	100	100	100	100	100	100
			% of monthly fire reports tracked	100	100	100	100	100	100	100	100	100	100	100
	Community Preparedness	Fire Services	Provided training for firefighters to keep current with ever evolving standards. Have all new hires Firefighter 1 and 2 within 1 year of hire date. Have all Officers trained to NIMS 300 and 400 as well as EMS training officer by February 2014									100	100	100
Open & Responsive Government	Improve Customer Service	Response Times	Maintain a 4-6 Min Response time for 80% of Fire/EMS calls within the city	0	0	0	0	80	90	80	95	80	95	80
	Maintain Fiscal Responsibility	Station O&M	Stay within FY16 Dept Budget							100	100	100	100	100
Emergency Preparedness	City Preparedness		% of times daily vehicle check list completed	100	98	100	100	100	100	100	100	100	100	100



PUBLIC SAFETY- JUSTICE COURT

City of Washington Terrace
Organizational Structure



PUBLIC SAFETY - JUSTICE COURT

Mission

Consistent with the Utah Courts, the mission of the Washington Terrace Court is to provide the people an open, fair, efficient and independent system for the advancement of justice under the law.

Vision

- The position of the Court is to educate people regarding their rights and duties under the law; to teach respect for the law and the importance of safety to persons and property as a result of compliance with the law.
- To render fair and speedy justice at a local level.
- Provide the proper atmosphere for the efficient administration of justice.
- To represent the administration of the City as well as the people of Washington Terrace, in a professional manner through effective punishment and wise admonition.
- Every individual has worth and the right to be treated with dignity.

Department Overview

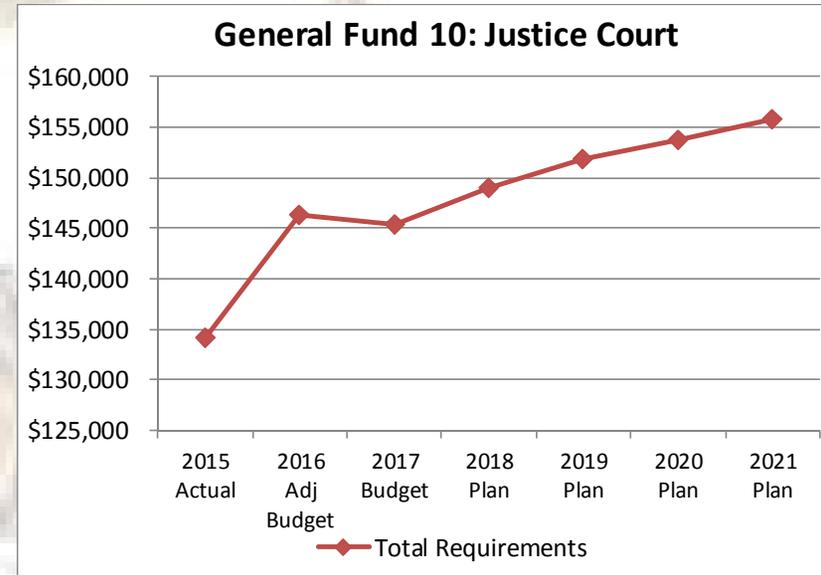
The Justice Court, a Class II Court, has jurisdiction over class B and C misdemeanors, local ordinance violations, and infractions committed within their territorial jurisdictions. Positions funded within the Court include the judge, court clerk supervisor, court clerk, and contract prosecution services and public defender services. Total FTEs are approximately 1.63.

PUBLIC SAFETY - JUSTICE COURT

General Fund 10: Justice Court

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Personnel	119,723	130,345	130,345	133,970	136,785	138,756	140,826
Materials, Services, and Supplies	14,366	16,000	15,000	15,000	15,000	15,000	15,000
Total Requirements	\$ 134,089	\$ 146,345	\$ 145,345	\$ 148,970	\$ 151,785	\$ 153,756	\$ 155,826
<i>\$ Change from Prior Period</i>	<i>\$ (1,206)</i>	<i>\$ 12,256</i>	<i>\$ (1,000)</i>	<i>\$ 3,625</i>	<i>\$ 2,814</i>	<i>\$ 1,971</i>	<i>\$ 2,070</i>
<i>% Change from Prior Period</i>	<i>-1%</i>	<i>9%</i>	<i>-1%</i>	<i>2%</i>	<i>2%</i>	<i>1%</i>	<i>1%</i>

Personnel costs account for salaries/wages, benefits (i.e. retirement, healthcare, allowances, and FICA) and travel and training. Salaries and wages are driven from the Wasatch Compensation Group and benefits are driven from the benefits provider (refer to Personnel requirements in the Executive Summary). Although salaries/wages and benefits are expected to increase according to the City's compensation philosophy (increases vary with each position), it is subject to funding availability. The tentative budget proposes full implementation of all changes consistent with the City compensation plan.



Personnel requirements are expected to remain constant \$130,345 in 2017 then increase by 1-2 percent annually through 2021.

PUBLIC SAFETY - JUSTICE COURT

Materials, Supplies, and Services (MSS) are expected to decrease by 6.3 percent or \$1,000 in 2016. Said decrease is attributed to moving the costs associated with graffiti removal to the Public Works Department. MSS between 2018 and 2021 are expected to remain constant at \$15,000.



PUBLIC SAFETY - JUSTICE COURT

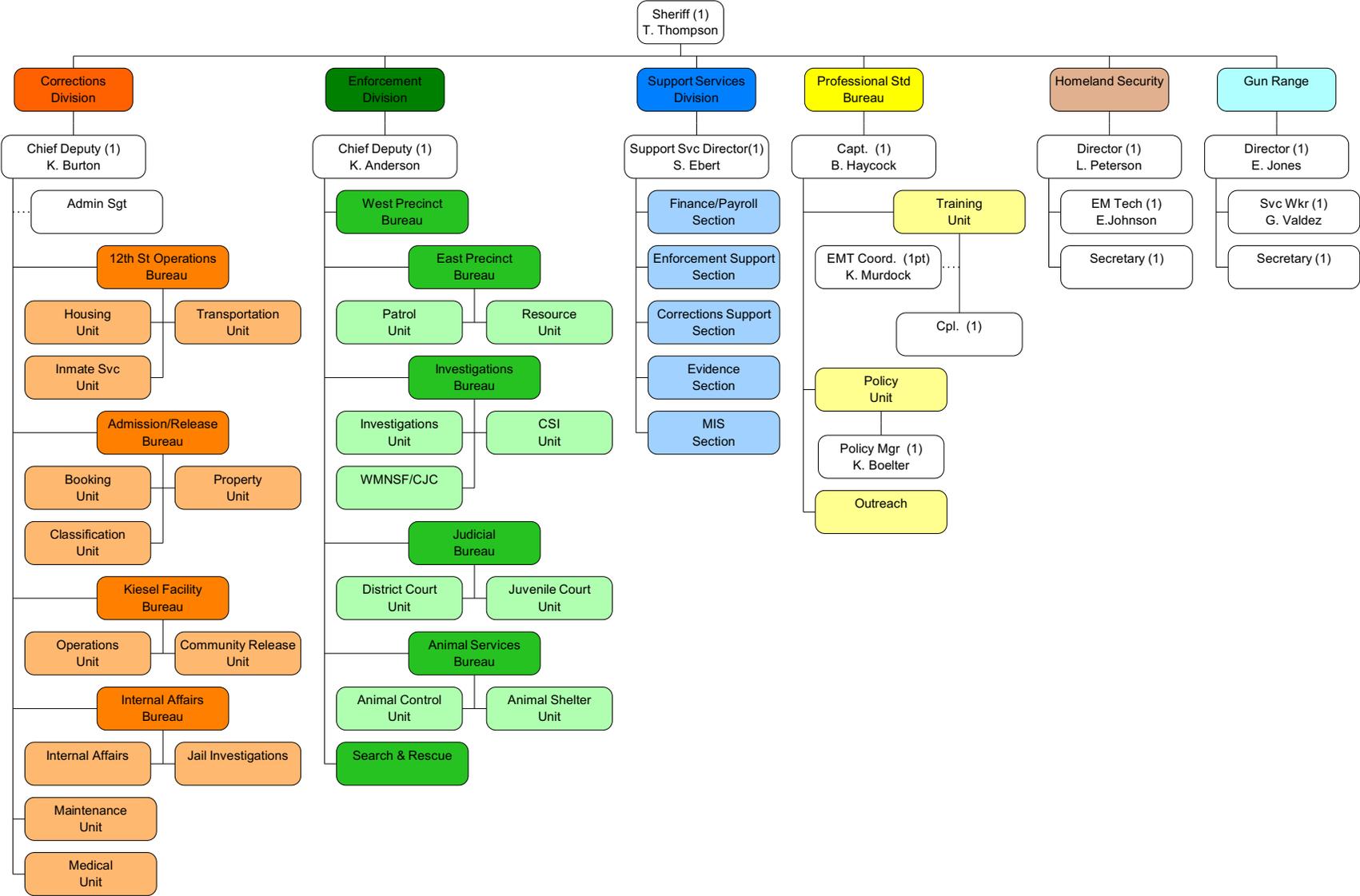
Fiscal Year 2016 Accomplishments and Highlights		
Legislative Policy	Objective	Department Strategy
Open and Responsive Government	Customer Service	Implemented and streamlined the online payment services for court related fines and forfeitures
	Collaboration	Developed training schedule for new employees to fully serve patrons of the court and ensure process accuracy
	Training and compliance with State requirements	Collaborated with North Ogden City Court to provide emergency redundancy in processing court documents
		Trained staff and implemented procedures in order to comply with State mandated policies and procedures to operate the JC
		Trained staff in, and attained regulatory certifications to legally operate a justice court system

Fiscal Year 2017 Goals		
Legislative Policy	Objective	Department Strategy
Open and Responsive Government	Customer Service	Evaluate and refine online payment services for court related fines and forfeitures
	Collaboration	Annually review and update court related sections of the city web page
Fiscal Responsibility	Training and compliance with State requirements	Refine collaboration efforts with neighboring courts to provide emergency redundancy in processing court documents
	State Compliance	Train staff in order to comply with State mandated AOC policies and procedures to operate the JC
		Annually evaluate and update court procedures in order to comply with State mandated requirements

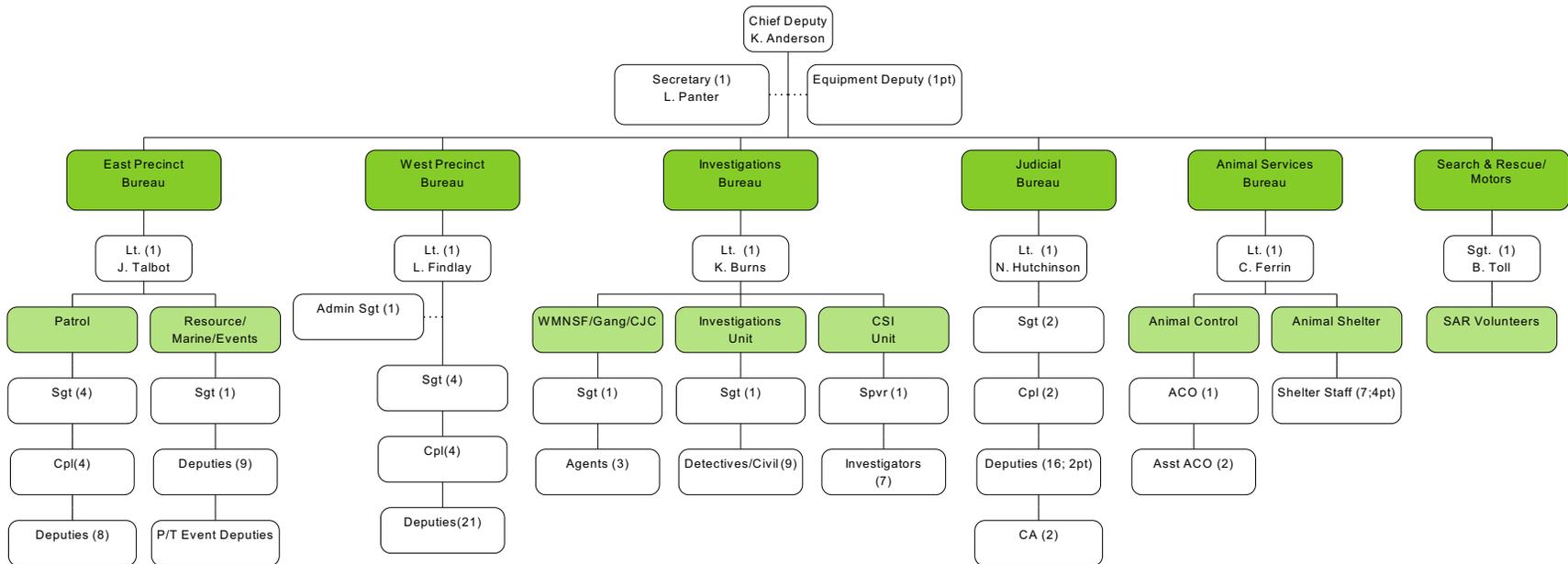
PUBLIC SAFETY - JUSTICE COURT

Performance Measures													
Justice Court													
Legislative Policy Statement	Objective	Program	Performance Measure	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Target
				2012		2013		2014		2015		2016	2017
Open & Responsive Government	Customer Service	Case Management	% of traffic violations resolved	96	95	98	99	98	98	99	99	99	99
			% of criminal violations resolved	80	79	85	93	94	96	98	99	99	93
			% of ordinance violations resolved	80	80	85	90	91	95	98	100	99	91
			# of days cases resolved after taken under	25	25	20	20	20	20	15	0	15	20
			% of pretrials reduced each week	-	0	5	5	6	6	3	4	6	6
			% of monthly cases issued and disposed	100	100	100	100	100	100	100	99	99	100
			# of incident reports filed with Court annually	10	0	10	0	10	10	10	0		10
	Maintain Fiscal	Reporting	by deadline	100	100	100	100	100	100	100	100	100	100
			# of times warrant audit completed annually	2	4	2	3	4	4	4	4	4	4

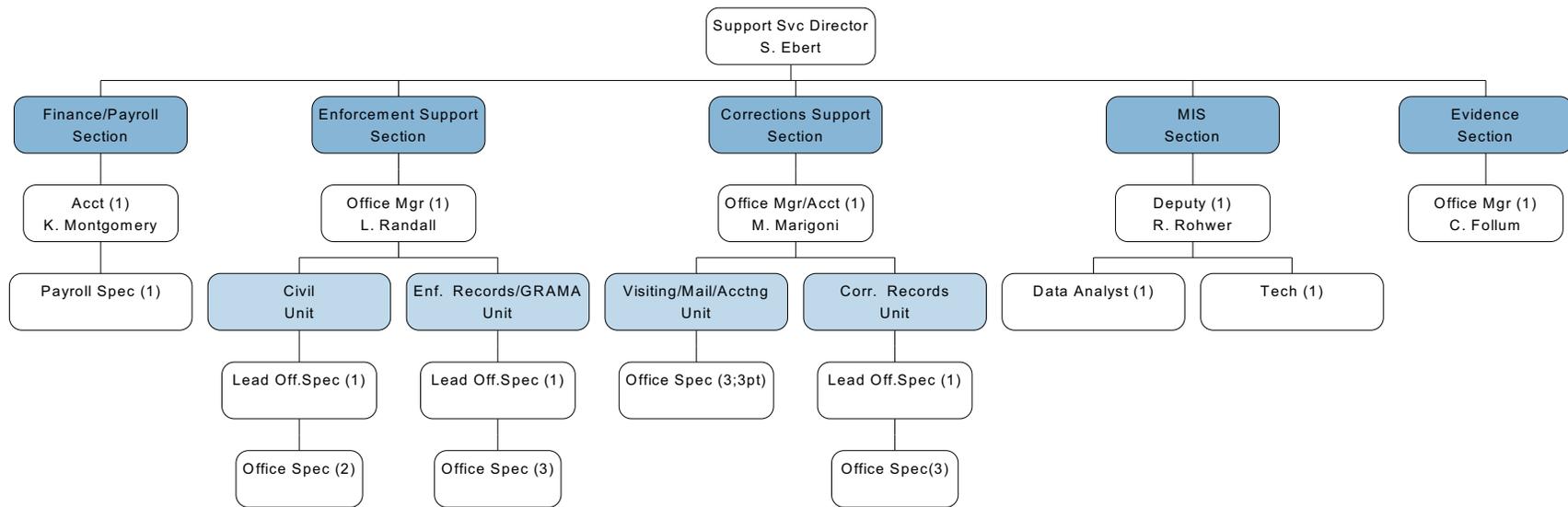
Weber County Sheriff's Office July 2015



Enforcement Division



Support Services Division



PUBLIC SAFETY – POLICE

Mission

The mission of the Weber County Sheriff's Office is to protect life and property through professional and innovative services.

Goals

- To instill public confidence in the agency by maintaining a high degree of professionalism, dedication and expertise in the development of police services.
- To facilitate the safe movement of people and vehicles through analysis and commitment of selective traffic enforcement resources.
- To provide our citizens with a feeling of security throughout their community, whether they are in their home, their business, or a walk through their neighborhood.

Vision

To be a leader and model in the delivery of Police and Correctional Services, we will validate our vision by the continued development of successful programs, marked by Superior dedication and performance.

Services

In October 2002, the City, in attempt to make the most effective use of tax dollars, dissolved its standalone police department (the Washington Terrace Police Department) and entered into a contractual agreement with the Weber County Sheriff's Office to provide law enforcement services. On July 1, 2006, the City dissolved its animal control department and entered into a contractual agreement with the Weber County Sheriff's Office to provide animal control services through June 30, 2012.

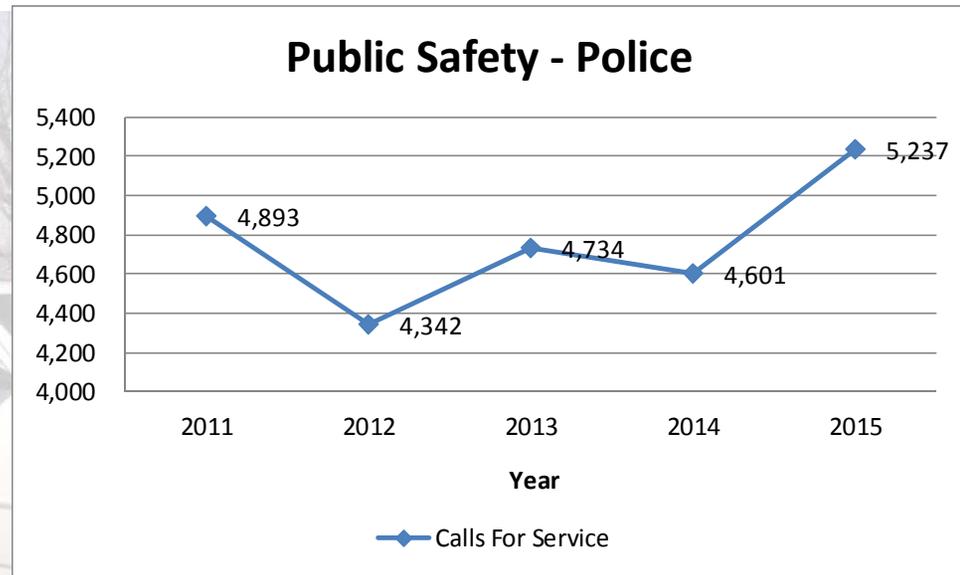
PUBLIC SAFETY – POLICE

The Sheriff's Office provides personnel, supervision, and support to carry out law enforcement functions in the City and provides all appropriate support and supervision. The County also provides additional deputies as school resource officers within the City at no cost to the City as long as the positions are funded by the school district. The Sheriff's Office ensures that there are supervised deputies working patrol, twenty-four hours a day, seven days a week, within the precinct of which the City is a part.

The City is within the East Precinct which includes Washington Terrace, Uintah, unincorporated Weber County and the Upper Ogden Valley. The precinct is staffed with a Commander and all necessary resources to perform patrol and investigation services.

General public safety services provided by the Weber County Sheriff's Office include: Crime Scene Investigation Unit; the Weber/Morgan Narcotics Strike Force; Ogden Metro SWAT; prevention and discouragement of criminal activity, enforcement of state and local laws; responding to residential and business calls for service; interacting with neighborhoods and businesses to prevent crime; school crossing guards are staffed as needed in the City; school resource services during school hours and at school activities for crime prevention, traffic school safety, and educational purposes; detective and follow-up services to investigate crimes in the City; transportation of prisoners and bailiff services in the City's Justice Court; and representation at special events that require law enforcement.

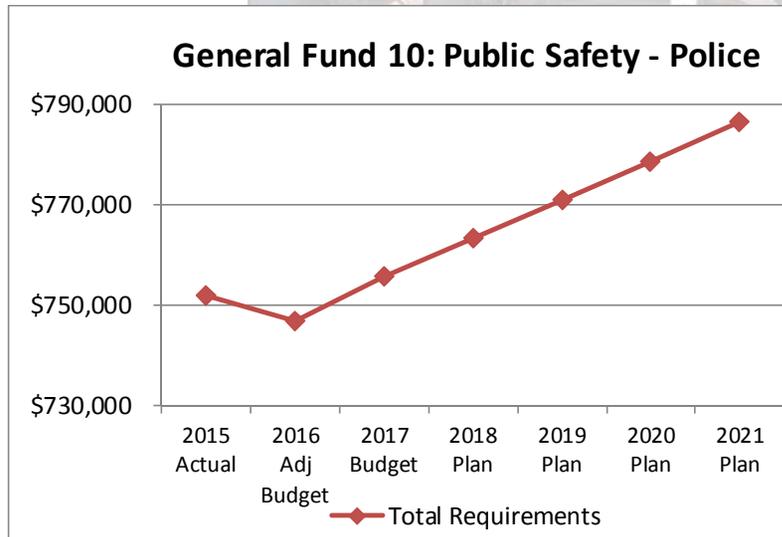
For more information on the Weber County Sheriff's Office, visit them online at www.co.weber.ut.ut/sheriff.



PUBLIC SAFETY – POLICE

General Fund 10: Public Safety - Police

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Services	751,834	746,769	755,666	763,223	770,855	778,563	786,349
Total	\$ 751,834	\$ 746,769	\$ 755,666	\$ 763,223	\$ 770,855	\$ 778,563	\$ 786,349
<i>\$ Change from Prior Period</i>	<i>\$ (36,475)</i>	<i>\$ (5,065)</i>	<i>\$ 8,897</i>	<i>\$ 7,557</i>	<i>\$ 7,632</i>	<i>\$ 7,709</i>	<i>\$ 7,786</i>
<i>% Change from Prior Period</i>	<i>-5%</i>	<i>-0.67%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>



Materials, Supplies, and Services (MSS) contractual requirements for public safety police services are projected to increase by 1 percent or \$8,897 in 2017 then an additional 1 percent for each year thereafter through 2021.

The cost of contract law enforcement services are prorated to each contracting entity in Weber County based on 50/50 population and calls for service.

Additionally, beginning 2015 school crossing guard requirements and its management are now being reported in the Buildings, Planning, and Zoning Department.

Parks and Recreation

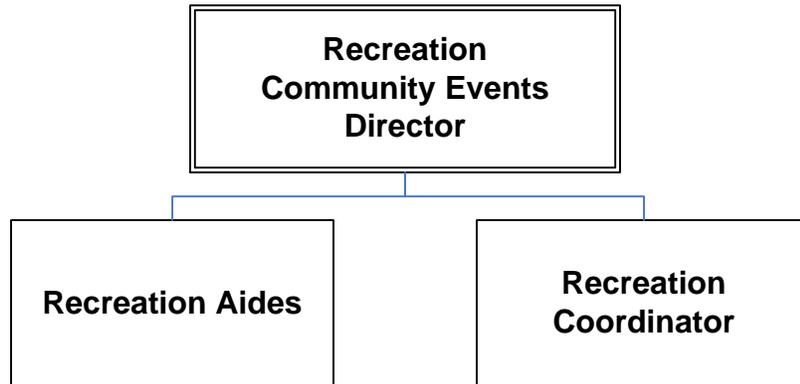
Leisure Services

Parks

Recreation

PARKS, RECREATION & COMMUNITY SERVICES

City of Washington Terrace
Organizational Structure



PARKS & RECREATION: LEISURE SERVICES

Mission

To provide the citizens of Washington Terrace with meaningful recreation activities and facilities geared toward improving the physical, mental, and social well-being of the participants; and to help them foster a greater sense of community.

Vision

To provide recreational opportunities that are professional, safe, fulfilling, and unique in fulfilling its mission.

Goals

- To strengthen public perceptions of the recreation department activities and programs as a whole.
- To develop partnerships within the community in delivering recreation services
- To continue to increase revenue sources and seek other means of funding for the recreation programs and facilities.
- To improve existing recreation programming
- To continue to introduce new recreational programs where there is a demonstrated demand
- To update existing facilities and plan for future needs
- Promote community pride and relations through special events and programs

Department Overview

The Leisure Services Department develops and organizes the recreation, leisure, community programs/events. Positions funded within the department include the recreation/community events coordinator and recreation assistant. Total FTEs are 1.50.

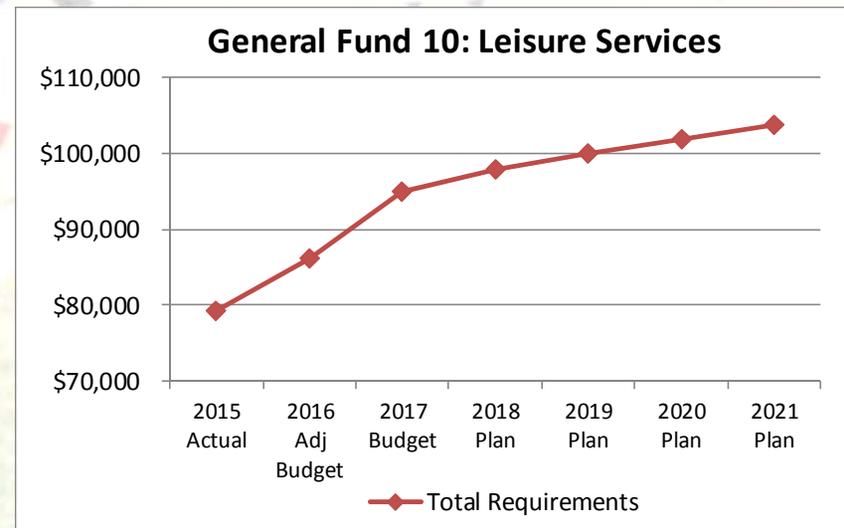
PARKS & RECREATION: LEISURE SERVICES

General Fund 10: Leisure Services

Requirements by Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	76,321	80,044	91,780	94,503	96,722	98,417	100,197
Materials, Supplies, and Services	2,858	6,193	3,255	3,313	3,373	3,437	3,504
Total Requirements	\$ 79,179	\$ 86,237	\$ 95,035	\$ 97,816	\$ 100,095	\$ 101,854	\$ 103,701
<i>\$ Change from Prior Period</i>	\$ 1,380	\$ 7,058	\$ 8,798	\$ 2,781	\$ 2,280	\$ 1,759	\$ 1,847
<i>% Change from Prior Period</i>	2%	9%	10%	3%	2%	2%	2%

Personnel costs account for salaries/wages, benefits (i.e. retirement, healthcare, allowances, and FICA) and travel and training. Salaries and wages are driven from the Wasatch Compensation Group and benefits are driven from the benefits provider (refer to Personnel requirements in the Executive Summary). Although salaries/wages and benefits are expected to increase annually according to the City’s compensation philosophy (increases vary with each position), it is subject to funding availability. The tentative budget proposes full implementation of all changes consistent with the City compensation plan.

Personnel requirements are expected to increase by 14.7 percent or \$11,736 in 2017 then increase by 1-3 percent annually through 2021. Said increase in 2017 is attributed to changes in employee eligible benefits.



Materials, Supplies, and Services (MSS) are expected to decrease by 47.4 percent or \$2,938 in 2017, due to one-time requirements, then increase by 2 percent annually through 2021.

PARKS & RECREATION: LEISURE SERVICES

Fiscal Year 2016 Accomplishments and Highlights		
Legislative Policy Statement	Legislative Objective	Department Strategy
Family Oriented Community	Leisure Service Programs	Conducted training programs that improved parent engagement, sportsmanship, and developed coaching standards that supported safe, fun and recreationally based youth sport activities.
Fiscal Responsibility	Apply for grants	Applied for and received \$79,500 in RAMP Grants to improve Victory park infrastructure and leisure service offerings.
Open and Responsive Government	Keep stakeholders informed	Created a city wide signage system to promote and informed residents of recreation and leisure service programs
Recreation Programs and Facilities	Develop Parks and Recreation facilities to better serve the community.	Successfully worked with community volunteers to improve the Lower Rohmer baseball complex to include; infield dirt improvements, baselines detailing and updated the batting cage.
Fiscal Year 2017 Goals		
Recreation Programs and Facilities	Recreational Offerings and Community Events	Annually evaluate and refine Leisure Service offerings to improve customer satisfaction and participation.
Open and Responsive Government	Community Involvement	Promote a sense of community and participation in leisure activities by providing accurate up to date information on the City Website, Facebook, City Signs and the newsletter.
Fiscal Responsibility	Policies and Procedures	Ensure that all department purchases follow purchasing procedures and operate within set budget parameters
Family Oriented Community	Community Pride and Value with Events, Programs, Projects, and Volunteer Opportunities	Actively administer volunteer training for each specific sport or event.
	Regional Cooperation	Develop and refine standards that promote consistencies between the cities that share in recreation / sporting events.

PARKS & RECREATION: LEISURE SERVICES

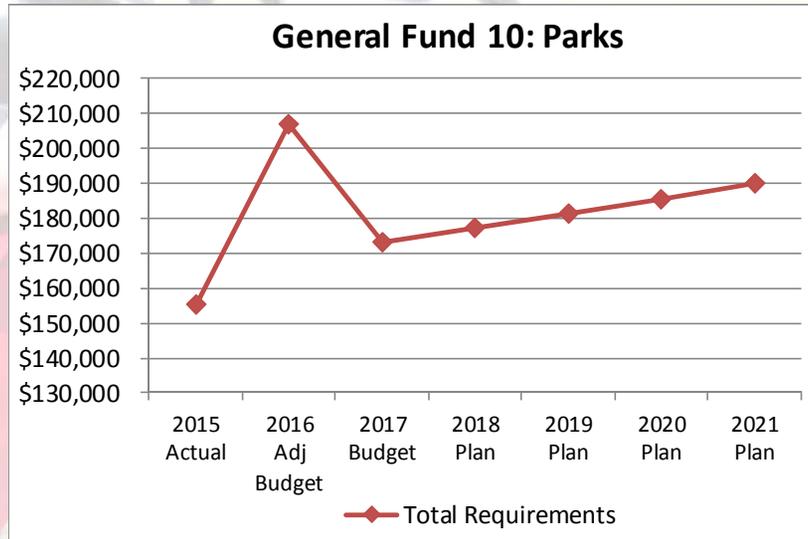
Performance Measures															
Council Policy	Council Objective	Program	Performance Measure	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
				2011	2012	2013	2014	2015	2016						
Open & Responsive Government	Improve Citizen Communication	Advertising	# months articles or announcements are in newsletter	9	11	9	9	10	12	12	12	12	12	12	
			% of times department webpage updated once a month	90	90	90	90	90	90	100	100	100	100	100	100
		Recreation	increased % of participation of teams/individuals	0-3	1	0-3	3	10	10	3	8	0	0	0	0
			# of dance participants			30	30			34	35	40	40	40	40
			# of football camp participants	-	-	30	34	40	46	90	90	70	97	90	90
			# of basketball participants	120	120	120	123	125	162	162	160	160	160	160	160
			# of baseball participants	150	153	160	203	175	222	222	260	220	260	220	220
			# of football participants	120	136	125	123	130	130	125	143	125	125	125	120
			# of soccer participants	90	92	100	105	110	115	115	130	115	140	120	120
			Parks	# of park inspections a year							12	12	12	12	12



PARKS & RECREATION: PARKS

General Fund 10: Parks

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Services	38,192	71,206	33,856	34,329	34,816	35,316	35,830
Professional & Technical	117,332	135,705	139,519	143,007	146,582	150,247	154,003
Total Requirements	\$ 155,524	\$ 206,911	\$ 173,375	\$ 177,336	\$ 181,398	\$ 185,563	\$ 189,833
<i>\$ Change from Prior Period</i>	<i>\$ 11,328</i>	<i>\$ 51,387</i>	<i>\$ (33,536)</i>	<i>\$ 3,961</i>	<i>\$ 4,062</i>	<i>\$ 4,165</i>	<i>\$ 4,270</i>
<i>% Change from prior period</i>	<i>7%</i>	<i>25%</i>	<i>-19%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>



PARKS & RECREATION: RECREATION

Recreation Fund 12: Major Program Resources

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Basketball	4,601	5,625	7,200	7,200	7,200	7,200	7,200
Baseball/Softball	10,948	9,132	9,900	9,900	9,900	9,900	9,900
Football	13,337	16,200	16,950	16,950	16,950	16,950	16,950
Soccer	3,653	4,610	5,400	5,400	5,400	5,400	5,400
Volleyball	193	1,500	1,800	1,800	1,800	1,800	1,800
Terrace Days	20,041	19,000	18,000	18,000	18,000	18,000	18,000
Other	45	500	500	500	500	500	500
Total Resources	\$ 52,818	\$ 56,567	\$ 59,750				

Recreation Fund 12: Major Program Requirements

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Basketball	5,079	5,424	7,200	7,200	7,200	7,200	7,200
Baseball/Softball	10,493	9,432	9,900	9,900	9,900	9,900	9,900
Football	17,078	20,740	16,950	16,950	16,950	16,950	16,950
Soccer	2,360	4,471	5,400	5,400	5,400	5,400	5,400
Volleyball	34	1,653	1,800	1,800	1,800	1,800	1,800
Terrace Days	20,260	18,000	18,000	18,000	18,000	18,000	18,000
Other	-	500	500	500	500	500	500
Total Requirements	\$ 55,304	\$ 60,220	\$ 59,750				
<i>\$ change from prior period</i>	<i>\$ (13,206)</i>	<i>\$ 4,916</i>	<i>\$ (470)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-19%</i>	<i>9%</i>	<i>-1%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

PARKS & RECREATION: RECREATION

Recreation Fund 12: Resources

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Charges for Services	42,818	43,567	47,750	47,750	47,750	47,750	47,750
Interfund Transfers & Charges	10,000	13,000	12,000	12,000	12,000	12,000	12,000
Total Resources	\$ 52,818	\$ 56,567	\$ 59,750				
<i>\$ change from prior period</i>	<i>\$ (8,618)</i>	<i>\$ 3,749</i>	<i>\$ 3,183</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-14%</i>	<i>7%</i>	<i>6%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

Recreation Fund 12: Requirements

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Servic	55,304	60,220	59,750	59,750	59,750	59,750	59,750
Total Requirements	\$ 55,304	\$ 60,220	\$ 59,750				
<i>\$ change from prior period</i>	<i>\$ (13,206)</i>	<i>\$ 4,916</i>	<i>\$ (470)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-19%</i>	<i>9%</i>	<i>-1%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

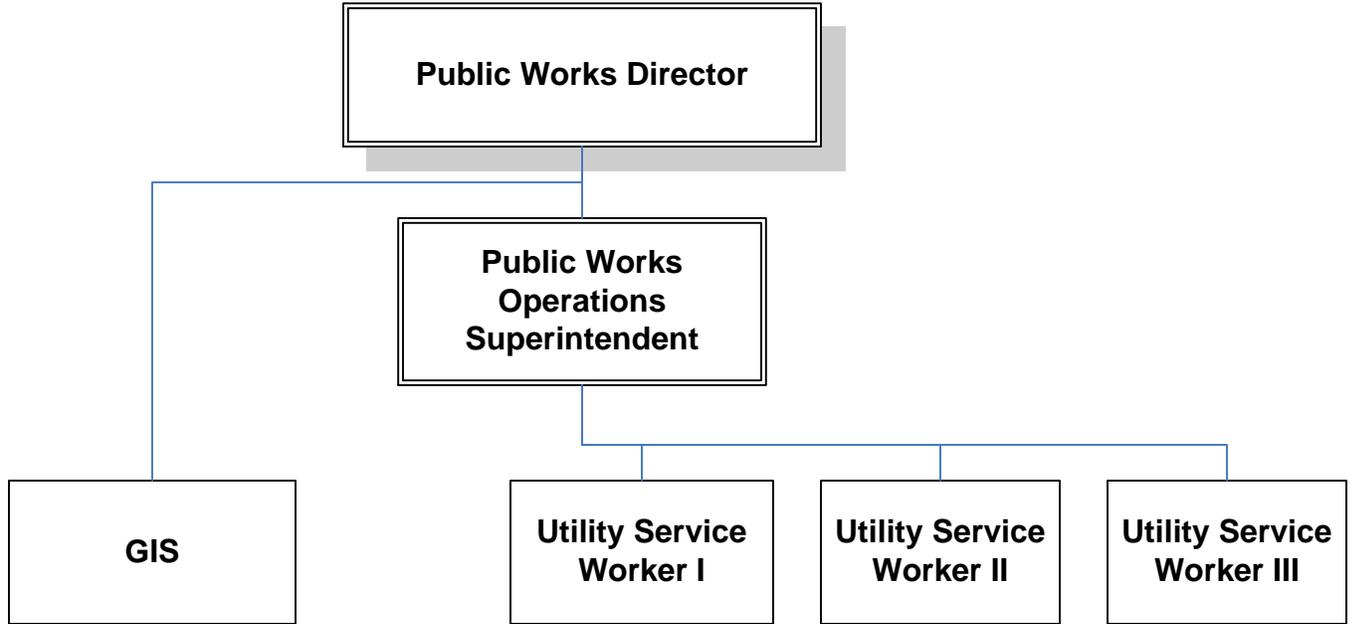
Public Works and Streets

Public Works

Streets

PUBLIC WORKS AND STREETS

City of Washington Terrace Organizational Structure



Departmental Activities

- Culinary Water
- Sanitary Sewer
- Storm Water
- Refuse
- Street Operations & Maintenance
- Construction Project Management
- Buildings and Grounds
- Parks and Open Space
- Maintenance
- Fleet Management
- Engineering
- GIS Mapping

PUBLIC WORKS AND STREETS

Mission

To provide the citizens of Washington Terrace City with the best possible service in regards to water, sewer, storm drain, streets, parks, and garbage disposal. Be responsive and courteous to all calls, questions and complaints. Be honest and upfront with answers concerning our services and realistic when offering a solution to any problem brought to us. Present a clean and professional appearance when dealing with the public in an official capacity.

Vision

- Create an atmosphere of courtesy and civility within Public Works. Make every situation a win-win situation
- Instill PRIDE in being a member of the Washington Terrace City Public Works Department. Strive for excellence.
- Develop an environment where all Public Works employees have the desire to come to work every day to contribute their expertise and experiences, not just show up.

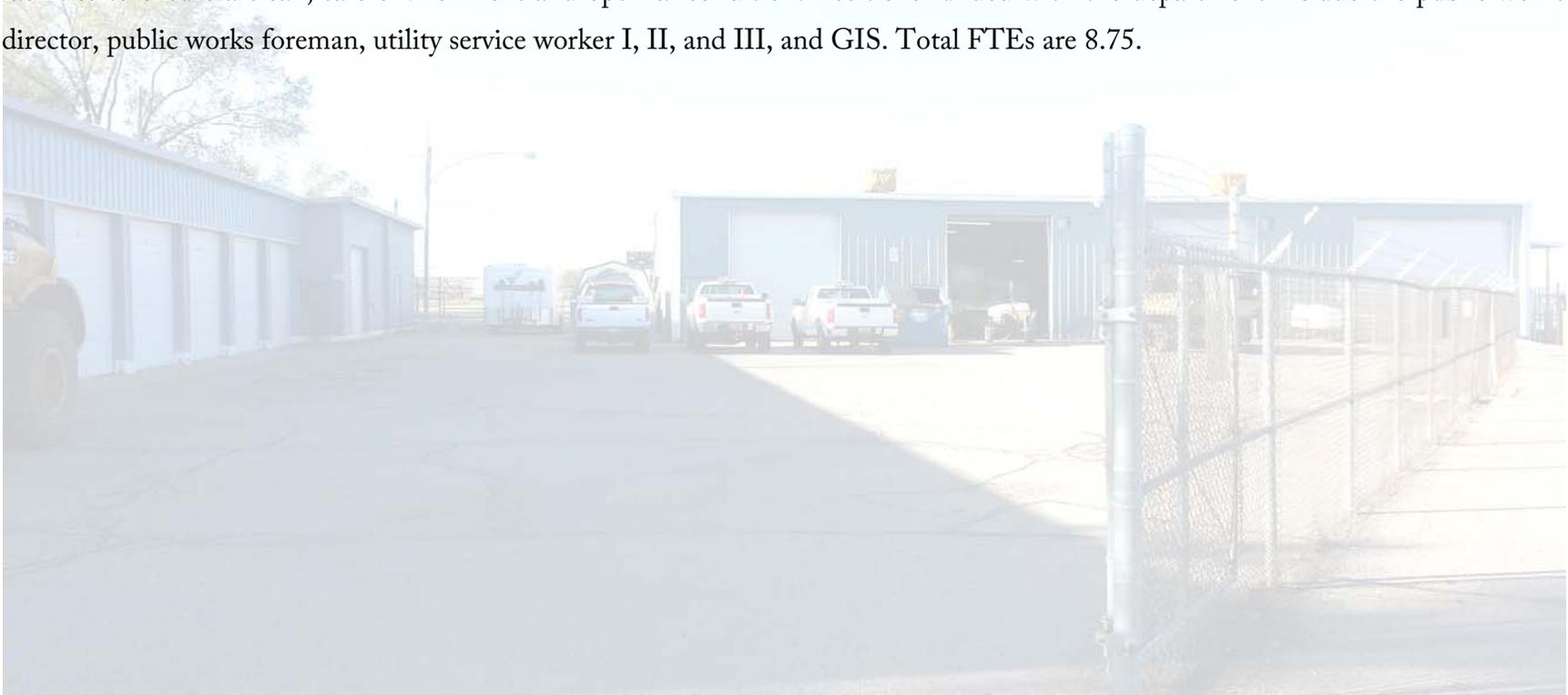
Department Goals

- Provide timely response to problems, questions, and requests from citizens, contractors and fellow employees. Log and document incidents and responses.
- Maintain 100 percent of all required certifications and licenses for all Public Works employees.
- Set and maintain a high standard of work and services performed by the Public Works Department.
- Engender a feeling of ownership of work and services performed by the Public Works Department.

PUBLIC WORKS AND STREETS

Services and Program Overview

The Washington Terrace Public Works Department is responsible for the maintenance and compliance of the culinary water, sanitary sewer, storm drain, and road systems. Oversees contracted garbage pickup services. The Department maintains city grounds and facilities to ensure a clean, safe environment and optimal condition. Positions funded with the department include the public works director, public works foreman, utility service worker I, II, and III, and GIS. Total FTEs are 8.75.



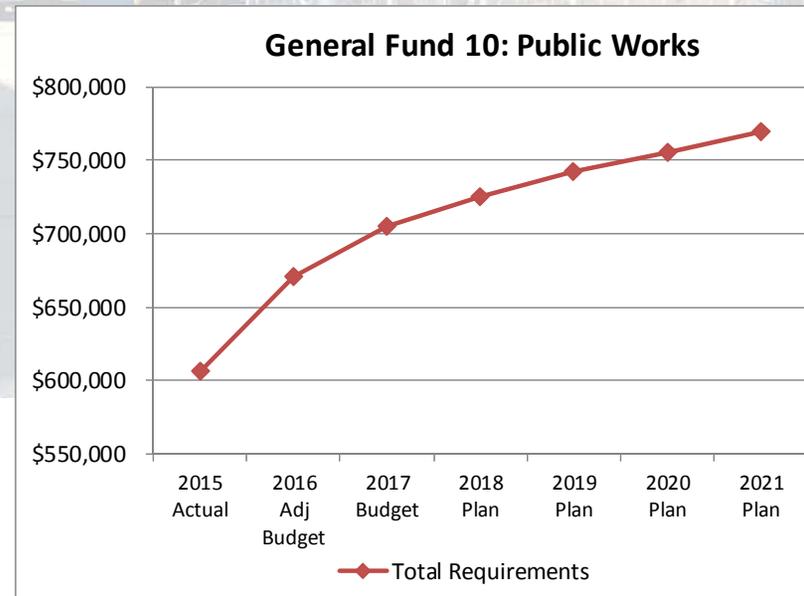
STREETS AND PUBLIC WORKS

General Fund 10: Public Works

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Personnel	555,580	616,109	648,600	668,175	684,290	696,809	709,954
Materials, Supplies, and Services	50,388	54,540	56,040	56,808	57,613	58,460	59,348
Total Requirements	\$ 605,968	\$ 670,649	\$ 704,640	\$ 724,983	\$ 741,903	\$ 755,268	\$ 769,302
<i>\$ Change from Prior Period</i>	<i>\$ 10,390</i>	<i>\$ 64,681</i>	<i>\$ 33,991</i>	<i>\$ 20,343</i>	<i>\$ 16,921</i>	<i>\$ 13,365</i>	<i>\$ 14,033</i>
<i>% Change from Prior Period</i>	<i>2%</i>	<i>10%</i>	<i>5%</i>	<i>3%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>

Personnel costs account for salaries/wages, benefits (i.e. retirement, healthcare, allowances, and FICA) and travel and training. Salaries and wages are driven from the Wasatch Compensation Group and benefits are driven from the benefits provider (refer to Personnel requirements in the Executive Summary). Although salaries/wages and benefits are expected to increase according to the City’s compensation philosophy (increases vary with each position), it is subject to funding availability. The tentative budget proposes full implementation of all changes consistent with the City compensation plan.

Budgeted personnel costs are estimated to increase by 5.3 percent in 2017 then 2-3 percent annually between 2018 and 2021.



STREETS AND PUBLIC WORKS

Materials, Supplies, and Services (MSS) are expected to increase by 2.8 percent or \$1,500 in 2017 than average 1 percent annual increases through 2020. Beginning in 2017, the costs associated with graffiti removal are now being reported in Public Works rather than court.



PUBLIC WORKS AND STREETS

Fiscal Year 2016 Accomplishments and Highlights		
Legislative Policy	Objective	Department Strategy
Open and Responsive Government	Positive Resident/Customer Communications	Responded to 688 logged Calls/Concerns, Completed 947 Work Orders
Fiscal Responsibility	Prepare Multi-year Plan Implementing Current and Future Requirements	Reviewed/Updated/Prioritized all Capital Projects Followed Fleet Management Program to Upgrade Fleet - 6 Replacements Completed Adams Avenue STP Project
Infrastructure, Improvements and Public Facilities	Adhere to Construction and Maintenance Standards for Improvements and Public Facilities	Completed 95% of 2015 Road Maintenance Project--Improved 50 City roads and 3 parking areas Installed 1,422 Residential and 10 Commercial Badger Water Meters Completed Tank #3 Seismic Upgrade Completed Land Drain System at City Hall - Protects Parking Areas
Fiscal Year 2017 Goals		
Council Policy Statement	Council Objective	Department Strategy
Public Safety and Health	Prepare and Respond to Natural and Man Made Disasters	Secure Financing, Design Public Works Shops, and Bid Project for Construction (1/2017)
Infrastructure, Improvements and Public Facilities	Manage Facilities and Operations to Minimize/Eliminate Hazardous Conditions	Continue/Expand Proactive O&M Program (Year-long) Update the long term Capitol Improvement Plan Replace 140 Street Name Signs (Year-long)
	Provide Parks, Trails and Open Spaces Based on Need of Stakeholders	Complete Victory Park Bowery and Bathroom (Summer 2016)
	Adhere to Construction and Maintenance Standards for Improvements and Public Facilities	Install Commercial water meters and fine-tune AMR System (Year-long) Finalize 2015 Road Maintenance Project Improvements (8/2017)
Fiscal Responsibility	Apply for Grants	Apply for CDBG, RAMP, and FHWA grants for Capital Projects (3/2017)

PUBLIC WORKS AND STREETS

Performance Measures

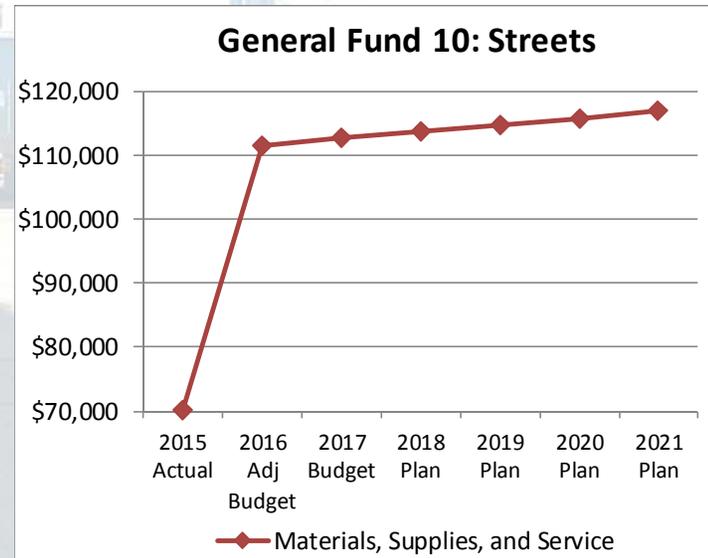
Legislative Policy	Objective	Program	Performance Measure	Target	Actual	Target								
				2012	2013	2014	2015	2016	2017					
Infrastructure, Improvements and Public Facilities	Comply with regulations for delivery and operations of utility service	Water Services	Maintain water system certification from DDW	100	100	100	100	100	100	100	100	100	100	100
			% of employees successfully passing certification exams (of those taking)	100	100	100	50	100	100	100	60	100	67	100
			# of fire hydrants not in service	0	1	0	1	0	0	0	0	0	0	0
			% of fire hydrants operational	100	99	100	99	100	100	100	100	100	100	100
			Miles of water mains	NA	35	NA								
		# of water line breaks	NA	10	NA	15	NA	16	NA	4	NA	30	NA	
		Sewer Services	Maintain sewer system per DWQ, Trust, and local requirements	100	100	100	85	100	90	100	100	100	100	100
			Miles of sewer mains	NA	32	NA								
			# of sewer lateral backups	NA	2	NA	13	NA	2	NA	7	NA	5	NA
			# of sewer backups due to blocked mains	0	0	0	0	0	1	0	1	0	0	0
	Lane miles of road		NA	53.9	NA	53.9	NA	54	NA	54	NA	54	NA	
	Minimize Hazards	Street Services	% of known potholes repaired within 2 weeks	70	35	60	30	60	90	60	40	60	35	60
			# of storm days requiring snow removal/salt application services	NA	9	NA	13	NA	8	NA	4	NA	18	NA
			% of streets plowed after major storm in 6 hours	100	90	100	65	100	80	100	100	100	90	100
			% of streets plowed after minor storm in 4 hours	100	85	100	90	100	80	100	100	100	100	100
	Meet storm water regs		# of times in the year city streets are swept	4	4	4	4	4	4.5	4	4.5	4	4.5	4
	Manage and operate facilities properly	Buildings O&M	# of times in a year HVAC maintained	4	4	4	4	4	4	4	4	4	4	4
			% fire extinguishers inspected monthly, maintained yearly, and replaced as required.	6	3	6	2	6	2	100	100	100	100	100
Minimize Hazards	Park O&M	% of park equipment safe and operational	100	95	100	95	100	96	100	95	100	98	100	

PUBLIC WORKS AND STREETS

General Fund 10: Streets

Requirements by Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Service	70,172	111,551	112,582	113,634	114,706	115,800	116,916
Total Requirements	\$ 70,172	\$ 111,551	\$ 112,582	\$ 113,634	\$ 114,706	\$ 115,800	\$ 116,916
<i>\$ Change from Prior Period</i>	<i>\$ (14,296)</i>	<i>\$ 41,379</i>	<i>\$ 1,031</i>	<i>\$ 1,052</i>	<i>\$ 1,073</i>	<i>\$ 1,094</i>	<i>\$ 1,116</i>
<i>% Change from Prior period</i>	<i>-20%</i>	<i>37%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>

Materials, Supplies, and Services (MSS) are expected to increase by 0.9 percent or \$1,031 in 2017 than average 1 percent annual increases through 2021.



BUDGET SUMMARIES

Budget Summaries
All Funds Combined

BUDGET SUMMARIES – BY FUND

Government-Wide: Revenues by Fund

Fund	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Governmental Funds							
10 General	\$ 3,942,409	\$ 4,047,069	\$ 4,193,829	\$ 4,243,948	\$ 4,296,602	\$ 4,356,337	\$ 4,408,672
12 Recreation	52,818	56,567	59,750	59,750	59,750	59,750	59,750
53 Parks Capital Projects	23,000	302,490	15,000	15,000	15,000	15,000	15,000
55 Capital Projects	1,287,741	826,921	868,580	610,886	598,399	593,478	3,410,335
65 Debt Service	547,436	2,398,437	590,702	599,561	592,750	590,059	472,358
66 Special Improvement	74,900	80,135	80,660	80,935	80,956	79,730	66,833
70 Redevelopment Agency	2,560,817	1,769,577	528,795	545,663	561,519	577,850	594,672
Total Governmental Funds	\$ 8,489,121	\$ 9,481,196	\$ 6,337,317	\$ 6,155,743	\$ 6,204,976	\$ 6,272,204	\$ 9,027,619
Enterprise Funds							
49 Refuse	459,965	479,993	485,794	490,479	499,529	508,112	517,850
50 Water	1,361,613	1,672,182	7,045,652	1,539,118	1,553,999	1,571,602	1,580,756
51 Sewer	1,199,548	1,151,456	1,171,537	1,195,697	1,220,038	1,245,039	1,269,627
52 Storm Drain	416,503	426,726	476,931	458,934	474,420	490,209	505,852
Total Enterprise Funds	\$ 3,437,629	\$ 3,730,357	\$ 9,179,915	\$ 3,684,227	\$ 3,747,987	\$ 3,814,962	\$ 3,874,086
TOTAL REVENUES	\$ 11,926,750	\$ 13,211,553	\$ 15,517,232	\$ 9,839,970	\$ 9,952,963	\$ 10,087,166	\$ 12,901,705

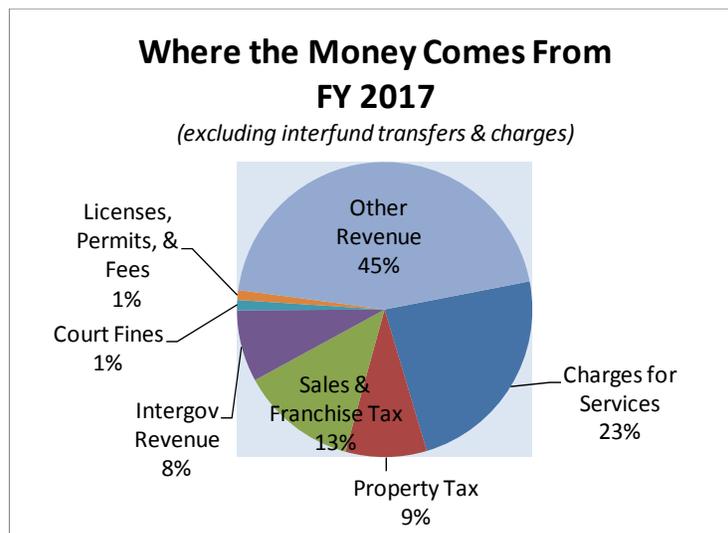
BUDGET SUMMARIES – BY FUND

Government-Wide: Revenues by Major Object

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Charges for Services	\$ 3,124,852	\$ 3,061,567	\$ 3,121,025	\$ 3,205,650	\$ 3,269,650	\$ 3,332,650	\$ 3,396,650
% Change from Prior Year	-2%	-2%	2%	3%	2%	2%	2%
Property Tax	1,171,345	1,176,293	1,179,921	1,198,217	1,207,776	1,215,507	1,146,592
% Change from Prior Year	9%	0%	0%	2%	1%	1%	-6%
Sales & Franchise Tax	1,655,508	1,683,900	1,701,288	1,723,449	1,745,908	1,768,671	1,791,741
% Change from Prior Year	2%	2%	1%	1%	1%	1%	1%
Intergov Revenue	2,790,049	2,338,764	1,044,207	1,063,548	1,081,104	1,099,136	1,117,658
% Change from Prior Year	21%	-16%	-55%	2%	2%	2%	2%
Court Fines	154,858	149,000	150,000	150,000	150,000	150,000	150,000
% Change from Prior Year	6%	-4%	1%	0%	0%	0%	0%
Licenses, Permits, & Fees	158,860	193,700	144,750	145,750	146,750	155,000	155,000
% Change from Prior Year	-27%	22%	-25%	1%	1%	6%	0%
Other Revenue	492,800	2,235,837	5,962,477	167,224	165,756	161,969	2,960,815
% Change from Prior Year	-53%	354%	167%	-97%	-1%	-2%	1728%
Interfund Transfers & Charges	2,378,479	2,372,492	2,213,564	2,186,133	2,186,019	2,204,233	2,183,249
% Change from Prior Year	50%	0%	-7%	-1%	0%	1%	-1%
TOTAL REVENUES	\$ 11,926,750	\$ 13,211,553	\$ 15,517,232	\$ 9,839,970	\$ 9,952,963	\$ 10,087,166	\$ 12,901,705
\$ Change from Prior Year	\$ 740,924	\$ 1,284,802	\$ 2,305,680	\$ (5,677,262)	\$ 112,993	\$ 134,203	\$ 2,814,539
% Change from Prior Year	7%	11%	17%	-37%	1%	1%	28%

Government-Wide: Revenues by Major Object as a Percentage

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Charges for Services	26%	23%	20%	33%	33%	33%	26%
Property Tax	10%	9%	8%	12%	12%	12%	9%
Sales & Franchise Tax	14%	13%	11%	18%	18%	18%	14%
Intergov Revenue	23%	18%	7%	11%	11%	11%	9%
Court Fines	1%	1%	1%	2%	2%	1%	1%
Licenses, Permits, & Fees	1%	1%	1%	1%	1%	2%	1%
Other Revenue	4%	17%	38%	2%	2%	2%	23%
Interfund Transfers & Charges	20%	18%	14%	22%	22%	22%	17%
TOTAL REVENUES	100%	100%	100%	100%	100%	100%	100%



BUDGET SUMMARIES – REQUIREMENTS BY MAJOR OBJECT

Government-Wide: Requirements by Fund

Funds	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Governmental Funds							
10 General	\$ 4,031,373	\$ 4,247,069	\$ 4,193,829	\$ 4,243,948	\$ 4,296,602	\$ 4,356,337	\$ 4,408,673
12 Recreation	55,304	60,220	59,750	59,750	59,750	59,750	59,750
53 Parks Capital Projects	5,101	302,490	15,000	15,000	15,000	15,000	15,000
54 Fire Capital Projects	53,104	-	-	-	-	-	-
55 Capital Projects	428,863	1,370,126	941,325	685,208	685,736	696,048	3,483,326
57 Capital Facilities	205,589	-	-	-	-	-	-
65 Debt Service	503,418	2,359,657	553,505	561,365	555,586	552,255	434,939
66 Special Improvement	83,754	81,803	82,328	82,603	82,495	81,268	68,370
70 Redevelopment Agency	2,459,587	1,769,577	1,254,363	497,629	513,849	530,561	547,782
Total Governmental Funds	7,826,092	10,190,942	7,100,100	6,145,502	6,209,017	6,291,219	9,017,839
Enterprise Funds							
49 Refuse	444,853	479,993	485,794	490,479	499,529	508,112	517,850
50 Culinary Water	1,091,682	2,648,213	7,045,652	1,539,117	1,553,999	1,571,601	1,580,756
51 Sanitary Sewer	969,940	1,777,834	1,171,537	1,195,697	1,220,039	1,245,040	1,269,627
52 Storm Water	415,498	667,221	476,931	458,933	474,419	490,209	505,852
Total Enterprise Funds	2,921,973	5,573,261	9,179,914	3,684,226	3,747,986	3,814,962	3,874,086
TOTAL REQUIREMENTS	\$ 10,748,065	\$ 15,764,203	\$ 16,280,014	\$ 9,829,728	\$ 9,957,004	\$ 10,106,181	\$ 12,891,925

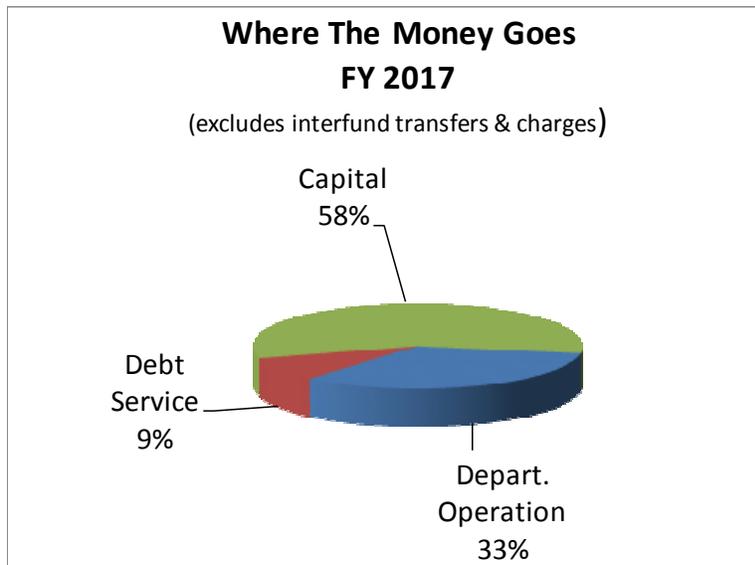
BUDGET SUMMARIES – REQUIREMENTS BY MAJOR OBJECT

Government-Wide: Requirements by Major Object

Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Departmental Operations	\$ 4,398,169	\$ 4,689,676	\$ 4,711,697	\$ 4,832,149	\$ 4,923,717	\$ 5,016,160	\$ 5,079,812
% Change from Prior Year	-13%	7%	0%	3%	2%	2%	1%
Capital	2,842,711	5,992,198	8,107,588	1,551,940	1,595,745	1,627,778	4,495,946
% Change from Prior Year	21%	111%	35%	-81%	3%	2%	176%
Debt Service	1,152,623	2,734,711	1,271,451	1,284,391	1,275,788	1,282,661	1,157,337
% Change from Prior Year	-5%	137%	-54%	1%	-1%	1%	-10%
Interfund Transfers & Charges	2,354,563	2,347,618	2,189,278	2,161,247	2,161,754	2,179,582	2,158,831
% Change from Prior Year	58%	0%	-7%	-1%	0%	1%	-1%
TOTAL REQUIREMENTS	\$ 10,748,065	\$ 15,764,203	\$ 16,280,014	\$ 9,829,728	\$ 9,957,004	\$ 10,106,181	\$ 12,891,925
\$ Change from Prior Year	\$ 630,197	\$ 5,016,137	\$ 515,812	\$ (6,450,287)	\$ 127,276	\$ 149,178	\$ 2,785,743
% Change from Prior Year	6%	47%	3%	-40%	1%	1%	28%

Government-Wide: Requirements by Major Object as a Percentage

Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Departmental Operations	41%	30%	29%	49%	49%	50%	39%
Debt Service	11%	17%	8%	13%	13%	13%	9%
Capital	26%	38%	50%	16%	16%	16%	35%
Interfund Transfers & Charges	22%	15%	13%	22%	22%	22%	17%
TOTAL REQUIREMENTS	100%						



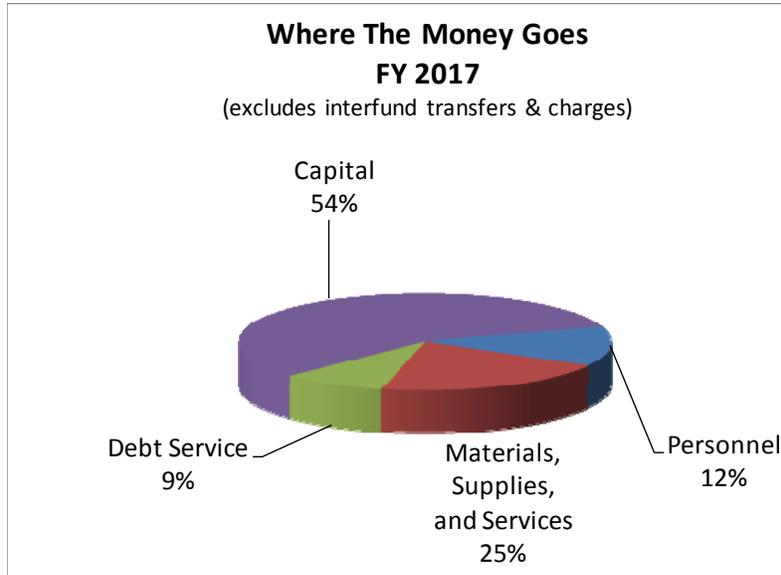
BUDGET SUMMARIES – REQUIREMENTS BY MAJOR OBJECT

Government-Wide: Requirements by Major Object

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Personnel	\$ 1,624,721	\$ 1,753,990	\$ 1,805,952	\$ 1,855,841	\$ 1,897,578	\$ 1,926,462	\$ 1,956,734
% Change from Prior Year	3%	8%	3%	3%	2%	2%	2%
Materials, Supplies, & Services	2,773,448	2,935,686	2,905,745	2,976,308	3,026,139	3,089,698	3,123,078
% Change from Prior Year	-20%	6%	-1%	2%	2%	2%	1%
Debt Service	1,152,623	2,734,711	1,271,451	1,284,391	1,275,788	1,282,661	1,157,337
% Change from Prior Year	-5%	137%	-54%	1%	-1%	1%	-10%
Capital	2,842,711	5,992,198	8,107,588	1,551,940	1,595,745	1,627,778	4,495,946
% Change from Prior Year	21%	111%	35%	-81%	3%	2%	176%
Interfund Transfers & Charges	2,354,563	2,347,618	2,189,278	2,161,247	2,161,754	2,179,582	2,158,831
% Change from Prior Year	58%	0%	-7%	-1%	0%	1%	-1%
TOTAL REQUIREMENTS	\$ 10,748,065	\$ 15,764,203	\$ 16,280,014	\$ 9,829,728	\$ 9,957,004	\$ 10,106,181	\$ 12,891,925
\$ Change from Prior Year	\$ 630,197	\$ 5,016,137	\$ 515,812	\$ (6,450,287)	\$ 127,276	\$ 149,178	\$ 2,785,743
% Change from Prior Year	6%	47%	3%	-40%	1%	1%	28%

Government-Wide: Requirements by Major Object as a Percentage

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Personnel	15%	11%	11%	19%	19%	19%	15%
Materials, Supplies, & Services	26%	19%	18%	30%	30%	31%	24%
Debt Service	11%	17%	8%	13%	13%	13%	9%
Capital	26%	38%	50%	16%	16%	16%	35%
Interfund Transfers & Charges	22%	15%	13%	22%	22%	22%	17%
TOTAL REQUIREMENTS	100%	100%	100%	100%	100%	100%	100%



Fund Summaries

BUDGET SUMMARIES – GENERAL FUND

General Fund 10: Resources & Requirements

Resources	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Tax	2,357,743	2,387,632	2,410,871	2,445,207	2,480,909	2,517,210	2,554,124
Licenses & Permits	158,860	193,700	144,750	145,750	146,750	155,000	155,000
Intergovernmental	303,448	323,884	576,035	580,954	585,972	591,090	596,311
Fines & forfeitures	154,858	149,000	150,000	150,000	150,000	150,000	150,000
Other	57,455	72,000	34,300	34,300	35,300	35,300	35,300
Interfund Contributions & Transfers	910,043	920,853	877,873	887,737	897,671	907,737	917,937
TOTAL REVENUES	\$ 3,942,409	\$ 4,047,069	\$ 4,193,829	\$ 4,243,948	\$ 4,296,602	\$ 4,356,337	\$ 4,408,672
<i>\$ Change from Prior Period</i>	<i>\$ 103,268</i>	<i>\$ 104,660</i>	<i>\$ 146,760</i>	<i>\$ 50,118</i>	<i>\$ 52,654</i>	<i>\$ 59,735</i>	<i>\$ 52,335</i>
<i>% Change from Prior Period</i>	<i>3%</i>	<i>3%</i>	<i>4%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>
Requirements							
Mayor & City Council	32,726	39,831	36,165	36,367	36,573	40,384	36,999
Justice Court	134,089	146,345	145,345	148,970	151,785	153,756	155,826
Administration	317,979	329,883	334,950	343,703	348,658	354,449	360,529
Treasurer/HR/Utility Billing	204,343	215,265	215,840	218,878	223,099	226,162	229,377
Recorder	81,978	92,151	82,705	103,058	87,948	106,355	90,823
Leisure Services	79,179	86,237	95,035	97,816	100,095	101,854	103,701
Non-Departmental	95,557	115,456	111,178	117,917	119,785	121,691	123,635
Interfund Charges & Transfers	1,019,743	924,028	870,708	829,801	823,480	823,358	846,250
Building	94,568	137,394	138,594	143,732	146,141	148,747	150,198
Public Safety - Police	751,834	746,769	755,666	763,223	770,855	778,563	786,349
Public Safety - Fire	222,360	245,956	236,545	240,189	260,676	252,343	254,066
Building and Planning	114,521	126,193	125,522	128,144	131,640	132,885	134,169
Animal Control	50,832	52,450	54,979	56,200	57,860	59,159	60,700
Public Works	605,968	670,649	704,640	724,983	741,903	755,268	769,302
Streets	70,172	111,551	112,582	113,634	114,706	115,800	116,916
Parks	155,524	206,911	173,375	177,336	181,398	185,563	189,833
TOTAL REQUIREMENTS	\$ 4,031,373	\$ 4,247,069	\$ 4,193,829	\$ 4,243,948	\$ 4,296,602	\$ 4,356,337	\$ 4,408,673
<i>\$ Change from Prior Period</i>	<i>\$ 479,277</i>	<i>\$ 215,696</i>	<i>\$ (53,240)</i>	<i>\$ 50,119</i>	<i>\$ 52,654</i>	<i>\$ 59,735</i>	<i>\$ 52,336</i>
<i>% Change from Prior Period</i>	<i>13%</i>	<i>5%</i>	<i>-1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>

REVENUE PROJECTIONS

General Fund revenues in 2017 are projected to increase by 4 percent or \$146,760 from the 2016 adjusted budget. Said increase is largely attributed to newly imposed local county option transportation sales tax of \$0.0025 (effective April 1, 2016). The estimated 2017 fiscal impact is \$245,968.

TAX

Property Tax receipts are expected to increase by an estimated 1 percent or \$23,239. Said increase is attributed to new growth/development and recognition of incremental value from the Southeast Redevelopment Project Area.

BUDGET SUMMARIES – GENERAL FUND

Sales & Franchise Tax receipts are estimated to reach \$1,701,288 in 2017 up 1 percent or \$17,388 compared to 2016. Sales and franchise taxes represent 71 percent of General Fund tax revenue and 41 percent of total General Fund revenues in 2017 (excluding interfund transfers).

The 2017 budget anticipates revenue generated from Sales Tax receipts at \$1,029,588 up by 2 percent or \$20,188 compared to 2016. The bulk of sales tax collections are from the City's share of statewide point of sale and population pool.

Government-wide Franchise Tax in 2017 is projected to decrease by 0.4% or \$2,800 compared to 2016. Franchise Tax receipts for cable services are collected at 5 percent of gross sales. Power and gas services are collected at 6 percent and telecommunications 3.5 percent of gross sales.

LICENSES & PERMITS

Licenses, Permits, & Fees are collected in accordance with the City's fee schedule established by the local legislative body. Licenses, Permits, and Fees include building permits, business licenses, and planning fees and are deposited in the General Fund. Receipts in 2017 are expected to decrease by 25 or \$48,250 compared to 2016 as fewer building permits and related planning fees are expected to be issued. Licenses, Permits, and Fees represent 3.5 percent or \$144,750 of General Fund revenue and 1 percent of government-wide revenue sources in 2017 (excluding interfund transfers and charges).

INTERGOVERNMENTAL

Intergovernmental receipts are estimated to reach \$576,035 an increase of 78 percent or \$252,151 in 2017. Said increase is largely attributed to newly imposed local county option transportation sales tax of \$0.0025 (effective April 1, 2016). The estimated 2017 fiscal impact is \$245,968.

Additionally, the state-wide gas tax increased by \$0.05 effective January 1, 2016, thereby, increasing the expected Class C Road revenue by \$26,626 in 2016 then an additional \$23,374 in

BUDGET SUMMARIES – GENERAL FUND

2017—total combined impact of increase is \$50,000 annually. Class C roads increased 8 percent in 2017 resulting in a total Class C budget from the state-wide gas tax of \$305,000. The use of these funds is restricted to transportation spending. Class C Road funds are disbursed by the State as a means of providing assistance to municipalities for the improvement of roads and streets.

Intergovernmental revenue represents 14 percent or \$576,035 of total General Fund revenue sources in 2017.

OTHER

Other receipts are estimated to reach \$34,300 in 2017, down \$37,700 from 2016. Said decrease is attributed to discontinued contracts for telecommunication site leases. Beginning in 2017, there will be no active telecommunication site lease contracts. Other revenue includes, but not limited to, interest earned, telecommunication site leases, convenience fees, public facility rentals, and newsletter advertising. Other revenue represents less than 1 percent of total General Fund revenue sources in 2017.

INTERFUND CONTRIBUTIONS & TRANSFERS

Interfund Contributions & Transfers are estimated to reach \$887,873, down 5 percent or \$42,980 from prior year. Interfund contributions and transfers or internal sales and purchase of goods, services, or movement of assets between funds, with or without equivalent consideration. Interfund transfers and charges include the General Fund charging the utility funds and special revenue funds their share labor and overhead for the operations and management of utility and special revenue programs. The projected decrease in interfund activity is largely attributed to a reduction in allowable redevelopment administration fees within the renewed Southeast Project Area.

BUDGET SUMMARIES – GENERAL FUND

General Fund: Requirements by Major Object

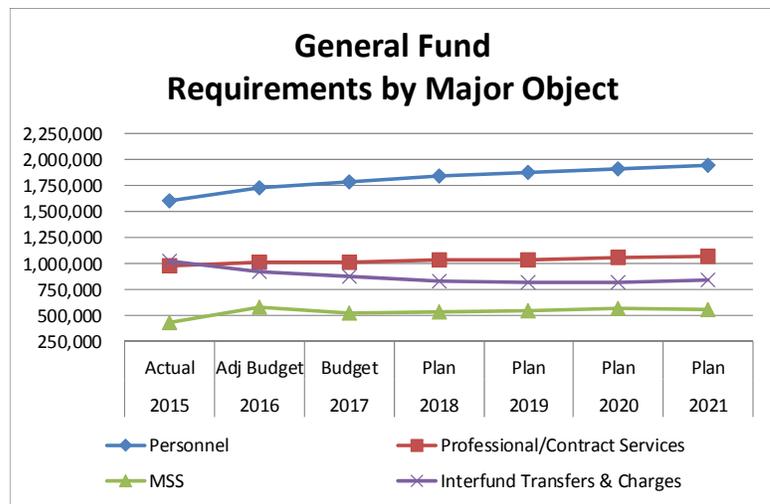
Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Personnel	1,606,145	1,734,490	1,789,452	1,839,341	1,881,078	1,909,962	1,940,234
Professional/Contract Services	976,971	1,010,349	1,013,238	1,034,579	1,040,148	1,053,949	1,067,988
Materials, Supplies, & Services	428,514	578,202	520,430	540,227	551,896	569,069	554,200
Interfund Transfers & Charges	1,019,743	924,028	870,708	829,801	823,480	823,358	846,250
TOTAL REQUIREMENTS	\$4,031,373	\$ 4,247,069	\$ 4,193,829	\$ 4,243,948	\$4,296,602	\$4,356,337	\$4,408,673

EXPENDITURE PROJECTIONS

Expenditures projections have been driven from the revenue conservancy approach. Major guiding budget issues affecting governmental funds are discussed below.

General Fund expenditures in 2017 are projected to decrease by 1 percent or \$53,240.

Said decrease is largely attributed to one-time Park Departmental operating expenditures.



MAJOR BUDGET ISSUES & PRIORITIES

(5.) PERSONNEL

Personnel requirements have been driven from the City’s compensation philosophy. Compensation is based on market driven salaries/wages and benefits of other benchmark communities. It is a priority of the City to establish and maintain a compensation plan that balances the interests of the operating budget while attracting, developing, retaining, and rewarding high quality staff.

BUDGET SUMMARIES – GENERAL FUND

Budgeted Personnel costs for 2017 are estimated to increase by up to 3 percent or \$52,000 compared to the 2016 adjusted budget—salaries and wages \$19,326 and benefits \$35,636.

Major benefit cost drivers include health and dental coverage and retirement benefits.

Health coverage offered by PEHP will have a rate renewal increase of 5.5% and dental a 1% increase. The employees' share of health/dental premiums is 10% and the City's share is 90%.

Retirement benefits administered through Utah Retirement Systems Public Employees' Noncontributory Tier 1 System employer contribution rate will remain *unchanged* at 18.47%. The Tier 2 system will also remain *unchanged* at 16.69%.

The firefighters' retirement system (including employer pickup election) will experience a rate *decrease* of 0.10% or a total employer contribution rate of 18.94%.

Plan Projections

Future projections for Personnel requirements include 3 percent annual increases in 2017 and 2018 followed by 2 percent annual increases in 2019-2021. Staffing levels are project to remain unchanged. Of said increases, salaries and wages are projected to increase up to 2 percent in 2018, 1 percent in 2019, and then remain flat through 2021. Benefit requirements are estimated to increase by 5 percent annually through 2021.

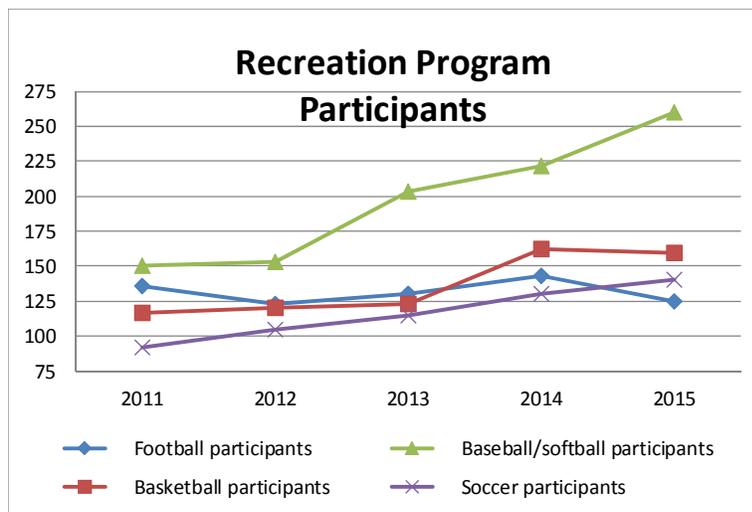
BUDGET SUMMARIES – RECREATION FUND

The Recreation Fund activities are managed by the Leisure Services Department. Total Fund resources are expected to increase by 6 percent or \$3,183 in 2017 due to proposed increases to program fees (refer to Fee Schedule for detail).



The newest sponsored recreation programs offered in 2015 included volleyball for children grades 3rd through 9th. No new program offerings are anticipated for 2017.

Football program participation increased from 136 in 2010 to 143 participants in 2013. Participation levels in 2014 declined to 125 as a result of reducing team sizes to make program more effective and meaningful for participants.



Basketball participation has steadily increased from 117 in 2011 to 160 in 2015. Since 2011, the program has grown by 37 percent or 43 participants.

Baseball/softball participation has shown the greatest growth since 2011. The program has grown from 150 participants to 260 in 2015-- growing 73 percent or by 110 participants.

Baseball/softball participation has shown the greatest growth since

Soccer participation has also shown steady growth between 2011 and 2015. Participation levels have grown by 52 percent or 48 participants since 2011.

BUDGET SUMMARIES – RECREATION FUND

Recreation Fund 12: Major Program Resources

Major Object	2015	2016	Adj	2017	2018	2019	2020	2021
	Actual	Budget		Budget	Plan	Plan	Plan	Plan
Basketball	4,601	5,625		7,200	7,200	7,200	7,200	7,200
Baseball/Softball	10,948	9,132		9,900	9,900	9,900	9,900	9,900
Football	13,337	16,200		16,950	16,950	16,950	16,950	16,950
Soccer	3,653	4,610		5,400	5,400	5,400	5,400	5,400
Volleyball	193	1,500		1,800	1,800	1,800	1,800	1,800
Terrace Days	20,041	19,000		18,000	18,000	18,000	18,000	18,000
Other	45	500		500	500	500	500	500
Total Resources	\$ 52,818	\$ 56,567		\$ 59,750				
<i>\$ change from prior period</i>	<i>\$ (8,618)</i>	<i>\$ 3,749</i>		<i>\$ 3,183</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-14%</i>	<i>7%</i>		<i>6%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

Recreation Fund 12: Resources

Major Object	2015	2016	Adj	2017	2018	2019	2020	2021
	Actual	Budget		Budget	Plan	Plan	Plan	Plan
Charges for Services	42,818	43,567		47,750	47,750	47,750	47,750	47,750
Interfund Transfers & Charges	10,000	13,000		12,000	12,000	12,000	12,000	12,000
Total Resources	\$ 52,818	\$ 56,567		\$ 59,750				
<i>\$ change from prior period</i>	<i>\$ (8,618)</i>	<i>\$ 3,749</i>		<i>\$ 3,183</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-14%</i>	<i>7%</i>		<i>6%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

BUDGET SUMMARIES – RECREATION FUND

Recreation Fund 12: Major Program Requirements

Major Object	2015 Actual	2016 Budget	Adj 2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Basketball	5,079	5,424	7,200	7,200	7,200	7,200	7,200
Baseball/Softball	10,493	9,432	9,900	9,900	9,900	9,900	9,900
Football	17,078	20,740	16,950	16,950	16,950	16,950	16,950
Soccer	2,360	4,471	5,400	5,400	5,400	5,400	5,400
Volleyball	34	1,653	1,800	1,800	1,800	1,800	1,800
Terrace Days	20,260	18,000	18,000	18,000	18,000	18,000	18,000
Other	-	500	500	500	500	500	500
Total Requirements	\$ 55,304	\$ 60,220	\$ 59,750	\$ 59,750	\$ 59,750	\$ 59,750	\$ 59,750
<i>\$ change from prior period</i>	<i>\$ (13,206)</i>	<i>\$ 4,916</i>	<i>\$ (470)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-19%</i>	<i>9%</i>	<i>-1%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

Recreation Fund 12: Requirements

Major Object	2015 Actual	2016 Budget	Adj 2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Services	55,304	60,220	59,750	59,750	59,750	59,750	59,750
Total Requirements	\$ 55,304	\$ 60,220	\$ 59,750	\$ 59,750	\$ 59,750	\$ 59,750	\$ 59,750
<i>\$ change from prior period</i>	<i>\$ (13,206)</i>	<i>\$ 4,916</i>	<i>\$ (470)</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-19%</i>	<i>9%</i>	<i>-1%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

BUDGET SUMMARIES – REFUSE ENTERPRISE FUND

Refuse Enterprise Fund 49: Resources

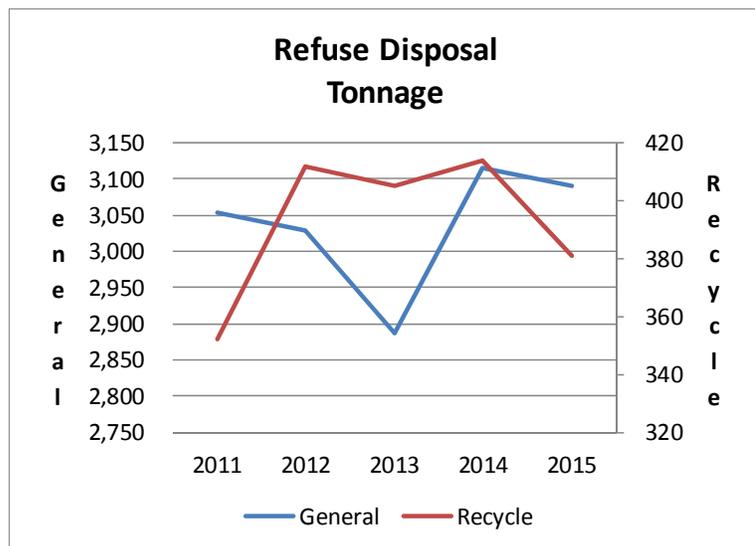
Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	446,365	470,000	474,375	479,000	488,000	496,000	505,000
Other Revenue	9,932	6,300	7,719	7,742	7,755	8,300	9,000
Interfund Transfers & Charges	3,668	3,693	3,700	3,737	3,774	3,812	3,850
Total Resources	\$ 459,965	\$ 479,993	\$ 485,794	\$ 490,479	\$ 499,529	\$ 508,112	\$ 517,850
<i>\$ change from prior period</i>	<i>\$ (1,101)</i>	<i>\$ 20,028</i>	<i>\$ 5,801</i>	<i>\$ 4,685</i>	<i>\$ 9,050</i>	<i>\$ 8,583</i>	<i>\$ 9,738</i>
<i>% change from prior period</i>	<i>0%</i>	<i>4%</i>	<i>1%</i>	<i>1%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>

Refuse Enterprise Fund 49: Requirements

Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Services	359,587	380,386	380,689	384,549	392,767	400,509	409,398
Interfund Transfers & Charges	85,266	99,607	105,105	105,930	106,762	107,603	108,452
Total Requirements	\$ 444,853	\$ 479,993	\$ 485,794	\$ 490,479	\$ 499,529	\$ 508,112	\$ 517,850
<i>\$ change from prior period</i>	<i>\$ 14,476</i>	<i>\$ 35,140</i>	<i>\$ 5,801</i>	<i>\$ 4,685</i>	<i>\$ 9,050</i>	<i>\$ 8,583</i>	<i>\$ 9,738</i>
<i>% change from prior period</i>	<i>3%</i>	<i>8%</i>	<i>1%</i>	<i>1%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>

The Refuse Enterprise Fund activities are managed primarily by the Public Works Department and Utility Billing Department. The City provides refuse collection and disposal services for approximately 2,882 general refuse containers and 2,423 recycle containers. The number of containers in the system continues to remain relatively flat.

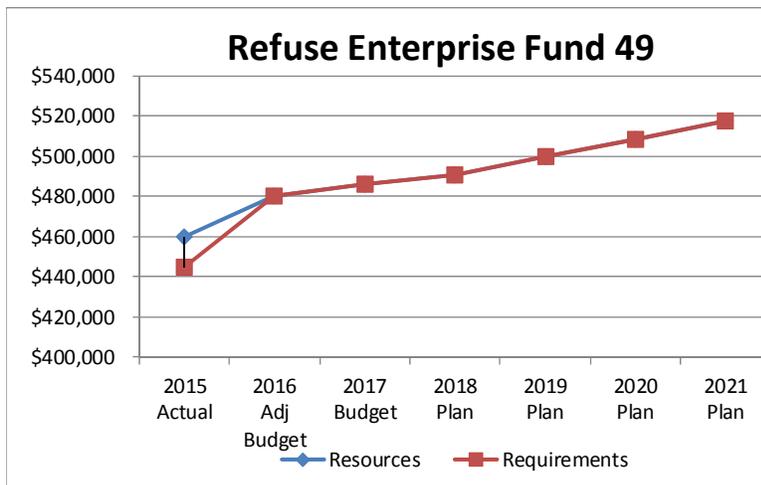
Collection and disposal services are outsourced to Republic Services. Between calendar year 2011 and 2013, general disposal tonnage decline from 3,053 to 2,886 tons per year. A spike in tonnage in 2014 drove annual general tonnage up to 3,114 and 3,091 in 2015.



Recycling tonnage increased by 17 percent in 2012 moving from 352 to 412 tons per year. Tonnage remained steady through 2014 averaging 410 tons per year. In 2015 a decline of 8 percent or 33 tons was reported dropping total recyclable tonnage to 381.

BUDGET SUMMARIES – REFUSE ENTERPRISE FUND

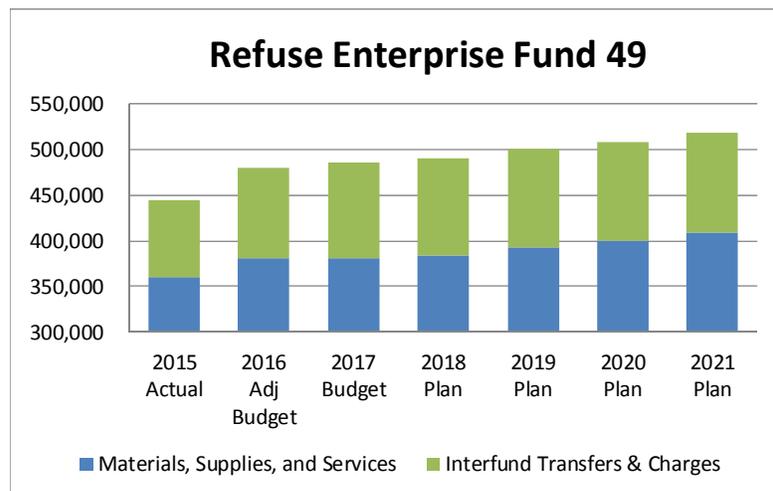
Total Fund resources are expected to increase by 1 percent or \$5,801 in 2017, then increase by 1-2 percent or \$5,000 - \$10,000 annually through 2021. Requirements are projected to follow resources increasing by 1-2 percent annually through 2021. While the budget plan anticipates nominal increases through 2018, budget years 2019 and beyond pose more ambiguity as major operating cost drivers are subject to contractual review.



Previous years anticipated that future increases to operating requirements would be offset by utilizing available reserves estimated through 2019. These projections have changed beginning 2016 with the anticipation of constructing a new

public works facility. In effort to fund preliminary construction costs, future debt service requirements, and maintain adequate debt service coverage levels, a rate increase has become necessary.

While user rates increases through 2018 are expected to be nominal, future years beyond pose more ambiguity as major operating cost drivers are subject to contractual review or change.



BUDGET SUMMARIES – REFUSE ENTERPRISE FUND

MAJOR BUDGET ISSUES & PRIORITIES

(2.) CONSTRUCTION OF A PUBLIC WORKS FACILITY

The concept of constructing a new public works facility is in the planning and design phase. Financing options/feasibility, project scope, design, cost, and location are be carefully analyzed to determine what to be in the best interest of the City.

The FY 2015-2021 budget includes the following fiscal considerations in approaching the construction of a new facility. The funding sources to be used to finance this project include all utility funds (water, sewer, storm water, refuse) and the general fund/capital projects fund (streets, general govt.).

- FY 2015 (Jul 1, 14- Jun 30, 15) - \$15,000 preliminary planning
- FY 2016 (Jul 1, 15- Jun 30, 16) – \$150,000 planning, design, bidding, etc.
- FY 2017 (Jul 1, 16- Jun 30, 17) – Issue bonds *estimated* at \$5.460M (\$5 for construction and land acquisition; \$460k for cost of issuance, deposit to debt service reserve fund, underwriters discount, etc.)
- FY 2017- 2036 – Debt service fiscal total *estimated* \$353,560 (20-year amortization)

Refuse share of this project is estimated to be \$18K annually based on a 20-year debt repayment amortization.

(4.) UTILITY RATES

Refuse services for 2017 are expected to require no an additional resources-- current fee levels are adequate to cover projected \$6,000 increase to service requirements. The monthly fee will remain unchanged at \$13.70 for the first general use and recycle container. Extra recycle containers will remain at \$2.65. Extra general use containers will remain unchanged at \$13.70.

Service	General Refuse/container			Recycle/extra container		
	<u>Current</u>	<u>New</u>	<u>Change</u>	<u>Current</u>	<u>New</u>	<u>Change</u>
Refuse	\$ 13.70	\$ 13.70	\$ -	\$ 2.65	\$ 2.65	\$ -

For a complete fee schedule refer to the Fee Schedule section of this document.

BUDGET SUMMARIES – REFUSE ENTERPRISE FUND

Plan Projections

Additional operating requirements of \$5,000 - \$10,000 annually are projected annually through 2021, thereby, anticipating future customer rate increases for these services. Significant cost drivers include: (1) waste collection services (Republic Services); (2) waste disposal services (Weber Transfer Station); and (3) overhead, labor, & materials.

Waste Collection

The City contracts with Republic Services for waste collection services at an estimated annual cost of \$256,500 for 2017. Annual increases for these services are driven by the change in the Consumer Price Index (CPI). Between 2015 and 2016 annual increases have averaged 1.65 percent. Additional budget requirements for these services in 2018 are estimated at 1 percent then 2 percent annually through 2021.

Other future considerations are (1) The current service contract is set to expire on June 30, 2018. Rebidding this contract will subject the cost of this contract to market changes. (2) Current service contracts allows for a fuel surcharge on diesel fuel when prices exceed \$4.00/gallon. While fuel prices have remained low for several years, the future risk of higher fuel prices, specifically diesel fuel prices exceeding \$4.00/gallon could cause the price of this service to increase beyond the change of the CPI.

Waste Disposal

Waste disposal services are provided by the Weber County Transfer Station. While the disposal fee of \$32/ton is not expected to change in 2017, future fee and disposal tonnage increase are likely through 2021. Increased budget requirements for disposal services are estimated at 1 percent in 2018 than 2 percent annually through 2021.

Overhead, Labor, & Materials

Additional requirements of \$1,000 - \$2,000 are projected annually through 2021.

BUDGET SUMMARIES – WATER ENTERPRISE FUND

The Culinary Water Enterprise Fund activities are managed primarily by the Public Works Department and Utility Billing Department. The City supplies culinary water to 2,896 connections for residential, general commercial use, and fire protection purposes. The City maintains approximately 32 miles of water mains. Treated culinary water supply is provided by Weber Basin Water Conservancy District.

For fiscal year 2016, the system supplied 248,855,000 gallons of water annually or an average of 20,737,917 monthly up 2.6 percent from 2015. In 2015, the system supplied 242,560,000 gallons of water or an average of 20,213,333 monthly. System consumption has continually decreased since 2004 decreasing from \$307,699,000 annual gallons to 248,855,000 in 2016. This trend is being attributed to: 1) water conservation utility rate structure; 2) flat population growth; 3) state-wide conservation initiatives; and 4) low flow water technology.

Culinary Water Enterprise Fund 50: Resources

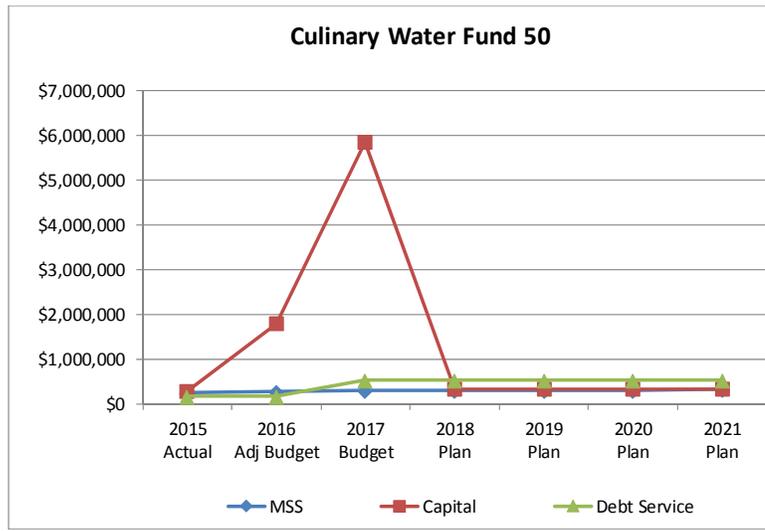
Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	1,146,213	1,095,000	1,110,200	1,125,200	1,140,200	1,155,200	1,170,200
Other Revenue	67,432	100,937	5,570,950	48,355	48,049	43,733	43,408
Intergovernmental	51,326	150,875	50,000	50,000	50,000	50,000	50,000
Interfund Transfers & Charges	96,642	325,370	314,502	315,563	315,750	322,668	317,148
Total Resources	\$ 1,361,613	\$ 1,672,182	\$ 7,045,652	\$ 1,539,118	\$ 1,553,999	\$ 1,571,602	\$ 1,580,756
<i>\$ change from prior period</i>	<i>\$ (80,698)</i>	<i>\$ 310,568</i>	<i>\$ 5,373,471</i>	<i>\$ (5,506,535)</i>	<i>\$ 14,882</i>	<i>\$ 17,602</i>	<i>\$ 9,155</i>
<i>% change from prior period</i>	<i>-6%</i>	<i>23%</i>	<i>321%</i>	<i>-78%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>

Culinary Water Enterprise Fund 50: Requirements

Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Services	253,333	284,683	289,410	296,118	303,010	310,088	317,359
Capital	273,369	1,791,617	5,835,148	315,841	321,389	323,387	325,245
Debt Service	169,593	173,462	526,448	528,757	527,420	532,139	528,331
Interfund Transfers & Charges	395,387	398,451	394,646	398,400	402,180	405,987	409,821
Total Requirements	\$ 1,091,682	\$ 2,648,213	\$ 7,045,652	\$ 1,539,117	\$ 1,553,999	\$ 1,571,601	\$ 1,580,756
<i>\$ change from prior period</i>	<i>\$ (69,976)</i>	<i>\$ 1,556,531</i>	<i>\$ 4,397,439</i>	<i>\$ (5,506,535)</i>	<i>\$ 14,883</i>	<i>\$ 17,602</i>	<i>\$ 9,155</i>
<i>% change from prior period</i>	<i>-6%</i>	<i>143%</i>	<i>166%</i>	<i>-78%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>

BUDGET SUMMARIES – WATER ENTERPRISE FUND

Water facilities and project priorities are analyzed according to the Capital Facilities Plan. Project priorities and scope may change annually according to urgency and funding availability. The following major projects have been identified as high priority projects between 2016 and 2021. Acquiring adequate funding through pay-as-you-go often takes years to accumulate required amounts. Financing methods will be continually reviewed to determine the best approach to secure funding for these projects.



MAJOR BUDGET ISSUES & PRIORITIES

(1.) WATER METER READING SYSTEM

Efforts are underway to replace the remaining commercial and residential meters to a Badger metering system. The Badger radio/meter system will be capable of converting from a drive-by (Automatic Meter Reading or AMR) read system to a fixed-base (Advanced Meter Infrastructure or AMI) read system in the future—allowing instantaneous access to every meter from our billing computers and resolution of most resident’s questions on-the-spot. This new system is expected to greatly increase meter reading efficiency and improve customer service.

This system is designed to provide flow management solutions that encourage the responsible use of sustainable resources. This product is said to achieve sustainability in three major categories: 1) Savings of water through customers’ use of its metering; 3) Energy savings from the use of recycled materials in making of Badger products; and 3) Responsible management of facilities.

BUDGET SUMMARIES – WATER ENTERPRISE FUND

Fiscal year 2016 adjusted budget anticipates that the remaining meters/radios will be converted to a Badger meter system (\$416k) and an AMI system installed (\$162k) at a combined cost of \$578,000.

(2.) CONSTRUCTION OF A PUBLIC WORKS FACILITY

The concept of constructing a new public works facility is in the planning and design phase. Financing options/feasibility, project scope, design, cost, and location are being carefully analyzed to determine what to be in the best interest of the City.

The FY 2015-2021 budget includes the following fiscal considerations in approaching the construction of a new facility. The funding sources to be used to finance this project include all utility funds (water, sewer, storm water, refuse) and the general fund/capital projects fund (streets, general govt.).

- FY 2015 (Jul 1, 14- Jun 30, 15) - \$15,000 preliminary planning
- FY 2016 (Jul 1, 15- Jun 30, 16) – \$150,000 planning, design, bidding, etc.
- FY 2017 (Jul 1, 16- Jun 30, 17) – Issue bonds *estimated* at \$5.460M (\$5 for construction and land acquisition; \$460k for cost of issuance, deposit to debt service reserve fund, underwriters discount, etc.)
- FY 2017- 2036 – Debt service fiscal total *estimated* \$353,560 (20-year amortization)

Culinary Water share of this project is estimated to be \$124K annually based on a 20-year debt repayment amortization.

(4.) UTILITY RATES

Culinary Water services for 2017 are expected to require an additional \$15,000 in resources to fund ongoing operating requirements, thereby, increasing the base monthly water fee for a ¾” single family residential user from \$17.80 to \$18.20 or an increase of \$0.40 for up to the first 4,000 gallons. Overage per 1,000 gallons would remain at \$5.10. Water service charges for services for 2017 will change for all user types.

BUDGET SUMMARIES – WATER ENTERPRISE FUND

The following figure details the rate changes effective July 1, 2016, for a single family residential user.

Service	Single Family Residential					
	Base (\$/4,000 gal.)			Overage (\$/1,000 gal.)		
	<u>Current</u>	<u>New</u>	<u>Change</u>	<u>Current</u>	<u>New</u>	<u>Change</u>
Water	17.80	18.20	0.40	5.10	5.10	-

For a complete fee schedule for all users refer to the Supplemental Section, Fee Schedule.

Plan Projections

Additional requirements of \$15,000 are projected annually through 2021, thereby, anticipating future customer rate increases for these services. Significant cost drivers include: (1) cost of wholesale water (Weber Basin Water); (2) capital; (3) overhead, labor, & materials.

Billable gallons of water have steadily decreased since 2006. Several contributing factors are believed to be the cause of this trend: (1) The cost of water to the users has progressively increased since 2004 costing the users exponentially more for gallons used; (2) state-wide water conservation initiatives; and (3) technology that has increased water use efficiency.

Given this trend combined with low City growth and an increasing regional and state-wide demand on water, future projections for billable gallons of water are that current consumption levels will remain flat—no growth in billable gallons of water. These projections are expected to, therefore, shift the full cost burden of the system on the existing users. These projects will be reviewed at least annually to capture current water trends and policies that may impact projections.

Wholesale Water

The City purchases 1,000 acre feet of wholesale culinary water from Weber Basin Water at a cost of \$184,000 for 2017. Since 2014, annual increases have averaged 3 percent. Future projections through 2021 anticipate a continued 3 percent annual increase.

BUDGET SUMMARIES – WATER ENTERPRISE FUND

Capital

The 2016 Adjusted Budget decreased capital contributions until a reliable trend of billable usage can be determined. Capital contributions were reduced by \$75,000. The budget plan does not include a plan to restore capital capacity back to original levels.

Overhead, Labor, & Materials

Additional requirements of \$4,000 - \$5,000 are projected annually through 2021.

BUDGET SUMMARIES – WATER ENTERPRISE FUND

Other Significant Non-Recurring Capital Projects

As part of the budget process and presentations to Council, staff has identified the following major capital projects as priorities for fiscal year 2017-2021:

1. **500 West Waterline (CW5) \$406,935** – The Project scope includes a new 10” supply and distribution line. Funding to be made available 2021.

2. **Rehabilitate Water Storage Tank #1 (CW6) \$318,000** – The Project scope includes the rehabilitation of tank #1 located on 500 West. Funding to be made available 2021.

3. **Well Improvements (CW7) \$200,000** – The Project scope includes various well improvements located at the tank #1 500 West site. Funding to be made available 2021.

4. **Replace Water Line (CW30) \$201,775** - The Project scope includes the replacing existing 6” transite pipe with 10” D.I.P. on 300 West between 4800 South and 5000 South. Funding to be made available 2021. Funding to be made available 2021.

	2015	2016	2017	2018	2019	2020	2021
Capital Projects	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
CW6, CW7 Tank #1 Rehabilitation		18,000	75,000	75,000	75,000	50,000	25,000
CW5 500 W Waterline			82,848	92,719	75,000	75,000	81,368
CW7 Well #1 evaluation			25,000	50,000	25,000	50,000	50,000
CW8, CW45, CW19, CW20 Tank on Adams Ave #3	1,968	187,100					
CW17 8" main loop on 300 E			40,000				
CW28 5200 S, 400 W, & 5300 S - 500 W	6,603						
CW17 300 E - 5050 S to 5100 S	-	25,000					
CW30 300 w-200 ft s. of 4800 s. to 5000 s				8,122	56,389	58,387	78,877
CW37 Zone B Looping	-	170,000					
CW46 5050 S/150W 10" waterline	-	100,000					
CW47 new pipe 5150 S, 150 E - 300 E	-	100,000					
CW 49 ext. 8" along Ridgeline - 5350-5300 S.	-	25,000					
CW 51 Southpointe Dr. business water laterals	-	35,000					
Public Works Facility	4,992	160,271	5,460,000				
Total Capital Project	\$ 13,563	\$ 820,371	\$ 5,682,848	\$ 225,841	\$ 231,389	\$ 233,387	\$ 235,245
Fleet & Equipment Requirements							
CW21 Electronic meters/radios	201,858	578,476	60,000	60,000	60,000	60,000	60,000
Capital Equipment	-	206,634	15,000	15,000	15,000	15,000	15,000
Fleet Replacements	57,948	186,136	77,300	15,000	15,000	15,000	15,000
Total Fleet & Equipment	\$ 259,806	\$ 971,246	152,300	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

The Sanitary Sewer Enterprise Fund activities are managed primarily by the Public Works Department and Utility Billing Department. The City manages 2,856 sewer connections for residential and general commercial use. The City maintains approximately 31 miles of sewer mains. Sewer treatment is performed outside of City limits by Central Weber Sewer Improvement District. Sanitary sewer services are billed to the customer on a 1:1 ratio of water consumption—sewer discharge is unmetered.

As staff continues to evaluate the current and future requirements of the Sewer utility service, the analysis continues to highlight challenges facing each of these services ability to fund future operations, federal and state mandates, capital projects and equipment, satisfy debt reserve levels, build/maintain reserves for unforeseen events, while keeping rates as low as possible.

It is anticipated that pay-as-you-go financing in connection with other short-term and long-term financing are necessary to fund capital projects and equipment. City staff has been diligent in seeking grant revenue, low interest loans, and taking advantage of an optimal construction environment to assist with the cost of funding necessary capital improvements and equipment.

Sanitary Sewer Enterprise Fund 51: Resources

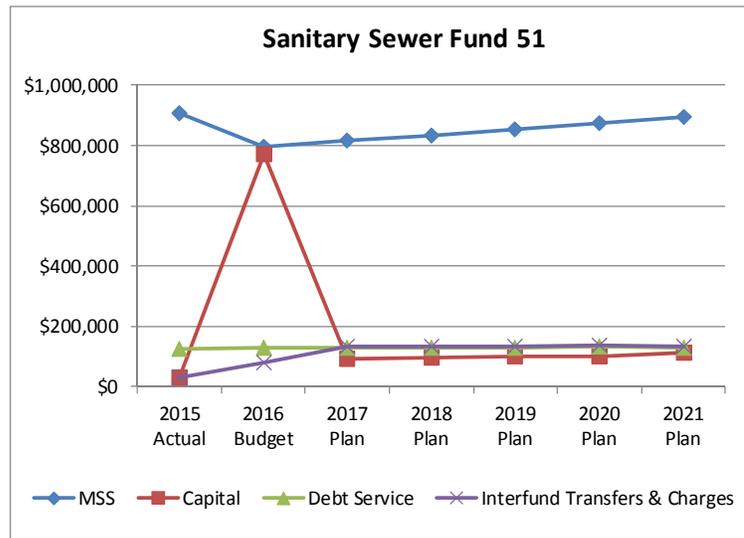
Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Charges for Services	1,112,476	1,064,000	1,084,700	1,134,700	1,159,700	1,184,700	1,209,700
Other Revenue	85,451	85,835	85,184	59,327	58,652	58,636	58,207
Interfund Transfers & Charges	1,621	1,621	1,653	1,670	1,687	1,703	1,721
Total Resources	\$ 1,199,548	\$ 1,151,456	\$ 1,171,537	\$ 1,195,697	\$ 1,220,038	\$ 1,245,039	\$ 1,269,627
<i>\$ change from prior period</i>	<i>\$ (57,585)</i>	<i>\$ (48,092)</i>	<i>\$ 20,081</i>	<i>\$ 24,159</i>	<i>\$ 24,342</i>	<i>\$ 25,001</i>	<i>\$ 24,588</i>
<i>% change from prior period</i>	<i>-5%</i>	<i>-4%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>

Sanitary Sewer Enterprise Fund 51: Requirements

Major Object	2015 Actual	2016 Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Materials, Supplies, and Services	557,413	565,732	579,390	596,191	613,162	630,366	647,853
Capital	28,907	769,474	93,000	96,160	102,065	101,974	111,251
Debt Service	124,416	129,273	128,840	130,625	129,662	133,114	130,485
Interfund Transfers & Charges	259,205	313,355	370,307	372,721	375,150	379,586	380,038
Total Requirements	\$ 969,940	\$ 1,777,834	\$ 1,171,537	\$ 1,195,697	\$ 1,220,039	\$ 1,245,040	\$ 1,269,627
<i>\$ change from prior period</i>	<i>\$ (246,329)</i>	<i>\$ 807,894</i>	<i>\$ (606,297)</i>	<i>\$ 24,160</i>	<i>\$ 24,342</i>	<i>\$ 25,001</i>	<i>\$ 24,588</i>
<i>% change from prior period</i>	<i>-20%</i>	<i>83%</i>	<i>-34%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

Sewer facilities and project priorities are analyzed according to the Capital Facilities Plan. Project priorities and scope may change annually according to need and funding availability. The following major projects have been identified as high priority projects between 2017 and 2021.



MAJOR BUDGET ISSUES & PRIORITIES

(2.) CONSTRUCTION OF A PUBLIC WORKS FACILITY

The concept of constructing a new public works facility is in the planning and design phase. Financing options/feasibility, project scope, design, cost, and location are be carefully analyzed to determine what to be in the best interest of the City.

The FY 2015-2021 budget includes the following fiscal considerations in approaching the construction of a new facility. The funding sources to be used to finance this project include all utility funds (water, sewer, storm water, refuse) and the general fund/capital projects fund (streets, general govt.).

- FY 2015 (Jul 1, 14- Jun 30, 15) - \$15,000 preliminary planning
- FY 2016 (Jul 1, 15- Jun 30, 16) – \$150,000 planning, design, bidding, etc.
- FY 2017 (Jul 1, 16- Jun 30, 17) – Issue bonds *estimated* at \$5.460M (\$5 for construction and land acquisition; \$460k for cost of issuance, deposit to debt service reserve fund, underwriters discount, etc.)
- FY 2017- 2036 – Debt service fiscal total *estimated* \$353,560 (20-year amortization)

Sewer share of this project is estimated to be \$106K annually based on a 20-year debt repayment amortization.

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

(4.) UTILITY RATES

Sanitary Sewer services for 2017 are expected to require an additional \$20,700 in resources to fund ongoing operating requirements, thereby, increasing the base monthly water fee for a ¾” single family residential user from \$17.55 to \$18.10 or an increase of \$0.55. Overage per 1,000 gallons would remain at \$5.03.

The following figure details the rate changes effective July 1, 2016, for a single family residential user.

Service	Single Family Residential					
	Base (\$/4,000 gal.)			Overage (\$/1,000 gal.)		
	<u>Current</u>	<u>New</u>	<u>Change</u>	<u>Current</u>	<u>New</u>	<u>Change</u>
Sewer	17.55	18.10	0.55	5.03	5.03	-

For a complete fee schedule refer to the Fee Schedule section of this document.

Plan Projections

Additional requirements of \$25,000 - \$50,000 are projected annually through 2021, thereby, anticipating future customer rate increases for these services. Significant cost drivers include: (1) sewer treatment services (Central Weber Sewer Improvement District or CWSID); (2) capital; (3) overhead, labor, & materials.

Sewer services are billed based on the number of water gallons used. Billable gallons of water have steadily decreased since 2006. Several contributing factors are believed to be the cause of this trend: (1) The cost of water to the users has progressively increased since 2004 costing the users exponentially more for gallons used; (2) state-wide water conservation initiatives; and (3) technology that has increased water use efficiency.

Given this trend combined with low City growth and an increasing regional and state-wide demand on water, future projections for billable gallons of water are that current consumption levels will remain flat—no growth in billable gallons of water. These projections are expected to, therefore, shift the full cost burden of the system on the existing users. These projects will be reviewed at least annually to capture current water trends and policies that may impact projections.

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

Sewer Treatment

Historically sewer operating costs have experienced significant increases. These increases were largely attributed to fees charged by CWSID for the operations and expansion of their sewer treatment facility. Between 2009 and 2013 requirements attributed to CWSID have increased on average by 33 percent annually. Requirements are expected to increase by an estimated 2.5 - 3 percent annually through 2021. Impending greater treatment compliance standards are anticipated within the next 5 and 10 years, thereby, creating more uncertainty of future requirements. CWSID requirements have captured an increasing share of the systems total operating requirements. For 2017, the budget is estimated at \$508,150 represent 62.3% of the total operating requirements. Future years through 2021 anticipate a 3 percent annual increase or \$15,000 - \$17,000 annually.

Capital

The 2016 Adjusted Budget decreased capital contributions until a reliable trend of billable usage can be determined. Capital contributions were reduced by \$65,000 resulting in remaining capital capacity of \$50,000.

While the budget plan, beginning in 2018, proposes increases to capital contributions by \$29,000 then an additional \$5,000 for each year thereafter through 2021 to recapture part of the 2016 reduction, a more aggressive plan may need to be considered to restore the capacity back to original levels.

Overhead, Labor, & Materials

Additional annual requirements of \$3,000 - \$5,500 are projected through 2021.

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

Other Significant Non-Recurring Capital Projects

As part of the budget process and presentations to Council, staff has identified the following major capital projects as priorities for fiscal year 2017-2021:

1. **Replace Sewer Line (SS5) \$268,450** – The Project scope includes the installation of a 10” regraded relief line on 500 West and 5200 South to 4900 South. Funding to be made available 2021.

Capital Projects	2015	2016	2017	2018						
	Actual	Adj Budget	Budget	Plan	2019	Plan 2020	Plan 2021	Plan	2021	Plan
SS5 500 W - 5000 to 4900 S			37,000	40,000	38,225		71,974			81,251
SS8 4850 - 4800 S outfall Replace 8	-	85,000								
SS12 5200 S, 400 W, 5300 S - 500 W	8,629									
SS16 3500 S				26,160	33,840					
SS17 Replace 12" line w/trenchless	1,165	73,835								
SS18 Replace 12" w/10" w 12" 500	849	74,151								
SS20 250 E 4575 S to 4450 S	-	75,000								
SS21 Repair Line Under Railroad	-	29,000								
SS22 4750: 300 w - 350 w	-	70,000								
Capital Projects		89,096								
Total Capital Projects	\$ 10,643	\$ 496,082	\$ 37,000	\$ 66,160	\$ 72,065	\$ 71,974	\$ 81,251			
Fleet & Equipment Requirements										
Capital Equipment	-	134,381	20,000	20,000	20,000	20,000	20,000	20,000		20,000
Fleet replacements	18,265	139,011	36,000	10,000	10,000	10,000	10,000	10,000		10,000
Total Fleet & Equipment	\$ 18,265	\$ 273,392	\$ 56,000	\$ 30,000		\$ 30,000				

BUDGET SUMMARIES – STORM WATER ENTERPRISE FUND

The Storm Water Enterprise Fund activities are managed primarily by the Public Works Department and Utility Billing Department. The City manages storm water services by managing and controlling storm water runoff, protecting property, preventing polluted waters from entering the City’s water supply system and other receiving waters. Storm water services are billed to the customer on based on the number of equivalent residential units of impervious surface contained in a parcel.

As staff continues to evaluate the current and future requirements of the Storm Water utility service, the analysis continues to highlight challenges facing each of these services ability to fund future operations, growing federal and state mandates, capital projects and equipment, satisfy debt reserve levels, build/maintain reserves for unforeseen events, while keeping rates as low as possible.

It is anticipated that pay-as-you-go financing in connection with other short-term and long-term financing are necessary to fund capital projects and equipment. City staff has been diligent in seeking grant revenue, low interest loans, and taking advantage of an optimal construction environment to assist with the cost of funding necessary capital improvements and equipment.

Storm Water Enterprise Fund 52: Resources

Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	376,979	389,000	404,000	419,000	434,000	449,000	464,000
Other Revenue	12,587	10,000	44,800	11,000	11,000	11,000	11,000
Interfund Transfers & Charges	26,936	27,726	28,131	28,934	29,420	30,209	30,852
Total Resources	\$ 416,503	\$ 426,726	\$ 476,931	\$ 458,934	\$ 474,420	\$ 490,209	\$ 505,852
<i>\$ change from prior period</i>	<i>\$ 24,287</i>	<i>\$ 10,223</i>	<i>\$ 50,205</i>	<i>\$ (17,997)</i>	<i>\$ 15,486</i>	<i>\$ 15,789</i>	<i>\$ 15,643</i>
<i>% change from prior period</i>	<i>6%</i>	<i>2%</i>	<i>12%</i>	<i>-4%</i>	<i>3%</i>	<i>3%</i>	<i>3%</i>

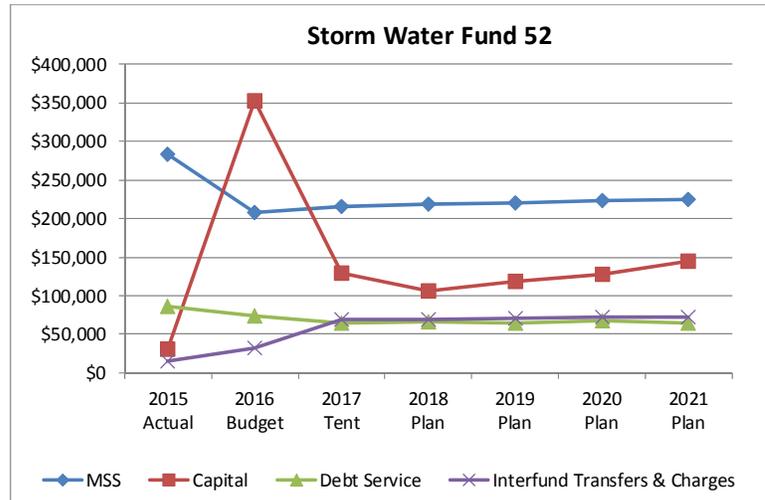
Storm Water Enterprise Fund 52: Requirements

Major Object	2015	2016	2017	2018	2019	2020	2021
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Services	130,342	53,446	57,369	59,426	59,938	60,453	60,967
Capital	30,444	352,839	128,800	105,550	118,798	127,747	144,111
Debt Service	86,023	74,069	64,408	65,394	64,870	66,903	65,332
Interfund Transfers & Charges	168,689	186,867	226,354	228,563	230,813	235,106	235,442
Total Requirements	\$ 415,498	\$ 667,221	\$ 476,931	\$ 458,933	\$ 474,419	\$ 490,209	\$ 505,852
<i>\$ change from prior period</i>	<i>\$ 89,536</i>	<i>\$ 251,723</i>	<i>\$ (190,290)</i>	<i>\$ (17,998)</i>	<i>\$ 15,486</i>	<i>\$ 15,790</i>	<i>\$ 15,643</i>
<i>% change from prior period</i>	<i>27%</i>	<i>61%</i>	<i>-29%</i>	<i>-4%</i>	<i>3%</i>	<i>3%</i>	<i>3%</i>

BUDGET SUMMARIES – STORM WATER ENTERPRISE FUND

Storm Water facilities and project priorities are analyzed according to the Capital Facilities Plan. Project priorities and scope may change annually according to need and funding availability. The following major projects have been identified as high priority projects between 2016 and 2021.

Financing methods will be continually reviewed to determine the best approach to secure funding for these projects.



MAJOR BUDGET ISSUES & PRIORITIES

(2.) CONSTRUCTION OF A PUBLIC WORKS FACILITY

The concept of constructing a new public works facility is in the planning and design phase. Financing options/feasibility, project scope, design, cost, and location are being carefully analyzed to determine what to be in the best interest of the City.

The FY 2015-2021 budget includes the following fiscal considerations in approaching the construction of a new facility. The funding sources to be used to finance this project include all utility funds (water, sewer, storm water, refuse) and the general fund/capital projects fund (streets, general govt.).

- FY 2015 (Jul 1, 14- Jun 30, 15) - \$15,000 preliminary planning
- FY 2016 (Jul 1, 15- Jun 30, 16) – \$150,000 planning, design, bidding, etc.
- FY 2017 (Jul 1, 16- Jun 30, 17) – Issue bonds *estimated* at \$5.460M (\$5 for construction and land acquisition; \$460k for cost of issuance, deposit to debt service reserve fund, underwriters discount, etc.)
- FY 2017- 2036 – Debt service fiscal total *estimated* \$353,560 (20-year amortization)

Storm water share of this project is estimated to be \$53K annually based on a 20-year debt repayment amortization.

BUDGET SUMMARIES – STORM WATER ENTERPRISE FUND

(3.) STORM WATER MANAGEMENT REGULATIONS

Federal and state agencies have issued storm water management regulations governing municipal storm water discharge. These regulations require the City to develop, implement, and enforce a plan designated to reduce the discharge of pollutants from the municipal separate storm sewer system, protect water quality, and satisfy the appropriate water quality requirements.

These regulations are requiring higher levels of service to be in compliance and are increasingly more costly. Affected entities are required to maintain a Storm Water Discharge permit that requires extensive monitoring, control, documentation, and public outreach/education. Staff will continue to evaluate and implement the best alternatives at the lowest possible cost.

In February 2016, the City underwent a storm water compliance review by the Utah Department of Environmental Quality to assess the City's storm water management program. The outcome of this review is impending; fiscal considerations will need to be addressed at that time.

(4.) UTILITY RATES

Storm Water services for 2017 are expected to require an additional \$15,000 in resources, thereby, increasing the monthly storm water fee from \$6.90 to \$7.15 or an increase \$0.25 to fund necessary operating and capital requirements—operating \$6,700 and capital \$8,300.

The following figure details the rate changes effective July 1, 2016, per equivalent residential unit (ERU).

Service	Equivalent Residential Unit (ERU)		
	<u>Current</u>	<u>New</u>	<u>Change</u>
Storm Water	6.90	7.15	0.25

For a complete fee schedule refer to the Fee Schedule section of this document.

Plan Projections

Additional requirements of \$15,000 are projected annually through 2021, thereby, anticipating future customer rate increases for these services. Significant cost drivers include: (1) capital and (2) overhead, labor, & materials.

BUDGET SUMMARIES – STORM WATER ENTERPRISE FUND

Although the Plan does not anticipate any notable increases to levels of services for storm water management, it is highly likely given the outcome of the impending state review that higher levels of services may be required. Higher service levels are likely to affect capital and overhead, labor, & materials contributions. Increase service levels will require additional funding resources.

In February 2016, the City underwent a storm water compliance review by the Utah Department of Environmental Quality to assess the City's storm water management program. The outcome of this review is impending; fiscal considerations will need to be addressed at that time.

Capital

Additional capital requirements of \$9,000 - \$16,000 are projected through 2021 to fund impending high priority storm water capital projects.

Overhead, Labor, & Materials

Additional annual requirements of \$2,000 - \$7,000 are projected through 2021.

BUDGET SUMMARIES – STORM WATER ENTERPRISE FUND

Other Significant Non-Recurring Capital Projects

As part of the budget process and presentations to Council, staff has identified the following major capital projects as priorities for fiscal year 2017-2021:

1. **Regional Detention Basin (SD6) \$371,206** – The Project scope includes the installation of a regional detention basin at or about 5200 South and 300 West. Funding to be made available 2021.

2. **Intersection Drainage Improvements (SD21) \$135,000** – The Project scope includes various storm water intersection drainage improvements throughout the City. Funding to be made available annually between 2016 and 2020.

Capital Projects	2015 Actual	2016 Adj Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan
SD6 3500 s & 100 E (elim det basin)			45,000	55,550	68,798	77,747	124,111
SD-16 4850 S to 300 W to 4800 S	-	110,000					
SD18 Relief Line Ext 300 W to 4800 S	-	30,000					
SD19 4300 S w/land drain		75,000					
SD21 Intersection drain improve. Various locations		15,000	30,000	30,000	30,000	30,000	
Total Capital Projects	\$ 671	\$ 230,000	\$ 75,000	\$ 85,550	\$ 98,798	\$ 107,747	\$ 124,111
Fleet & Equipment							
Capital Equipment	-	58,000	15,000	15,000	15,000	15,000	15,000
Fleet Replacements	29,773	64,839	38,800	5,000	5,000	5,000	5,000
Total Fleet & Equipmnet	\$ 29,773	\$ 122,839	\$ 53,800	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000

BUDGET SUMMARIES – PARKS CAPITAL PROJECTS FUND

Parks CIP Fund 53: Requirements

Major Object	2015	2016	2017	2018	Plan 2019	Plan 2020	Plan 2021	Plan
	Actual	Adj Budget	Budget					
Capital	5,101	302,490	15,000	15,000	15,000	15,000	15,000	15,000
Total Requirements	\$ 5,101	\$ 302,490	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
<i>\$ change from prior period</i>	<i>\$ (73,192)</i>	<i>\$ 297,389</i>	<i>\$ (287,490)</i>	<i>\$ -</i>				
<i>% change from prior period</i>	<i>-93%</i>	<i>5830%</i>	<i>-95%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

Parks CIP Fund 53: Resources

Major Object	2015	2016	2017	2018	Plan 2019	Plan 2020	Plan 2021	Plan
	Actual	Adj Budget	Budget					
Interfund Transfers & Charges	23,000	80,862	10,000	10,000	10,000	10,000	10,000	10,000
Intergovernmental	-	216,628	-	-	-	-	-	-
Other Revenue	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Resources	\$ 23,000	\$ 302,490	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
<i>\$ change from prior period</i>	<i>\$ (28,826)</i>	<i>\$ 279,490</i>	<i>\$ (287,490)</i>	<i>\$ -</i>				
<i>% change from prior period</i>	<i>-56%</i>	<i>1215%</i>	<i>-95%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

Parks Capital Project Fund accounts for city-wide park capital projects. Funding park capital projects is largely driven by grant funding.

For the 2016 fiscal year, the City was awarded \$138,833 CDBG funding for the installation of bathroom facilities and bowery at Victory Park. The total project cost is estimated at \$226,000



Image (above) Victory Park Project rendering

BUDGET SUMMARIES – CAPITAL PROJECTS FUND

Capital Projects Fund 55: Resources

Major Object	2015 Actual	2016 Budget	Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Interfund Transfers & Charges	1,031,470	673,156		654,057	609,386	598,399	593,478	611,435
Other Revenue	256,271	153,765		214,523	1,500	-	-	2,798,900
Total Resources	\$ 1,287,741	\$ 826,921		\$ 868,580	\$ 610,886	\$ 598,399	\$ 593,478	\$ 3,410,335
<i>\$ change from prior period</i>	<i>\$ 536,458</i>	<i>\$ (460,820)</i>		<i>\$ 41,659</i>	<i>\$ (257,694)</i>	<i>\$ (12,487)</i>	<i>\$ (4,921)</i>	<i>\$ 2,816,856</i>
<i>% change from prior period</i>	<i>71%</i>	<i>-36%</i>		<i>5%</i>	<i>-30%</i>	<i>-2%</i>	<i>-1%</i>	<i>475%</i>

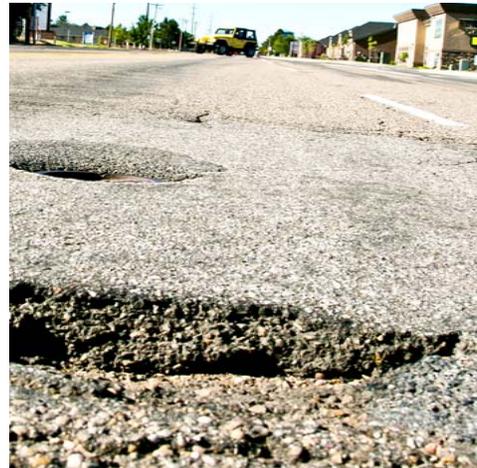
Capital Projects Fund 55: Requirements

Major Object	2015 Actual	2016 Budget	Adj Budget	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan
Capital outlay	394,458	1,193,375		806,229	547,387	550,905	556,023	3,380,144
Interfund Transfers & Charges	34,406	176,751		135,096	137,821	134,831	140,025	103,182
Total Requirements	\$ 428,863	\$ 1,370,126		\$ 941,325	\$ 685,208	\$ 685,736	\$ 696,048	\$ 3,483,326
<i>\$ change from prior period</i>	<i>\$ (178,227)</i>	<i>\$ 941,262</i>		<i>\$ (428,801)</i>	<i>\$ (256,117)</i>	<i>\$ 528</i>	<i>\$ 10,312</i>	<i>\$ 2,787,278</i>
<i>% change from prior period</i>	<i>-29%</i>	<i>219%</i>		<i>-31%</i>	<i>-27%</i>	<i>0%</i>	<i>2%</i>	<i>400%</i>

The Capital Projects Fund accounts for governmental-type capital projects and equipment for nonutility activities. The largest capital requirements are to support the road/streets program that includes: roads maintenance, reconstruction, and fleet/equipment.

Capital Projects and Equipment addressed in the budget plan include:

- Road Maintenance \$268K - \$461K annually (2017-2021)
- Road Fleet & Equipment \$40K - \$150K annually (2017-2021)
- Road Reconstruction – 300 West \$3M (2021)
- Capital Lease - Fire Ladder Truck \$47K annually (2016-2020)
- Building & IT Maintenance \$20K annually (2017-2021)
- General Govt. Fleet & Equipment \$30K - \$243,261 annually (2017-2021)
- Long-Term/Short-Term Debt Service Contributions – Sales Tax Revenue Bond Series 2013 and impending Public Works Facility - \$88K annually (2017-2021)



BUDGET SUMMARIES – DEBT SERVICE FUND

Debt Service Fund 65: Resources

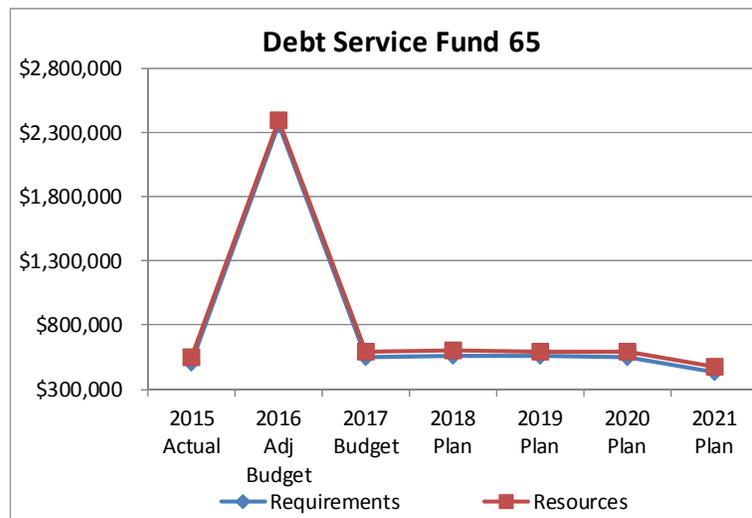
Major Object	2015	2016	2017	2018	2019	2020	2021	Plan
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan	
Property Taxes	394,209	392,426	389,678	395,524	391,819	387,238		317,376
Interfund Transfers & Charges	153,227	204,011	201,025	204,037	200,931	202,821		154,982
Other Revenue	-	1,802,000	-	-	-	-		-
Total Resources	\$ 547,436	\$ 2,398,437	\$ 590,702	\$ 599,561	\$ 592,750	\$ 590,059	\$ 472,358	
<i>\$ change from prior period</i>	<i>\$ 153,226</i>	<i>\$ 1,851,001</i>	<i>\$ (1,807,734)</i>	<i>\$ 8,858</i>	<i>\$ (6,811)</i>	<i>\$ (2,691)</i>	<i>\$ (117,701)</i>	
<i>% change from prior period</i>	<i>39%</i>	<i>338%</i>	<i>-75%</i>	<i>1%</i>	<i>-1%</i>	<i>0%</i>	<i>-20%</i>	

Debt Service Fund 65: Requirements

Major Object	2015	2016	2017	2018	2019	2020	2021	Plan
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan	
Materials, Supplies, and Service	1,000	1,750	1,750	1,750	1,750	1,750		1,750
Debt Service	502,418	2,357,907	551,755	559,615	553,836	550,505		433,189
Total Requirements	\$ 503,418	\$ 2,359,657	\$ 553,505	\$ 561,365	\$ 555,586	\$ 552,255	\$ 434,939	
<i>\$ change from prior period</i>	<i>\$ 69,615</i>	<i>\$ 1,856,239</i>	<i>\$ (1,806,152)</i>	<i>\$ 7,859</i>	<i>\$ (5,779)</i>	<i>\$ (3,331)</i>	<i>\$ (117,316)</i>	
<i>% change from prior period</i>	<i>16%</i>	<i>369%</i>	<i>-77%</i>	<i>1%</i>	<i>-1%</i>	<i>-1%</i>	<i>-21%</i>	

The Debt Service Fund reports all principal and interest payments for general governmental bonds issued for non-utility based activities. Beginning in 2015, the City's budgeting approach changed for reporting/budgeting for long-term debt for governmental funds. Beginning in 2015 all long-term debt payments for governmental activities is now being consolidated and reported in the Debt Service Fund.

For a complete debt overview, refer to the Debt Requirements section of this document.



BUDGET SUMMARIES – SPECIAL IMPROVEMENT FUND

Special Improvement District Fund 66: Resources

Major Object	2015	2016	Adj	2017	2018	2019	2020	2021
	Actual	Budget		Budget	Plan	Plan	Plan	Plan
Property Taxes	74,900	80,135		80,660	80,935	80,956	79,730	66,833
Total Resources	\$ 74,900	\$ 80,135		\$ 80,660	\$ 80,935	\$ 80,956	79,730	66,833
<i>\$ change from prior period</i>	<i>\$ (13,043)</i>	<i>\$ 5,235</i>		<i>\$ 525</i>	<i>\$ 275</i>	<i>\$ 21</i>	<i>\$ (1,226)</i>	<i>\$ (12,897)</i>
<i>% change from prior period</i>	<i>-15%</i>	<i>7%</i>		<i>1%</i>	<i>0%</i>	<i>0%</i>	<i>-2%</i>	<i>-16%</i>

Special Improvement District Fund 66: Requirements

Major Object	2015	2016	Adj	2017	2018	2019	2020	2021
	Actual	Budget		Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Services	1,650	918		918	918	918	964	1,012
Interfund Transfers & Charges	82,104	80,885		81,410	81,685	81,577	80,304	67,358
Total Requirements	\$ 83,754	\$ 81,803		\$ 82,328	\$ 82,603	82,495	81,268	68,370
<i>\$ change from prior period</i>	<i>\$ 17,688</i>	<i>\$ (1,951)</i>		<i>\$ 525</i>	<i>\$ 275</i>	<i>\$ (108)</i>	<i>\$ (1,227)</i>	<i>\$ (12,898)</i>
<i>% change from prior period</i>	<i>27%</i>	<i>-2%</i>		<i>1%</i>	<i>0%</i>	<i>0%</i>	<i>-1%</i>	<i>-16%</i>

The **Special Improvement District (SID) Fund** currently act as a debt service fund to repay the principal and interest on the bonds issued to construct an extension of Adams Avenue in 2001. Debt requirement payments for this project are reported in the Debt Service Fund and shown as an Interfund Transfers & Charges in this fund.

In 1998, the City created a special service district known as the Special Improvement District 98-1 for the purposes of constructing and paving of a street extension of Adams Avenue and related curb, gutter, and sidewalk improvements. In 2001, the City issued \$2.36 million of Special Assessment Bonds, Series 2001, for purpose described above. The cost and expense of the improvements are paid by special assessment levied against the property fronting or abutting upon or adjacent to the improvements or which may be affected or specially benefited by the improvements. These 20-year bonds are scheduled to mature in August 2021.

These Series 2001 bonds were refinanced in conjunction with outstanding Sales and excise Tax Revenue Bonds, Series 2009 in the original aggregate principal amount of \$1.7 million to issue new Sales Tax Revenue Refunding Bonds, Series 2013 for \$1.195 million, interest rate 1.98%, and maturity June 1, 2024.

BUDGET SUMMARIES – REDEVELOPMENT AGENCY FUND

Redevelopment Agency Fund 70: Resources

Major Object	2015	Actual	2016 Adj Budget	2017 Budget	2018	Plan	2019	Plan	2020	Plan	2021 Plan
Interfund Transfers & Charges		121,872	122,200	110,623	113,070		116,388		119,805		123,325
Intergovernmental		2,435,274	1,647,377	418,172	432,593		445,131		458,045		471,347
Total Resources		\$ 2,560,817	\$ 1,769,577	\$ 528,795	\$ 545,663		\$ 561,519		\$ 577,850		\$ 594,672
<i>\$ change from prior period</i>		<i>\$ 913,730</i>	<i>\$ (791,240)</i>	<i>\$ (1,240,782)</i>	<i>\$ 16,868</i>		<i>\$ 15,856</i>		<i>\$ 16,331</i>		<i>\$ 16,822</i>

Redevelopment Agency Fund 70: Requirements

Major Object	2015	Actual	2016 Adj Budget	2017 Budget	2018	Plan	2019	Plan	2020	Plan	2021 Plan
Personnel		18,575	19,500	16,500	16,500		16,500		16,500		16,500
Materials, Supplies, and Services		9,335	-	2,800	2,800		2,800		2,800		2,800
Capital outlay		2,110,432	1,582,403	1,229,411	472,002		487,588		503,647		520,195
Debt Service		270,175	-	-	-		-		-		-
Interfund Transfers & Charges		51,070	167,674	5,652	6,327		6,961		7,614		8,287
Total Requirements		\$ 2,459,587	\$ 1,769,577	\$ 1,254,363	\$ 497,629		\$ 513,849		\$ 530,561		\$ 547,782
<i>\$ change from prior period</i>		<i>\$ 1,151,480</i>	<i>\$ (690,010)</i>	<i>\$ (515,214)</i>	<i>\$ (756,734)</i>		<i>\$ 16,220</i>		<i>\$ 16,712</i>		<i>\$ 17,221</i>
<i>% change from prior period</i>		<i>88%</i>	<i>-28%</i>	<i>-29%</i>	<i>-60%</i>		<i>3%</i>		<i>3%</i>		<i>3%</i>

The Redevelopment Agency Fund accounts for the economic development and redevelopment activities within the two redevelopment designated project areas in the City, the Southeast and Central Business District. Both project areas service the City's core commercial areas. The tax increment collected within those project areas has acted as an invaluable financing tool for the City to achieve a variety of economic development goals.



Image (right) RDA Southeast Project Area

BUDGET SUMMARIES – REDEVELOPMENT AGENCY FUND

MAJOR BUDGET ISSUES & PRIORITIES

(6.) COMMUNITY REDEVELOPMENT AND RENEWAL AGENCY aka REDEVELOPMENT AGENCY (RDA)

The two redevelopment project areas in the City, the Southeast and Central Business District, were established to promote economic development and redevelopment. Both project areas service the City's core commercial areas. The tax increment collected within those project areas has acted as an invaluable financing tool for the City to achieve a variety of economic development goals.

While the original Southeast Project Area was set to expire on December 31, 2015 a project area renewal was approved by all affected taxing entities and therefore extending the redevelopment project area for an additional 10 years. The goal of this renewed project area is to further promote economic development and redevelopment within the southeast area of the City. This recent extension is expected to greatly increase the City's future ability to actively promote and incentivize economic development and redevelopment within this project area. It is estimated that the renewed project area will generate between \$500K and \$585K annually through 2021 for redevelopment and renewal projects. Recently, increment funds have been used to replace the utility infrastructure on Adams Avenue and widen and resurface Adams Avenue.

The Central Business District is set to expire on December 31, 2021 or fiscal year 2022. There are no plans to renew this project area. It is estimated that the renewed project area will generate \$25,000 annually through 2021 for redevelopment and renewal projects.

FINANCIAL POLICIES AND OBJECTIVES

FINANCIAL POLICIES AND OBJECTIVES

This section of the Budget outlines the City's Policies and Objectives as they relate to the municipal budget. The City of Washington Terrace recognizes its duty to its citizens and other interested parties to vigilantly account for public funds and resources. The Policies and Objectives hereinafter are set forth to establish guidelines for fiscal accountability, full disclosure, and planning. These financial management policies provide a basic framework for the overall fiscal management of the city. The policies represent a foundation to address changing circumstances and conditions and to assist in the decision making process. These policies represent guidelines for evaluating both current and future activities.

The financial policies represent long-standing principles and practices that have enabled the City to maintain financial stability. The policies are reviewed annually to represent current public policy decisions. These policies are adopted annually by the Council as part of the budget process.

BUDGET ORGANIZATION

- A. Through its financial plan (Budget), the City is committed do the following:
1. Identify citizens' needs for essential services.
 2. Organize programs to provide essential services.
 3. Establish program policies and goals that define the type and level of program services required.
 4. List suitable activities for delivering program services.
 5. Propose objectives for improving the delivery of program services.
 6. Identify available resources and appropriate the resources needed to conduct program activities and accomplish program objectives.
 7. Set standards to measure and evaluate the following:
 - a. the output of program activities
 - b. the accomplishment of program objectives
 - c. the expenditure of program appropriations

FINANCIAL POLICIES AND OBJECTIVES

- B. All requests for increased funding or enhanced levels of service should be considered together during the budget process, rather than in isolation.

- C. The City Council will review and amend appropriations, if necessary, during the fiscal year.

- D. The City will use a multi-year format to give a longer-range focus to its financial planning.
 - 1. The emphasis of the budget process in the first year is on establishing expected levels of services, within designated funding levels with the focus on the budget.
 - 2. The emphasis in the second year are reviewing necessary changes in the previous fiscal plan and developing long term goals and objectives to be used during the next budget process. The focus is on the financial plan. In the second year, operational budgets will be adjusted to reflect unexpended balances from the first year and create the subsequent year's budget plan.

- E. Through its financial plan, the City will strive to maintain structural balance; ensuring basic service levels are predictable and cost effective. A balance should be maintained between the services provided and the local economy's ability to pay.

- F. The City will work to improve their Program Service Levels and Expenditures by insuring:
 - 1. New/growth related service levels: The provision of new/growth related services should be offset with new or growth related revenues or a corresponding reduction in service costs in other areas.
 - 2. Fee Dependent Services: If fees do not cover the services provided, Council should consider which of the following actions to take: 1) reduce services; 2) increase fees; or 3) determine the appropriate subsidy level of the General Fund.

FINANCIAL POLICIES AND OBJECTIVES

3. Consider all requests at once: Council should consider requests for service level enhancements or increases as part of the budget process, rather than in isolation.
 4. Consider ongoing costs associated with one-time purchases/expenditures: Ongoing operating and maintenance costs should be determined and considered before capital and program decisions are made.
 5. Re-evaluate decisions: Political, economic, and legal changes necessitate reevaluation to ensure Council goals are being met. Staff and Council should use the budget process to review programs.
 6. New service implementation: Prior to implementing a new service, the City Council should consider a full assessment of resource requirements.
 7. Benchmarking and performance measurement: The City will strive to measure its output and performance.
- G. The City will strive to improve productivity, though not by the single-minded pursuit of cost savings. The concept of productivity should emphasize the importance of *quality* and *quantity* of output as well as *quantity* of resource input.

FINANCIAL POLICIES AND OBJECTIVES

GENERAL REVENUE MANAGEMENT

- A. The City will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one-revenue source.

- B. The City will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.

USER FEE COST RECOVERY GOALS

A. **User Fee Cost Recovery Levels.** In establishing user fees and cost recovery levels, the following factors will be considered:

1. **Community-Wide versus Special Benefit.** The level of user fee cost recovery should consider the community-wide versus special service nature of the program or activity. The use of general purpose revenues is appropriate for community-wide services, while user fees are appropriate for special benefit purposes to easily identified individuals or groups.

2. **Service Recipient versus Service Driver.** After considering community-wide versus special benefit of the service, the concept of service recipient versus service driver should also be considered. For example, it could be argued that the applicant is not the beneficiary of the City's development review efforts; the community is the primary beneficiary. However, the applicant is the driver of development review costs, and as such, cost recovery from the applicant is appropriate.

3. **Effect of Pricing on the Demand for Services.** The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that

FINANCIAL POLICIES AND OBJECTIVES

the City is providing services for which there is genuinely a market that is not overly stimulated by artificially low prices. Conversely, high levels of cost recovery will negatively impact on the delivery of services to lower income groups. This negative feature is especially pronounced and works against public policy, if the services are specifically targeted to low income groups.

4. Feasibility of Collection and Recovery. Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

5. Factors Favoring Low Cost Recovery Levels. Low cost recovery levels are appropriate under the follow circumstances:

- a. There is no intended relationship between the amount paid and the benefit received. Almost all “social service” programs fall into this category as it is expected that one group will subsidize another.
- b. Collecting fees is not cost-effective or will significantly impact the efficient delivery of the service.
- c. There is no intent to limit the use of (or entitlement to) the service. Again, most "social service" programs fit into this category as well as public safety (police and fire) emergency response services. Historically, access to neighborhood and community parks would also fit into this category.
- d. The service is non-recurring, generally delivered on a "peak demand" or emergency basis, cannot reasonably be planned for on an individual basis, and is not readily available from a private sector source. Many public safety services also fall into this category.
- e. Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would

FINANCIAL POLICIES AND OBJECTIVES

not be readily detected by the City. Many small-scale licenses and permits might fall into this category.

6. Factors Favoring High Cost Recovery Levels. The use of service charges as a major source of funding service levels is especially appropriate under the following circumstances:

- a. The service is similar to services provided through the private sector.
- b. Other private or public sector alternatives could or do exist for the delivery of the service.
- c. For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received.
- d. The use of the service is specifically discouraged. Police responses to disturbances or false alarms might fall into this category.
- e. The service is regulatory in nature and voluntary compliance is not expected to be the primary method of detecting failure to meet regulatory requirements. Building permit, plan checks, and subdivision review fees for large projects would fall into this category.

7. General Concepts Regarding the Use of Service Charges. The following general concepts will be used in developing and implementing service charges:

- a. Revenues should not exceed the reasonable cost of providing the service.
- b. Cost recovery goals should be based on the total cost of delivering the service, including direct and indirect costs-- services, equipment, supplies, departmental administration costs, and organization-wide support costs such as accounting, personnel, data processing, vehicle maintenance, and insurance.
- c. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.

FINANCIAL POLICIES AND OBJECTIVES

- d. Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
- e. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

8. Low Cost-Recovery Services. Based on the criteria discussed above, the following types of services should have very low cost recovery goals. In selected circumstances, there may be specific activities within the broad scope of services provided that should have user charges associated with them. However, the primary source of funding for the operation as a whole should be general purpose revenues, not user fees.

- a. Delivering public safety emergency response services such as police and fire services.
- b. Maintaining and developing public facilities that are provided on a uniform, communitywide basis such as streets, parks, and general purpose buildings.
- c. Providing social service programs and economic development activities.

9. Recreation Programs. The following cost recovery policies apply to the City's recreation programs:

- a. Cost recovery for activities directed to adults should be relatively high.
- b. Cost recovery for activities should; cover, at a minimum, the direct program costs. In those circumstances where services are similar to those provided in the private sector, cost recovery levels should be higher. Although ability to pay may not be a concern for all youth and senior participants, these are desired program activities, and the cost of determining need may be greater than the cost of providing a uniform service fee structure to all participants. Further, there is a community-wide benefit in encouraging high-levels of participation in youth and senior recreation activities regardless of financial status.

FINANCIAL POLICIES AND OBJECTIVES

c. Cost recovery goals for specific recreation activities are set as follows:

High-Range Cost Recovery Activities (80% to 100%)

1. Classes (Adult & Youth)
2. Adult athletics (volleyball, basketball, softball, baseball)
3. Facility rentals

Mid-Range Cost Recovery Activities (50% to 80%)

4. Special events (5k run, other City-sponsored special events)
5. Minor league baseball
6. Youth basketball

Low-Range Cost Recovery Activities up to 50%)

7. Youth services
8. Senior services

e. Charges will be assessed for use of ball fields, special-use areas, and recreation equipment for activities not sponsored or co-sponsored by the City. Such charges will generally conform to the fee guidelines described above.

f. A vendor charge of at least 10 percent of gross income will be assessed from individuals or organizations using City facilities for money-making activities.

g. The Parks & Recreation Department will consider waiving fees only when the City Manager determines in writing that an undue hardship exists.

10. Development Review Programs. The following cost recovery policies apply to the development review programs:

FINANCIAL POLICIES AND OBJECTIVES

- a. Services provided under this category include:
 - 1. Planning (planned development permits, tentative tract and parcel maps, rezoning, general plan amendments, variances, use permits).
 - 2. Building and safety (building permits, structural plan checks, inspections).
 - 3. Engineering (public improvement plan checks, inspections, subdivision requirements, encroachments).
 - 4. Fire plan check.

- b. Cost recovery for these services should generally be very high. The City's cost recovery goal shall be 100%.

- c. However, in charging high cost recovery levels, the City shall clearly establish and articulate standards for its performance in reviewing developer applications to ensure that there is "value for cost".

11. Comparability With Other Communities. In setting user fees, the City should consider fees charged by other agencies in accordance with the following criteria:

- a. Surveying the comparability of the City's fees to other communities provides useful background information in setting fees for several reasons:
 - 1. They reflect the "market" for these fees and can assist in assessing the reasonableness of the City's fees.
 - 2. If prudently analyzed, they can serve as a benchmark for how cost-effectively the City provides its services.

- b. However, fee surveys should never be the sole or primary criteria in setting City fees as there are many factors that affect how and why other communities have set their fees at their levels. For example:
 - 1. What level of cost recovery is their fee intended to achieve compared with our cost recovery objectives?

FINANCIAL POLICIES AND OBJECTIVES

2. What costs have been considered in computing the fees?
3. When was the last time that their fees were comprehensively evaluated?
4. What level of service do they provide compared with our service or performance standards?
5. Is their rate structure significantly different than ours and what is it intended to achieve?

These can be very difficult questions to address in fairly evaluating fees among different communities. As such, the comparability of our fees to other communities should be one factor among many that is considered in setting City fees.

FINANCIAL POLICIES AND OBJECTIVES

ENTERPRISE FUND FEES AND RATES

A. **Fees and Rates.** The City will set fees and rates at levels which fully cover the total direct and indirect costs—including operations, capital outlay, and debt service of the following enterprise programs: water, sewer, refuse, and storm drain.

B. **Franchise and In-Lieu Fees.** The City will treat the enterprise funds in the same manner as if they were privately owned and operated. In addition to setting rates at levels necessary to fully cover the cost of providing water and sewer service, this means assessing reasonable franchise and property tax in-lieu fees. Franchise fees for water, sewer, garbage, and storm drain service are based on the state-wide standard for public utilities like electricity and gas: 3 percent of gross revenues from operations for the use of City streets.

C. **Ongoing Rate Review.** The City will review and update fees and rate structures at least annually to ensure that they remain appropriate and equitable based on factors such as the impacts of inflation, other cost increases, the adequacy of the coverage of costs, and current competitive rates.

FINANCIAL POLICIES AND OBJECTIVES

VENTURE

The City Council has encouraged innovation and to realize opportunities not anticipated in the regular program budgets. The City Manager is authorized to administer the awarding of money to programs or projects within the municipal structure (the money is not to be made available to outside groups or agencies). Generally, employees are to propose expenditures that could save the City money or improve the delivery of services. The City Manager will evaluate the proposal based on the likelihood of a positive return on the “investment,” the availability of matching money from the department, and the advantage of immediate action. Employees may receive up to 10 percent or up to \$500 of the savings or revenue brought in from the proposal on a one-time basis.

FINANCIAL POLICIES AND OBJECTIVES

CAPITAL FINANCING AND DEBT MANAGEMENT

Purpose of this debt policy is to integrate the issuance of debt and other financing sources with the City's long-term planning and objectives and provide guidance on acceptable levels of indebtedness. These policies should remain flexible to permit City to take advantage of market opportunities or to respond to changing conditions without jeopardizing essential public services.

Capital Financing

A. The City will consider the use of debt financing only for one-time, capital improvement projects and only under the following circumstances:

1. When the project's useful life will exceed the term of the financing.
2. When project revenues or specific resources will be sufficient to service the long term debt.

B. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax, or bond anticipation notes is excluded from this limitation.

C. Capital improvements will be financed primarily through user fees, service charges, assessments, taxes, or developer agreements when benefits can be specifically attributed to users of the facility.

D. The City will weigh, on a case by case basis, several criteria in considering the use of debt financing to evaluate pay-as-you-go versus long-term financing for capital improvement funding:

Factors That Favor Pay-As-You-Go

1. When current resources and fund balances are adequate and available
2. When debt levels are high/adversely affect the City's credit rating
3. When market conditions are unfavorable
4. Ongoing capital maintenance is needed

FINANCIAL POLICIES AND OBJECTIVES

Factors That Favor Long-Term Financing

1. When long-term revenues are adequate to support debt service costs
2. When the project will support an investment-grade credit rating
3. When market conditions are favorable
4. When a project is mandated by state or federal requirements and current available resources are insufficient
5. When the project is immediately high-priority improvement needed to address capacity
6. When the life of the project/asset is 10 years or longer
7. Spread the cost of the project/asset to those who benefit from it now and in the future
8. Acquire assets as needed rather than wait for sufficient cash has built up

Factors That Favor Short-Term Financing

1. To meet interim financing needs of construction projects if the full cost of the project is not yet known.
2. Borrow short-term and refinance with long-term debt once a project is completed. Used when issue believes that market conditions favor delaying issuance of long-term bonds is more advantageous, i.e. falling long-term rates.

Debt Management

- A. The City will not obligate the General Fund to secure long-term financing except when marketability can be significantly enhanced.
- B. Direct debt will not exceed 4 percent of assessed valuation.
- C. An internal feasibility analysis will be prepared for each long-term financing activity that analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.

FINANCIAL POLICIES AND OBJECTIVES

D. The City will generally conduct financing on a competitive basis. However, a negotiated sale may be used if it makes more sense.

E. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and credit enhancements, such as letters of credit or insurance, when necessary for marketing purposes, availability, and cost-effectiveness.

F. The City will annually monitor all forms of debt, coincident with the City's budget preparation and review process, and report concerns and remedies, if needed, to the Council.

G. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.

H. The City will maintain good communications with bond rating agencies regarding its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.

FINANCIAL POLICIES AND OBJECTIVES

FUND BALANCE AND RESERVES

General Fund. Section 10-6-116 of the Utah Code limits the accumulated balance or reserves that may be retained in the General Fund. The use of the balance is restricted as well. General Fund balance retained cannot exceed 25 percent of total, estimated, ensuing year's budgeted fund revenues and may be used for the following purposes only:

- A. To provide working capital to finance expenditures from the beginning of the budget year until other revenue sources are collected;
- B. To provide resources to meet emergency expenditures in the event of fire, flood, earthquake, etc.; and
- C. To cover a pending year-end excess of expenditures over revenues from unavoidable shortfalls in revenues.

Utah Code further limits the minimum General Fund balance to be maintained at 5 percent of the total, estimated, ensuing years budgeted revenues. No appropriations may be made against the 5 percent mandated minimum.

The General Fund balance reserve is an important factor in the City's ability to respond to cash flow requirements, unforeseen and unavoidable emergencies, contingencies for unforeseen operating requirements, and revenue shortfalls. Alternative uses of excess fund balance must be carefully weighed. The City will strive to maintain a General Fund balance at the legal maximum of 25 percent. The City Council may appropriate fund balance as needed to balance the budget for the current fiscal year as in compliance with State Law. Provision will be made to transfer any remaining General Fund balance to the City's Capital Improvement Projects Fund to be designated for projects included in the City's Capital Facilities Plan. The City Council authorizes the Finance Director to make said transfer at the close of each fiscal year when the amount to be transferred can be determined.

FINANCIAL POLICIES AND OBJECTIVES

In the General Fund, any fund balance in excess of projected balance at year end will be appropriated to the current year budget as necessary. The money will be allocated to building the reserve for capital expenditures, including funding equipment replacement reserves and other capital projects determined to be in the best long-term interest of the City.

Capital Improvement Funds

The City may, in any budget year, appropriate from estimated revenues or fund balances to a reserve for capital improvements, for the purpose of financing future specific capital improvements under a formal long-range capital plan adopted by the governing body.

A. The City will establish and maintain an Equipment Replacement Program to provide for timely replacement of vehicles and equipment. The amount added to this fund, by annual appropriation, will be the amount required to maintain the fund at the approved level.

B. The City will establish and maintain a computer replacement program to provide for timely replacement of computer equipment. The amount added to this fund, by annual appropriation will be the amount required to maintain the fund at the approved level.

C. The City may accumulate funds, as it deems appropriate for capital and equipment replacement costs.

D. The City will, prior to making capital project appropriations, determine and consider any and all operational and maintenance costs associated with said project to determine fiscal impacts on current and future budgets.

Enterprise Funds

The City will maintain a balance in the Enterprise Funds equal to at least the minimum debt reserve requirements identified in its bond obligations.

A. Working capital levels should be set to consider the minimum levels necessary to maintain the City's credit worthiness and to adequately provide and respond to the following:

FINANCIAL POLICIES AND OBJECTIVES

1. Debt reserve requirements
2. Economic uncertainties resulting in revenue shortfalls or additional expenses
3. Emergencies due to local disasters
4. Contingencies for unforeseen operating or capital requirements
5. Cash flow requirements

B. In addition to the designations noted above, fund balance levels will be sufficient to meet the following:

1. funding requirements for projects approved in prior years that are carried forward into the new year;
2. debt service reserve requirements;
3. reserves for encumbrances; and
4. other reserves or designations required by contractual obligations or generally accepted accounting principles.

FINANCIAL POLICIES AND OBJECTIVES

RECESSION / REVENUE SHORTFALL PLAN

A. The City intends to establish a plan, including definitions, policies, and procedures to address financial conditions that could result in a net shortfall of revenues and resources as compared to requirements. The Plan is divided into the following three components:

Indicators. Serve as warnings that potential budgetary impacts are increasing in probability. The City will monitor major revenue sources that include sales and franchise tax, property tax, and building permits, as well as inflation factors and national and state trends. A set of standard indicators will be developed.

Phases. Serve to classify and communicate the severity of the situation, as well as identify the actions to be taken at the given phase.

Actions. Preplanned steps to be taken in order to prudently address and counteract the anticipated shortfall.

B. The recession plan and classification of the severity of the economic downturn will be used in conjunction with the City's policy regarding the importance of maintaining reserves to address economic uncertainties. As any recessionary impact reduces the City's reserves, corrective action will increase proportionately. Following is a summary of the phase classifications and the corresponding actions that may be taken.

1. **ALERT: A reduction in total budgeted revenues of 1%.** The actions associated with this phase would best be described as delaying expenditures where reasonably possible, while maintaining the "Same Level" of service. Each department will be responsible for monitoring its individual budgets to ensure only essential expenditures are made.

2. **MINOR: A reduction in total budgeted revenues of 2%.** The objective at this level is still to maintain "Same Level" of service where possible. Actions associated with

FINANCIAL POLICIES AND OBJECTIVES

this level would be as follows:

- a. Implementing the previously determined “Same Level” Budget.
 - b. Intensifying the review process for large items such as contract services, consulting services, and capital expenditures, including capital improvements.
 - c. Closely scrutinizing hiring for vacant positions, delaying the recruitment process, and using temporary help to fill in where possible.
3. **MODERATE: A reduction in total budgeted revenues of 3 to 4%.** Initiating cuts of service levels by doing the following:
- a. Requiring greater justification for large expenditures.
 - b. Deferring capital expenditures.
 - c. Reducing CIP appropriations from the affected fund.
 - d. Hiring to fill vacant positions only with special justification and authorization.
 - e. Closely monitoring and reducing operating and capital expenditures.
4. **MAJOR: A reduction in total budgeted revenues of 5% or more.** Implementation of major service cuts.
- a. Instituting a hiring freeze.
 - b. Reducing the temporary work force.
 - c. Deferring wage increases.
 - d. Further reducing operating and capital expenditures.
 - e. Preparing a strategy for reduction in force.
5. **CRISIS: Reserves must be used to cover operating expenses**
- a. Implementing reduction in force or other personnel cost-reduction strategies.
 - b. Eliminate programs/services.
 - c. Eliminate/defer capital improvements.

FINANCIAL POLICIES AND OBJECTIVES

C. If an economic uncertainty is expected to last for consecutive years, the cumulative effect of the projected reduction in reserves will be used for determining the appropriate phase and corresponding actions.

CAPITAL IMPROVEMENT MANAGEMENT

A. The public Capital Improvement Plan (CIP) will include the following:

1. Public improvement projects that cost more than \$10,000.
4. Any project that is to be funded from building-related impact fees.
5. Alteration, ordinary repair, or maintenance necessary to preserve a public improvement (other than vehicles or equipment) that cost more than \$25,000.

B. The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness, as well as conformance with established policies. The CIP plan, reflecting a balance between capital replacement projects that repair, replace, or enhance existing facilities, equipment or infrastructure and capital facility projects that significantly expand or add to the City's existing fixed assets or infrastructure.

C. The Impact Fees Act requires that a city or district serving a population of 5,000 or greater have a Capital Facilities Plan prepared in coordination and compliance with its General Plan that identifies the demands that will be placed upon the existing and future facilities by new development and the means that the City will use to accommodate the additional demand. A Capital Facilities Plan, completed in compliance with Utah State legislation, has been prepared and will be adopted in conjunction with the Impact Fee Ordinance and Impact Fee Analysis.

The written impact fee analysis is required under the Impact Fees Act and must identify the impacts placed on the facilities by development activity and how these impacts are reasonably related to the new development. The written impact fee analysis must include a proportionate share analysis, as described below, and clearly detail all cost components and the methodology used to calculate each impact fee.

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The Impact Fees Act requires that the written analysis include a Proportionate Share Analysis which is intended to equitably divide the capacity and costs of each facility identified in the Capital Facilities Plan between future and existing users relative to the benefit each group will receive from the improvement.

The City has imposed impact fees since February 2001. The City's imposes Impact Fees for Fire, Parks and Recreation, Culinary Water, Police, Storm Drain, and Waste Water. The City's Capital Facilities Plan, Budget, and Fee Schedule are proposed to reflect the findings of the impact fee studies. During the budget process, adjustments to impact fee related projects may need to be made. Fees are collected to pay for capital facilities owned and operated by the City (including land and water rights) and to address impacts of new development on the following service areas: water, streets, public safety, recreation, and open space/parks. The fees are not used for general operation or maintenance. The fees are established following a systematic assessment of the capital facilities required to serve new development. The city will account for these fees to ensure that they are spent within the statutory six year limitation and only for eligible capital facilities. In general, the fees first collected will be the first spent. During the budget review process, adjustments to impact fee related projects may need to be made.

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HUMAN RESOURCE MANAGEMENT

A. The City will manage the growth of the regular employee work force without reducing levels of service or augmenting ongoing regular programs with temporary employees, except as provided in sections E and F below.

B. The budget will fully appropriate the resources needed for authorized regular staffing and limit programs to the regular staffing authorized.

C. Staffing and contract service cost ceilings will limit total expenditures for regular employees, temporary employees, and independent private contractors hired to provide operating and maintenance services.

D. Regular employees will be the core work force and the preferred means of staffing ongoing, year-round program activities that should be performed by City employees, rather than independent contractors. The City will strive to provide competitive compensation and benefit schedules for its authorized regular work force. Each regular employee will do the following:

1. Fill an authorized regular position.
2. Receive salary and benefits consistent with the compensation plan, state compensation laws and federal laws.

E. To manage the growth of the regular work force and overall staffing costs, the City will follow these procedures:

1. The City Council will authorize all regular positions.
2. The Human Resources Department will coordinate the hiring of all regular and temporary employees. The City Manager will approve the hiring of the final candidate.

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3. All requests for additional regular positions will include evaluations of the following:
 - a. The necessity, term, and expected results of the proposed activity.
 - b. Staffing and materials costs including salary, benefits, equipment, uniforms, clerical support, and facilities.
 - c. The ability of private industry to provide the proposed service.
 - d. Additional revenues or cost savings that may be realized.
 - e. Periodically, and prior to any request for additional regular positions, programs will be evaluated to determine if they can be accomplished with fewer regular employees.

F. Temporary employees will include all employees other than regular employees, elected officials, appointed officials and volunteers. Temporary employees will augment regular City staffing only as extra-help employees, seasonal employees, and work-study assistants. The City will encourage the use of temporary employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than regular, year-round staffing is required.

G. Contract employees will have written contracts and do not receive regular City employee benefits. Contract employees will occasionally be used to staff programs with unusual operational characteristics or certification requirements, such as recreation programs. The services of contract employees will be discontinued upon completion of the assigned project, program, or activity.

H. The hiring of temporary employees will not be used as an incremental method for expanding the City's regular work force.

I. Independent contractors will not be considered City employees. Independent contractors may be used in the following two situations:

1. Short-term, peak workload assignments to be accomplished through the use of

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personnel contracted through an outside temporary employment agency (OEA). In this situation, it is anticipated that City staff will closely monitor the work of OEA employees and minimal training will be required; however, they will always be considered the employees of the OEA, and not the City. All placements through an OEA will be coordinated through the Human Resources Department and subject to the approval of the City Manager.

2. Construction of public works projects and the provision of operating, maintenance, or specialized professional services not routinely performed by City employees. Such services will be provided without close supervision by City staff, and the required methods, skills, and equipment will generally be determined and provided by the contractor.

J. Department Heads will be responsible to:

1. Ensure that work is not performed by an independent contractor until:
 - a. A written contract between the City and the contractor has been entered into and signed by both parties.
 - b. The City Recorder has received the contract.
 - c. The signed written contract has been co-signed by the City Manager.

2. Each contract with an independent contractor should contain indemnity/hold harmless clauses, which provide that:
 - a. All contracts must contain indemnity and defense provisions in which the contractor assumes all liability arising out of work performed by the contractor or their officers, employees, agents, and volunteers.
 - b. All independent contractors must provide evidence that they have acquired and maintain comprehensive general liability coverage, including liability insurance covering the contract concerned, prior to the execution of the contract.

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c. The City and its officials, employees, agents and volunteers must be named as “additional insured” on the liability insurance policy.

3. Each contract with an independent contractor should contain provisions that ensure the contractor is carrying workers’ compensation insurance coverage. The City shall require evidence of Workers Compensation insurance (or evidence of qualified self-insurance) from all contractors.

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CONTRACTING AND PURCHASING POLICY

Purpose- These rules are intended to provide a systematic and uniform method of purchasing goods and services for the City. The purpose of these rules is to ensure that purchases made and services contracted are in the best interest of the public and acquired in a cost-effective manner. It is assumed, for this policy, that all amounts to be paid for purchases for goods or services have been approved as part of the budget.

Authority of City Manager or Designee - The City Manager or designate shall be responsible for the following:

1. Ensure all purchases for goods or services comply with these rules;
2. Review and approve all purchases of the City;
3. Establish and amend procedures for the efficient and economical management of the contracting and purchasing functions authorized by these rules. Such procedures shall be in writing and on file in the office of the manager as a public record;
4. Maintain accurate and sufficient records concerning all City purchases and contracts for services;
6. Make recommendations to the City Council concerning amendments to these rules.

General Policies. All City purchases for goods and services and contracts for goods and services shall be subject to the following:

1. No contract or purchase shall be so arranged, fragmented, or divided with the purpose or intent to circumvent these rules.
2. No purchase shall be contracted for, or made, unless sufficient funds have been budgeted in the year for which funds have been appropriated.
3. All purchases of capital assets and services in excess of \$25,000 must be awarded through a formal sealed bidding or request for proposals process, unless otherwise provided in this policy.

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4. When it is advantageous to the City, annual contracts for services and supplies regularly purchased should be initiated.
 - a. The City Attorney prior to entering into any such contract shall review all contracts for services.
5. The following items require City Council approval unless otherwise exempted in these following rules:
 - a. All contracts (as defined) over \$25,000.
 - b. All contracts and purchases awarded through the formal bidding or request for proposal process over \$25,000.
 - c. Accumulated “change orders” which would overall increase a previously approved contract by:
 - i. The lesser of 20% or \$25,000 for contracts of \$250,000 or less;
 - ii. More than 10% for contracts over \$250,000.
 - d. Exceptions
 - i. Purchases made in accordance with the City’s Fleet Management Plan.
Unless otherwise approved by the City Council for a designated project.
6. All purchases and contracts in excess of \$5,000 must be approved by the City Manager or designee. Amounts to be paid by the City of less than \$5,000, may be approved and authorized by the respective department heads consistent with the City procurement policies and procedures.
8. Acquisition for undertaking building improvement or public works projects shall adhere to the regulations prescribed by State law.
 - b. All uses of Class B and C Road funds shall adhere to the regulations prescribed by State law.
 - c. Contracts for grading, clearing, demolition or construction undertaken by the Community Redevelopment Agency shall adhere to the procedures prescribed by State law.

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9. Amounts to be paid by the City of less than \$5,000 that are budgeted, may be approved and authorized by the respective department heads. Purchases under this policy must be allocated in the specific budget.

Exceptions- Certain contracts for goods and services shall be exempt from bidding provisions. The City Manager or designee shall determine whether or not a particular contract or purchase is exempt as set forth herein.

1. Emergency contracts which require prompt execution of the contract because of an imminent threat to the safety or welfare of the public, of public property, or of private property; circumstances which place the City or its officers and agents in a position of serious legal liability; or circumstances which are likely to cause the City to suffer financial harm or loss, the gravity of which clearly outweighs the benefits of competitive bidding in the usual manner. The City Council shall be notified of any emergency contract that would have normally required their approval as soon as reasonably possible. The City Council shall ratify any emergency contract at the earliest possible time.

2. Purchases made from grant funds must comply with all provisions of the grant.

3. Purchases made through the State of Utah Division of Purchasing and General Services.

General Rules

1. **Purchases of Materials, Supplies and Services** are those items regularly purchased and consumed by the City. These items include, but are not limited to, office supplies, janitorial supplies, and maintenance contracts for repairs to equipment, asphalt, printing services, postage, fertilizers, pipes, fittings, and uniforms. These items are normally budgeted within the operating budgets. Purchases of this type do not require “formal” competitive quotations or bids.

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2. **Purchases of Capital Assets** are “equipment type” items which would be included in a fixed asset accounting system having a material life of three years or more and costing in excess of \$5,000. These items are normally budgeted within the operating budgets. Purchases of this type do not require “formal” bids. Attempt shall be made to obtain at least three written quotations on all purchases of this type.

3. **Contracts for Professional Services** are usually contracts for services performed by an independent contractor in a professional capacity that produces a service predominately of an intangible nature. These include, but are not limited to, the services of an attorney, physician, engineer, accountant, architectural consultant, technical analyst, dentist, artist, appraiser or photographer.

Professional service contracts are exempt from competitive bidding. The selection of professional service contracts shall be based on an evaluation of the services needed, the abilities of the contractors, the uniqueness of the service, and the general performance of the contractor. The lowest quote need not necessarily be the successful contractor. Usually, emphasis will be placed on quality, with cost being the deciding factor when everything else is equal. The manager shall determine which contracts are professional service contracts and may bid professional services as approved. Major professional service contracts (\$25,000 and over) must be approved by the City Council.

4. **Conflicts of Interest:** All contracts or transactions for goods or services, in which the contracting or transaction party is an employee or related to an employee of the City, must be competitively bid.

5. **Contracts for Public Improvements** are usually those contracts for the construction or major repair of roads, highways, parks, water lines and systems (i.e. Public Works Projects); and buildings and building additions (i.e. Building Improvements). Where a question arises as to whether or not a contract is for public improvement, the City Manager shall make the determination.

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6. **Minor public improvements (less than the amount specified by state code.):** The department shall make an attempt to obtain at least three written competitive quotations. A written record of the source and the amount of the quotations must be kept. The City Manager may require formal bidding if it is deemed to be in the best interest of the City.

7. **Major public improvements (greater than or equal to the amount specified by state code):** Unless otherwise exempted, all contracts of this type require competitive bidding.

Bidding Provisions

1. **Bid Specifications.** Specifications for public contracts shall not expressly or implicitly require any product by any brand name or make, nor the product of any particular manufacturer or seller, unless the product is exempt by these regulations or the City Council.

2. **Advertising Requirements.** An advertisement for bids is to be published at least once in a newspaper of general circulation and in as many additional issues, publications, and locations as the manager may determine, at least five days prior to the opening of bids. Advertising for bids relating to Class B and C road improvement projects shall be published in a newspaper of general circulation in the county at least once a week for three consecutive weeks.

All advertisements for bids shall state the following:

- a. The date and time after which bids will not be accepted;
- b. The date that pre-qualification applications must be filed, and the class or classes of work for which bidders must be pre-qualified if pre-qualification is a requirement;
- c. The character of the work to be done or the materials or things to be purchased;
- d. The office where the specifications for the work, material or things may be seen;
- e. The name and title of the person designated for receipt of bids;
- f. The type and amount of bid security if required;
- g. The date, time, and place that the bids will be publicly opened.
- h. The City retains the right to accept/reject/modify all or a portion of all bids.

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- i. The City will not reimburse bidders for bid related expenses.
- j. The City reserves the right to accept or reject all or a portion of any bid as the City determines to be in its best interest.

Requirements for Bids. All bids made to the city shall comply with the following requirements:

- a. In writing;
- b. Filed with the City Manager or designee;
- c. Opened publicly by the City Manager or designee at the time designated in the advertisement and filed for public inspection;
- d. Have the appropriate bid security attached, if required.
- e. “Sealed” bids does not preclude acceptance of electronically sealed and submitted bids or proposals in addition to bids or proposals manually sealed and submitted.

4. Award of Contract. After bids are opened and a determination made that a contract be awarded, the award shall be made to the lowest responsive responsible bidder or the bid as stipulated in the published RFP.

The successful bidder shall promptly execute a formal contract and, if required, deliver a bond, cashier’s check, or certified check to the Treasurer in a sum equal to the contract price, together with proof of appropriate insurance. Upon execution of the contract, bond, and insurance, the bid security shall be returned. Contractors have no more than seven (7) business days to execute a formal contract with the City. Failure to execute the contract, bond, or insurance shall result in forfeit of the bid security.

5. Rejection of Bids. The City Manager or the City Council may reject any bid not in compliance with all prescribed requirements. The City also reserves the right to reject all or a portion of any and all bids if it is determined to be in the best interest of the City.

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6. **Disqualification of Bidders.** The manager, upon investigation, may disqualify a bidder if he or she does not comply with any of the following:

- a. The bidder does not have sufficient financial ability to perform the contract;
- b. The bidder does not have equipment available to perform the contract;
- c. The bidder does not have key personnel available, of sufficient experience, to perform the contract;
- d. The person has repeatedly breached contractual obligations with public and private agencies;
- e. The bidder fails to comply with the requests of an investigation by the City Manager or designee.

7. **Pre-qualification of Bidders.** The City may require pre-qualification of bidders.

Upon establishment of the applicant's qualifications, the manager shall issue a qualification statement. The statement shall inform the applicant of the project for which the qualification is valid, as well as any other conditions that may be imposed on the qualification. It shall advise the applicant to notify the manager promptly if there has been any substantial change of conditions or circumstances, which would make any statement contained in the pre-qualification application no longer applicable or untrue.

If the manager does not qualify an applicant, written notice to the applicant is required, stating the reasons the pre-qualification was denied, and informing the applicant of his right to appeal the decision within five business days after receipt of the notice. Appeals shall be made to the City Council. The manager may, upon discovering that a pre-qualified person is no longer qualified, revoke pre-qualification by sending notification to the person. The notice shall state the reason for revocation and inform the person that revocation will be effective immediately.

8. **Pre-Qualification Process.** When the City determines it is in its best interest to pre-qualify bidders for a project the City shall:

- a. Identify the information required for prequalification as part of the bid

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announcement including submission time, date, and information that must be submitted for pre-qualification.

b. Identify in the bid documents a reasonable time whereby a prospective bidder shall be informed of their pre-qualification status. The City Manager or designee shall investigate information provided by prospective bidders in a timely manner. In most cases two (2) weeks prior to bid opening.

c. Information requested from bidders shall be used to determine the qualifications and abilities of the prospective bidder. Information requested might include but not be limited to any information that may be necessary to determine the ability of a prospective bidder to complete the project. Examples of information that may be requested are demonstrated below.

- i. Demonstrated financial ability to complete contract.
- ii. Information on prior and pending litigation.
 - a. List of all lawsuits and arbitration to which the bidder has been a party in the 5 years preceding the bid opening date.
 - b. Name or Title of the litigation
 - c. Civil Number
 - d. Status and or result of the case
 - e. County in which the litigation was filed
 - f. Amount in question
- iii. Equipment and materials available to complete project.
- iv. Qualifications, work history, and references for critical personnel assigned to project.
- v. Referrals from past clients (5 years).
- vi. Work History for projects with comparable scope and financial implications.
- vii. History of change order requests from prospective bidder.

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- viii. Demonstrated history of successfully completing governmental projects.
 - ix. These examples are not intended to be an exhaustive list. The City reserves the right to identify any pre-qualification items that it may find useful in its bid processes.
- d. Failure to provide or producing inaccurate information may lead to the rejection of a bidder and termination of contact with associated penalties on the part of the negligent bidder. Prospective bidders have the ability to appeal their rejected pre-qualification to the Council as outlined in the appeals section of this policy.
9. **Appeals Procedure.** Any supplier, vendor, or contractor who determines that the City, in violation of these regulations, has made a decision adversely to them, may appeal that decision to the City Council.

The complainant contractor shall promptly file a written appeal letter with the City Manager or designee, within five (5) working days from the time the alleged incident occurred. The letter of appeal shall state all relevant facts of the matter and the remedy sought. Upon receipt of the notice of appeal, the manager shall forward the appeal notice, his investigation of the matter, and any other relevant information to the City Council.

The City Council may conduct a hearing on the matter. A written decision shall be sent to the complainant at the conclusion of the hearing.

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INVESTMENTS

1. **Mission Statement.** It is the policy of the City and its appointed Treasurer to invest public funds in a manner that ensures maximum security provides adequate liquidity to meet all operating requirements, and achieve the highest possible investment return consistent with the primary objectives of security and liquidity. The investment program shall be operated in conformance with federal, state, and other legal requirements, including the State Money Management Act, the rules of the State Money Management Council and rules of pertinent bond resolutions or indentures, or other pertinent legal restrictions.

2. **Scope.** This investment policy applies to the investment of all funds held in City accounts for the purpose of providing City services, excluding the investment of employees' retirement funds. Employee retirement funds are held and invested by the Utah State Retirement System. This Policy applies to the City's governmental funds and proprietary funds. The City does not maintain fiduciary funds. Funds shall be invested in the State of Utah Public Treasurer's Investment Pool.

3. **Prudence.** Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital and the probable income to be derived.

The standard of prudence to be used by the Treasurer shall be applied in the context of managing an overall portfolio. The Treasurer, acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided derivations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. **General Objective.** The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield.

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A. **Safety.** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

1. Credit Risk

The City will minimize credit risk or the risk of loss due to failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in Section VII of this Investment Policy
 - Pre-qualify the financial institutions. Broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V
- Diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

2. Interest Rate Risk

The City will minimize interest rate risk or the risk that the market value of securities in the portfolio will fall due to changes in the market interest rate, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this Policy.

B. **Liquidity.** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. This will be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a

FINANCIAL POLICIES AND OBJECTIVES

portion of the portfolio may be placed in money market mutual funds or local government investment pools with offer same-day liquidity for short-term funds.

C. **Yield.** The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurating with the City's investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be generally held until maturity with the following exceptions: A security with declining credit may be sold early to minimize the loss of principal.

- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

5. Standards of Care

A. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviation from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

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B. Ethics and Conflicts of Interest. The officers and employees involved in the investment process are expected to conduct themselves in a professional manner and within ethical guidelines as established by City and State laws and professional standards. The investment officers and employees shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

6. Delegation of Authority. Authority to manage the investment program is granted to the City Treasurer. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transaction undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

A. Investment Procedures. The Treasurer shall establish a separate written investment procedures manual for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, banking service contracts, cash flow forecasting, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

7. Authorized Financial Broker/Dealers, Institutions, and Depositories. Investments shall be made only with certified dealers. "Certified dealer" means a primary dealer recognized by the Federal Reserve Bank of New York who is certified by the Utah Money Management Council as having met the applicable criteria of council rule; or a broker-dealer as defined by Section 51-7-3 of the Utah Money Management Act.

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8. **Authorized and Suitable Investments.** Authorized deposits or investments made by the City may be invested only in accordance with the Utah Money Management Act (Section 51-7-11) as follows:

The Public Treasurer's Investment Fund (PTIF)

Collateralized repurchase agreements

Reverse Repurchase agreements

First Tier Commercial Paper

Banker Acceptances

Fixed Rate negotiable deposits issued by qualified depositories

United States Treasury Bills, notes and bonds

Obligations other than mortgage pools and other mortgage derivative products issued by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer:

Federal Farm Credit Banks

Federal Home Loan Banks

Federal National Mortgage Association

Student Loan Marketing Association

Federal Home Loan Mortgage Corporation

Federal Agriculture Mortgage Corporation

Tennessee Valley Authority

9. **Investment Pools.** A thorough investigation of the Utah Public Treasurer's Investment Fund (PTIF) is required on a continual basis. The City Treasurer shall have the following questions and issues addressed annually by the PTIF:

- A description of eligible investment securities, and a written statement of investment policy and objectives
- A description of interest calculations, how it is distributed, and how gains and losses are treated.

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- A description of how the securities are safeguarded (including the settlement process), and how often are the securities priced and the program audited.
- A description of who may invest in the program, how often and what size deposit and withdrawal.
- A schedule for receiving statements and portfolio listings
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it except such proceeds?

10. Safekeeping and Custody.

- **Delivery vs. Payment.** All trades of marketable securities shall be conducted on a delivery versus payment basis to ensure that securities are deposited in an eligible financial institution prior to the release of funds. The bank custodian shall have custody of all securities purchased and the Treasurer shall hold all evidence of deposits and investments of public funds.
- **Safekeeping.** Securities will be held by a independent third-party custodian selected by the entity as evidenced by safekeeping receipts in the City's name.
- **Internal Controls.** The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. Details of the internal control system shall be documented in an investment procedure manual and shall be reviewed/updated annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

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The internal controls structure shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Dual authorization of wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

11. Investment Parameters

A. Diversification. The City will diversify its investments by:

- Limiting investments to avoid over-concentrating in securities from a specific issuer or business sector (excluding U.S. Treasury securities and authorized pools). No more than 50% of the City total investment portfolio will be invested in a single security type.
- Limiting investments in securities that have higher credit risks
- Investing in securities with varying maturities
- Continuously investing a portion of the portfolio in a readily available funds such as local government investment pools, money market funds, or overnight purchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

B. Maximum Maturities. The term of investments executed by the Treasurer may not exceed the period of availability of the funds to be invested. The maximum maturity of any security shall not exceed five (5) years. The City's investment strategy shall be active and monitored monthly by the Treasurer and reported quarterly to the City

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Council. The investment strategy will satisfy the City's investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed to the legislative body.

C. Competitive Bids. The Treasurer shall obtain competitive bids from at least two brokers or financial institutions on all purchase of investment instruments purchased on the secondary market.

12. Investment Policy Adoption: As part of the annual budget process, the governing body shall adopt the investment policy.

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FIXED ASSET AND INVENTORY POLICY

Criteria for Fixed Asset Capitalization and Control. The City will maintain fixed asset lists for financial reporting and physical control purposes. Individual fixed assets with useful lives in excess of one year and valued or costing at or above \$5,000 will be maintained on the fixed asset list for financial reporting purposes. Individual fixed assets with useful lives in excess of one year and valued or costing at below \$5,000 will be maintained on fixed asset lists for physical control purposes; however, if the individual fixed asset(s) is a critical part of the system as a whole, the asset(s) will be maintained on the fixed asset list for financial reporting purposes.

Inventory. Inventory consists of many items with nominal costs that are used as needed by departments. Inventory counts are not a control feature for the safeguard of the items but merely a summarization for the financial statements. Due to the relatively small amounts invested in the inventory and the modest changes in value from year-to-year, the City will eliminate reporting inventory on the financial statements but will continue to track and monitor inventory for internal purposes only.

Criteria for Fixed Asset Depreciation. Assets appearing on the financial reporting fixed asset list are subject to depreciation. The City employs the straight-line depreciation method on all depreciable fixed assets unless the finance department and the appropriate department head deem another depreciation method more appropriate and accurate for a particular asset. The City utilizes reasonable estimated useful lives established by the finance department and the appropriate department head with consultation from other professionals and outside publications.

FINANCIAL POLICIES AND OBJECTIVES

SALVAGE POLICY

This policy establishes specific procedures and instructions for the disposition of surplus property, not to include the sale/disposal of real property. The sale of real property will strictly follow the specific procedures and instructions as governed by State law.

Personal Property of the City is a fixed asset. It is important that accurate accounting of fixed assets is current. Personal property, as defined by this policy will include, but not limited to: rolling stock, machinery and equipment, furniture and fixtures, tools, and electronics. This property has been purchased with public money. It is important that the funds derived from the sale be accounted for and disposed properly.

Responsibility for Property Inventory Control. It is the responsibilities of the Department Director to maintain an inventory of all department property. The departments shall be responsible for reporting to the Finance Department an updated inventory log of all changes of department inventory at least annually. The Finance Director will assist in the disposition of all personal property.

Disposition of an Asset. Department heads shall identify surplus property within the possession of their departments and report such property to the Finance Director for disposition consideration. The department head shall clearly identify age, value, comprehensive description, condition and location. For property valued at \$5,000 or greater, the Finance Director shall present to the City Council a listing of property to be declared surplus. The Finance Director shall, after approval by the City Council, provide to the City Recorder a listing of all items to be disposed of and the method of disposition. The City Recorder shall notify other City departments of the availability of such property and advertise for the sale of the property according to this policy and State law, when applicable. The City Recorder shall, after the disposal of surplus property, notify the City's insurance liability carrier to ensure that all items disposed of are removed from the City's liability coverage.

FINANCIAL POLICIES AND OBJECTIVES

Conveyance for Value. Conveyance of property shall be based upon the highest and best economic return to the City. City-owned surplus property may be offered preferentially to units of government and non-profit. The highest and best economic return to the city shall be estimated by one or more of the following methods:

1. Public auction
2. Sealed competitive bids
3. Evaluation by qualified and disinterested consultant
4. Professional publications and valuation services
5. Informal market survey by the Finance Manager in case of items of personal property possessing readily, discernable market value.

Sales of City personal property shall be based, whenever possible, upon competitive sealed bids. The Finance Manager may, however waive this requirement when the value of the property has been estimated by an alternative method specified as follows:

1. The value of the property is considered negligible in relation to the cost of sale by bid or public auction.
2. Sale by bidding process or public auction is deemed unlikely to produce a competitive bid.
3. Circumstances indicate that bidding or sale at public auction will not be in the best interest of the City.
4. The fair market value of the property is less than \$500.

In all cases the City retains the right to accept, reject, or modify all or a portion of all bids.

Revenues. All monies derived from the sale of personal property shall be credited to the general fund of the City, unless the property was purchased with money derived from an enterprise fund, or an internal service fund, in which case, the money shall be deposited in the general revenue account of the enterprise or internal service fund that made the original purchase.

FINANCIAL POLICIES AND OBJECTIVES

Advertised Sealed Bids. A notice of such public auction or invitation for sealed bids shall be published at least once in a newspaper of general circulation or the City newsletter and shall be posted at the public information bulletin board at City Hall. The notice shall describe the property to be sold, the terms of the sale, and the place and time of the auction or bid opening.

Employee Participation: City employees and their direct family members are not eligible to participate in the disposal of surplus property unless;

1. Property is offered at public auction or public sealed bids;
2. If sealed bids are required and no bids are received from general public, a re-bidding may occur with employee participation.

Compliance. Failure to comply with any part of this policy may result in disciplinary action.

FINANCIAL POLICIES AND OBJECTIVES

SPECIAL EVENT SERVICES

Current existing special events within the City are: Easter Egg Hunt and Terrace Day. For these special events and others that will be developed in the future the City may be required to provide:

- Park Services (Field maintenance, ground maintenance, trash pick-up)
- Parking Services (Parking enforcement)
- Special Events and Facilities Services

These services can be provided without incremental cost or loss of revenues. In the event special event services do have an impact on departmental budgets, the procedures for amending departmental budgets is in line with the City-Wide procedures for amending departmental budgets.

Events Managed Under Multi-Year Contracts. Currently, the Leisure Services Department carries one multi-year contract for special events. The contract for the fireworks display for Terrace Days is a multi-year contract. The procedure for this type of special contract is as follows: the department will request budget adjustments during the first budget process following the agreement signing. These budget adjustments will be based upon the level of services outlined in the special event contract and will remain in the budget for the term of the contract.

Year-to-Year or One Time Events. For those events for which long term agreements do not exist the costs for providing services shall be estimated and included within Council's or the City Manager's review of the proposal.

Special Event Funding. Special events may be funded in the following manners: vendor fees, corporate donations, general fund transfer, and special event participant fees.

FINANCIAL POLICIES AND OBJECTIVES

Vendor Fees. Any vendor wishing to sell products or provide services at any special event must pay a vendor fee. Vendor fees will be set based upon type of event, number of expected vendors and any cost incurred by the City associated with hosting vendors.

Corporate Donations. The City Manager or designee may solicit corporate donations from businesses. Any corporate donation will directly pay for any cost incurred by the City for the special event.

General Fund Transfer. A general fund transfer may occur provided that during the budget process for the current fiscal year, the City Council approves such a transfer. The transfer may vary from year to year-based on Council's decisions regarding the budget.

Special Event Participant Fees. Any special event may have programs that require a participant fee. The participant fees will directly pay for any incurred costs associated with the special event program. The fee will vary from program to program depending on total cost of the program.

**PERFORMANCE
MEASUREMENT PROGRAM**

PERFORMANCE MEASUREMENT

INTRODUCTION TO PERFORMANCE MEASUREMENT

The City is entering into a new phase of its development. The Citizenry and Council are asking the question of how well the City provides its services. In many cases the City can easily quantify how much of a product or service we produce. We can easily define how much it costs to provide the same service. The difficulty is determining the quality of the overall service being provided. The City is going to begin to focus on what services and programs the city provides and approximately how much each activity costs. In addition the City will begin to answer the question of how well we provide services for the community and how those services compare to other communities. The optimal way to do this is through the use of performance measurement and benchmarks.

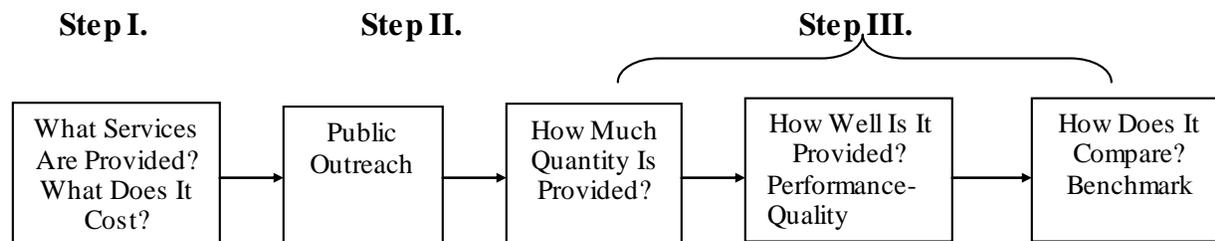


Figure 13. Program Analysis

The first step in creating and implementing this type of program is to define the services that the City provides and determine the relative costs associated with producing the activity. Identifying the mission's critical services each department provides will be incorporated into the first's steps of this program. This coupled with the basic departmental costs will give an approximate cost of service that is being provided. After the basic services are identified the City will begin developing measures for the quantity and quality of the work being provided.

The third step or the Development and Implementation of Performance Measures and Benchmarks are the next step in the process.

The preliminary measures for some departments will be simply formalizing the measures you already use to monitor your programs. For some departments this will require going through the process of identifying division goals, programs, and services. In all cases the benefit of performance measures is dependent on the information you feel is important to accurately demonstrate the level of service your department provides. The City will need to take several steps toward implementing a performance measurement program. The most critical element to this program is that we are not trying to measure things for the sake of measuring. We are trying to identify tools for managers and staff to be able to monitor the success of their programs. In the coming days and weeks we will identify the City's programs and the associated cost of providing programs for the community. The next step will be to identify and measure the success of the programs and services we already provide.

PERFORMANCE MEASUREMENT

Each city is unique (especially Washington Terrace) and there is no “best cookie cutter” implementation process. We are challenged with the task of customizing our use of performance measures with City’s work and political environment. The concept of performance measures is neither new nor a major shift in the philosophy that exists in the City. For years departments have identified goals and objectives. At times these have been well communicated to the Council and the public. Additionally the Council has identified goals and action items for the City. As we move forward a key element of the budget will be to focus on meeting the long-term Council goals while trying to exceed expectations with program delivery.

Simultaneously, the City will be implementing a pay for performance program. This is a new idea that will ultimately change the culture of our organization. The new program will encourage instant bonuses for great work; cost saving programs encourages efficiencies with the goal of providing a high level of customer service for the residents of the City. The use of performance measures is a logical step in determining the quality of service delivery provided by our departments. The following information is an outline that describes performance measures and outlines the performance measure implementation process developed for the City. Information has been modified from several programs to match the City’s needs and management philosophy.

What is Performance Measurement?

Performance measurement is a process for determining how a program is accomplishing its mission, goals, and objectives through the delivery of products, services, or processes. In essence, performance measurement is a systematic process of evaluating outcomes of specific government programs and services that are delivered to customers with respect to effectiveness, efficiency, quality, and return on investment.

A **performance measure** is a specific quantitative measure or qualitative assessment of program results obtained through a program or activity. A performance measure summarizes the relationship between inputs and outputs in achieving outcomes with respect to effectiveness, cost, and quality (Guajardo and McDonnell page 24). A performance measure is not simply an output. For example, it is not just measuring the number of road miles the City plows in a year. A performance measure links an output to some other measure to define the quality of the output. The number of road miles plowed within the first hour after a significant snowstorm is such an example.

What is the Purpose of Performance Measurement?

The purpose of performance measures is not to monitor the performance of individual employees or departments but to assess the cost and quality of services provided (Guajardo and McDonnell page 1). The goal of performance measurement is to improve service delivery by identifying deficiencies in current work processes and through constant improvement better the product and process for the community.

The strongest argument for the use of performance measures is that it is a powerful tool for managers to use in improving the programs and services they are responsible for and justify why we do what “we do.” This is not to say that all management problems are solved with such an

PERFORMANCE MEASUREMENT

instrument, rather it will help us reach the goals that we are setting through the most efficient process. The argument is constantly being made that cities are “wasteful” and “ineffective.” The use of performance measures will enable the government to respond to these assumptions with information that demonstrates (Guajardo and McDonnell page 29):

- How well program goals and objectives are being met;
- How well programs and services are delivered to customers;
- Whether the government is achieving its intended outcomes.

Internally, performance measures will be useful to managers by helping to: (Guajardo and McDonnell pages 29-30):

- Improve program performance and service delivery by reengineering work processes;
- Improve budgeting and planning by assessing demands for programs and services;
- Improve management practices by examining how well resources are being used to achieve process benchmarks;
- Improve program administration and service delivery by identifying deficiencies and implementing enhancement strategies;
- Provide objective feedback on program and service performance;
- Revise programs and services to meet customer demands and ensure quality;
- Strengthen accountability by demonstrating how well the City uses tax dollars to provide key programs and services.

Types of Performance Measures

There are six categories or types of performance measures that you will use to measure your programs. Each is listed below and managers should assess the applicability of each type of measure depending on the program. Some of these measures are more appropriate than others for certain activities. Whatever measures you choose to use you should try to use different types of performance measures to assess your programs including at least one outcome measure (Guajardo and McDonnell).

Effectiveness: How well does the City accomplish its programs and service delivery goals and objectives? Effective measures assess the degree to which predefined goals and objectives were met within the specified time frame; *i.e.* – *What percentage of roads are plowed within six hours of a major snowstorm? How does this compare to expectations?*

Efficiency: How much does a program consume in achieving their program goals and objectives? Efficiency measures assess the amount of outcome produced per unit amount of resources allocated to performing a predefined goal or objective within a time frame; *i.e.* – *Number of water bills processed each week per FTE involved with the process (150/FTE).*

Outcomes: Did the departments’ programs meet the intended results? *I.e.* – *Number of plans reviewed within 2 days per 100 applications (Planned – 95, Actual – 96.8).*

Outputs: What did the program or service produce in relation to its inputs? Output measures

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assess the quantity of work performed; *i.e.* – *Number of nuisance citations issued (200 issued).*

Quality: Are internal and external clients satisfied with the performance of the government’s programs and service delivery? Quality measures assess the level of satisfaction of customers in relation to goods and services delivered; *i.e.* – *% of patrons satisfied with youth program (95%).*

Workload: How many transactions were performed per employee for a program or service activity? Workload measures assess the productivity of staff in providing goods and services to customers; *i.e.* – *Number of acres of road miles maintained divided by the number of staff (144/12 = 12 acres/person).*

Table 12 - Examples of Four Types of Performance Measures			
Outcome Measures	Output Measures	Efficiency Measures	Input Measures
Percentage of clients rehabilitated	Number of clients served	Average cost per client served	Number of clients eligible for services
Percentage of entities in compliance with requirements	Number of inspections conducted	Average cost per inspection	Number of entities subject to inspection/regulation
Percentage of applications	Number of applications processed	Average time (days) to process license applications	Number of applications received

Source: Utah State Governor’s Office of Planning and Budget (GOPB)

Performance Measures Can Be Manipulated

A common argument is that performance measures, as with all analytical tools or statistics, can be manipulated to “paint a rosy picture.” This will be one of the primary issues with implementing a legitimate performance measure process. The goal is to establish measures that paint an accurate picture of the programs and services we offer. Some measures will be more favorable than others, although all areas can improve, we should avoid impractical measures.

To help gain external validity, the City will ultimately have the draft performance measures you create reviewed by an external group to verify that the measures reflect an accurate picture of what we are trying to measure. In addition to the initial review the Finance Director will annually verify the information you are reporting for your performance measures as part of the budget process. The Government Finance Officers Association (GFOA) lists the following performance measure criteria for valid measures (Guajardo and McDonnell p28). To be acceptable, credible, and useful both internally and externally, performance measures need to satisfy the following criteria:

Comprehensive: Are the performance measures and their results derived from all of the relevant program and financial information, and do they capture all of the work processes necessary for achieving program outputs and outcomes?

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Meaningful and understandable: Are performance measures and their results easily understood?

Reliable: Are performance measures based on the same data sources and information so that they produce consistent results from year to year?

Simple: Are the performance measures easily calculated and interpreted?

Valid: Do performance measures accurately assess a program's outcomes and outputs in relation to its stated goals, objectives, and inputs?

Verifiable: Do the performance measures provide an audit trail enabling a reviewer to verify the accuracy and timeliness of the source data?

The key to performance measures is to create valid measures that are realistic and linked to specific goals, programs, objectives, and work processes. The goal of this exercise is not to have the Council or the City Manager develop measures for your programs. The purpose of this program is for you to determine what measures are useful to YOU as the manager to gauge your service delivery. The City Manager will assist to develop the measures, provide analysis, and train you and your employees, but this will only work if you are committed to measuring your performance and (where applicable) improving your output.

As this program is beginning you will not be required to create and implement a large number of measures, outcomes, or objectives. The program will start off requiring very few measures and develop from there. The key is to set goals, measures and objectives that are a good indicator of what you are trying to accomplish with your program.

Performance Measures Consume Resources

Another common argument against performance measures is that they can consume a lot of resources. This is a true statement if an organization is over zealous in the implementation of a performance measurement program. Often consultants are hired that try to overlay existing programs from an external perspective. We are taking a more conservative approach introducing the gradual development and use of performance measures instead of an immediate jump to a full-blown measurement program. As staff, Council, and the community become accustomed to the use of performance measures, departments can expand their use as needed. Some groups (Staff, Council, or the Community) may want to be over aggressive the first few years of program implementation. *This is an option but not recommended.* Departments should focus on those goals and programs that are most critical for their organization. Again, the goal is not to implement a large cumbersome process beginning this first year. This is a gradual process for change, not a revolution to the organization.

Departments should focus on the information they are already collecting and use this as a foundation for their performance measures. In some cases we may need to ask the question of how well we are delivering current services. This may be used in conjunction with the information already on hand. Costs will escalate dramatically as we begin to measure outcomes that we don't currently use or that may have no value to the organization. As we begin to

PERFORMANCE MEASUREMENT

develop performance measures we should consider the impact of what we are trying to measure and be sure that what we are trying to measure is really the outcome of the goal.

Some may question the cost of staff resources used to measure performance. This is a legitimate concern if the data collected and used for measuring performance is of no value to the program. The benefit of staff time will outweigh the costs if we collect the correct information and can use that information to improve our service.

Performance measurement should be seen as an important tool in allocating resources, not the only tool. Care must be taken to avoid taking outcome-based budgeting to extremes, and to recognize that not all outcomes can be measured or quantified (Governor's Office of Planning and Budget).

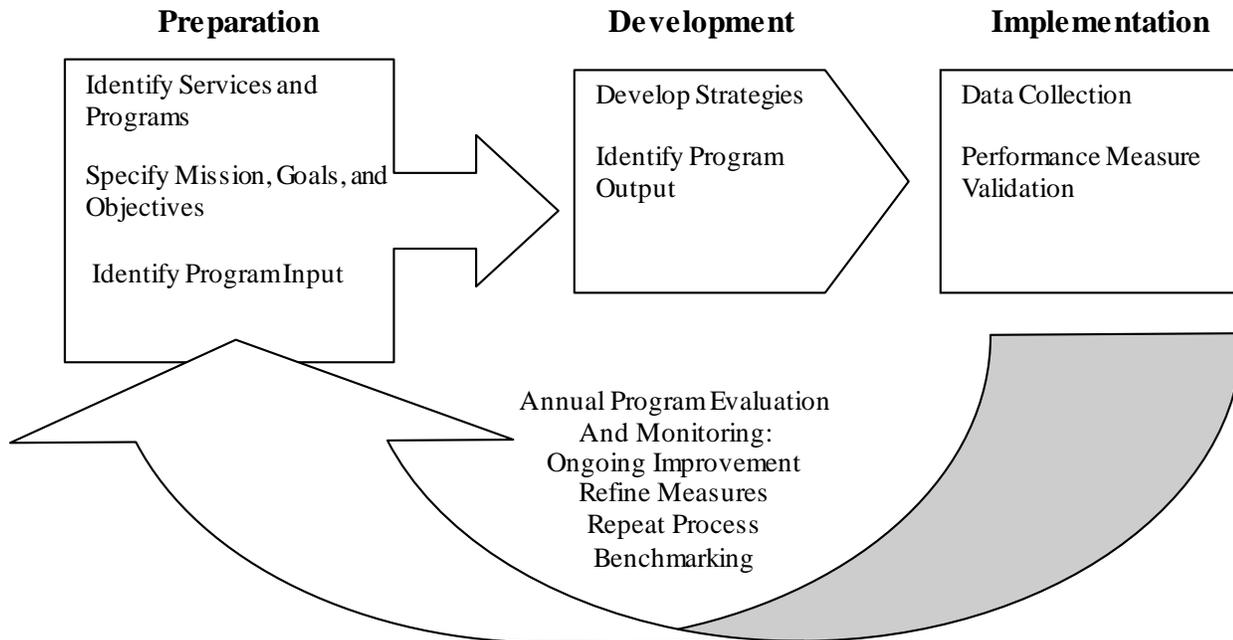
As we begin the process of developing and implementing performance measurement, the benefits of accountability, focus on results, and a better-defined relationship between resources and mission can be achieved. But it is equally important to recognize that performance measurement is only one of a number of tools available to government managers and policy makers. The use of all of the tools in harmony with one another will result in a better process for the organization.

How Do We Implement Performance Measurement?

This is the most complex part of the performance measure process. With an array of departments and programs it is difficult to identify the most effective methods for developing and implementing performance measures. The following is a hybrid flow chart that demonstrates the performance measure process. It is an evolutionary process that will develop as services and programs change to meet the needs of the community.

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Figure 14. Performance Measure Process



Source: Guajardo and McDonnell (additional information from State GOPB & City of Grande Prairie, Alberta)

Washington Terrace has completed the preliminary design of our Performance Measurement process. These measures have been included as part of each departments operating budget. Each department has identified the major programs that indicate a significant portion of their departments programs. These goals and measures should tie to the Council’s overall mission and policy direction for the City. The process each department followed and will use to modify their measures is outlined below.

1. Preparation: The preparation for performance measures is probably the most daunting part of implementing performance measures. The first step is to identify the major programs and services your department currently provides. Departments in the next week begin to identify the major programs they operate and assign an input (dollar amount) required to provide the service. The Finance department has provided sheets to be used for your department. Please note that we are determining a percentage amount of your department’s time to each program. We will then calculate a dollar amount based on the percentage based on the FY 2004-2005 budget. After this is completed you will need to review the allocations and make any corrections you feel necessary. This could include additional service elements, altering percentages or removing service elements that are identified in the early stages of preparation.

Specifying mission, goals, and objectives has largely been completed through Council direction and the goals established for the City. In some cases program goals have been clearly articulated by Council, Boards, or Commissions while for other programs you may need to create the goal of the program yourself. The departmental programs may or may not be measurable based on your departmental needs. Please use this information as you identify your department’s

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performance measures. This information may only reflect a starting point for what you may want to measure. Use your discretion as to what measures are most important for your programs. It is anticipated that each department will have at least one or two performance measure for each program as a starting point. As we become accustomed to using performance measures we will begin using additional indicators for performance. Some departments may already be measuring more than this. Again the key point is to measure what is important for your department.

2. Performance Measurement Development: Once the mission, goals, and objectives have been identified for your department and programs, the development of performance measures will be simply a continuation of how to reach the stated program goal. Table 11 represents the format the City will use for each program goal. Each section has a definition that explains the purpose of the section. In many cases the program goal, input, and objective have already been identified. In these cases departments will simply need to go to the next step in identifying strategies, desired results, and the actual performance measures. As departments determine what to monitor they should consider the difficulty that may be associated with collecting data. For the most part we will be collecting data that we already have access to or that can easily be gathered. A tendency with performance measures is to “measure what we can count” (Procurement Executives’ Association). Again, if information is important there may be a need to collect data, but we should avoid creating measures that require cumbersome data collection efforts unless there is a persuasive need to capture this information.

The following are questions you will want to ask yourself as you identify measures for your programs (Guajardo and McDonnell p31).

How can we measure if residents of Washington Terrace are satisfied with the programs and services offered?

Will the program produce results consistent with its goals, objectives, and inputs?

What is the quantity of output in relation to its inputs?

What are the program costs incurred producing the desired results?

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Department: Public Works, Leisure Services, Etc...		Department: Division name as listed on the Service Level Survey sheet.		
Program: Program Name				
Program Goal: What is the general purpose of your program? A program goal should include policy intentions and/or City Council direction specific to your program. Goals are both qualitative and quantifiable, but not quantified.				
Input	Objectives	Strategy	Desired Results	Performance Measures
What resources (\$) are allocated so that your program goals, objectives and desired results can be achieved?	Objectives are targets for specific action needed to meet the program goal. More detailed than goals, objectives have shorter time frames and may state quantity. An objective is achievable, measurable, and sets the direction for your strategy. One program goal will usually have several objectives.	How will you convert inputs into desired results so that your program goal and objectives can be accomplished? What methods will you use? What are your work processes?	What are the intended results that should be achieved from undertaking your program goal and objectives? What goods and services are produced through your program?	How will you measure your desired results? Use one of the types of measures listed on Page 3 of this document (effectiveness, efficiency, outcomes, outputs, quality, workload).

Table 13- Performance Measure Format

Source: State Governor’s Office of Planning and Budget

3. Implementation: The third step to performance measurement is the actual implementation process. For many departments this will be the easiest part of the process. For implementation we largely try to meet our program goals while collecting that data identified in the development process. Managers may on a monthly or quarterly basis review their goals and the outputs identified as a measure for their goals. Managers should use this information throughout the year and not just as an attachment at budget time.

4. Annual Program Evaluation And Monitoring: Performance measurement is an evolutionary process that will improve as the organization gains experience using performance measures. The performance measures developed by your department will be incorporated into the budget document and will annually be evaluated as part of the budget process. Each year the City Manager and Finance Director will work with departments to insure that the performance measures in place are capturing the information you need to improve your programs and services.

Currently, there are opportunities for the City to participate in benchmarking programs along the Wasatch Front to collect and compare strategies from common programs. Benchmarking refers to the process of critically evaluating a program or service’s activities, functions, operations, and processes to achieve a desired level of performance (Guajardo and McDonnell p.20). Ultimately the City will begin joining these programs and begin the process of external comparison. This data will be used as an external reality check with other communities on the types and cost associated with providing services. There are inherent concerns associated with this type of

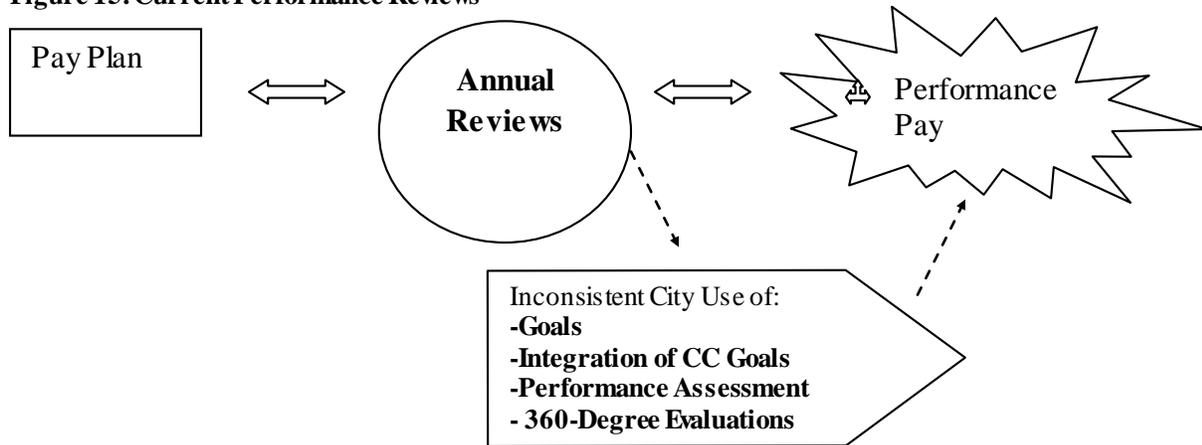
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analysis as with all other types of analytical tools. As with performance measures we will modify this tool as time passes or decide to use other cities for benchmarks.

Linking Performance Measurement to Pay For Performance

Is there a connection between the existing pay for performance program and the link between quantifiable goals, services, and outcomes? Currently the City participates in an annual review for all regular employees with intermittent interim follow up meetings. This process is inconsistent organizationally as to what level of information is tracked during the review process. The current review process allows for a great deal of autonomy from manager to manager in relation to the review requirements of regular employees. In some departments, goals are clearly outlined, reviewed, and incorporated into the process while in other departments this tool is not used at all. The following diagram demonstrates the current process.

Figure 15. Current Performance Reviews



In some departments, goals and objectives are articulated and performance is measured on defined criteria. Currently, there is varying use of Council goal implementation, 360-Degree evaluations, and performance measures in individual personnel reviews. Implementing these measurement processes allows for greater manager involvement and more consistent performance evaluation.

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Historically Washington Terrace Municipal Policies and Procedures manual established a step and grade pay structure. The City will be shifting from a longevity based pay program to one that rewards performance and market based pay plan. This will be a shift in the status quo as we seek to modify our organizational culture.

Is there a relationship between pay, measured quantity and quality of service, employee moral and city resources? The short answer is “there should be.” A pay for performance philosophy without clearly defined criterion for what constitutes performance makes it difficult to understand what that relationship is. Currently, the “optional” nature of goals in the performance review makes it very difficult to clearly assess the effectiveness of performance evaluations.

The City is underway in developing a process whereby evaluations are completed based on goals determined by the manager and employee that tie to the overall Council defined objectives. Many regular employees currently have goals incorporated into their performance evaluations. The current review practice should be modified to require the use of goals and measurable criteria in an effort to monitor employee performance and provide consistency in the process. While this may increase the time required for managers to conduct an employee evaluation, it will provide a tool whereby managers can accurately measure the performance and progress of their employees.

Goals and Performance Measures

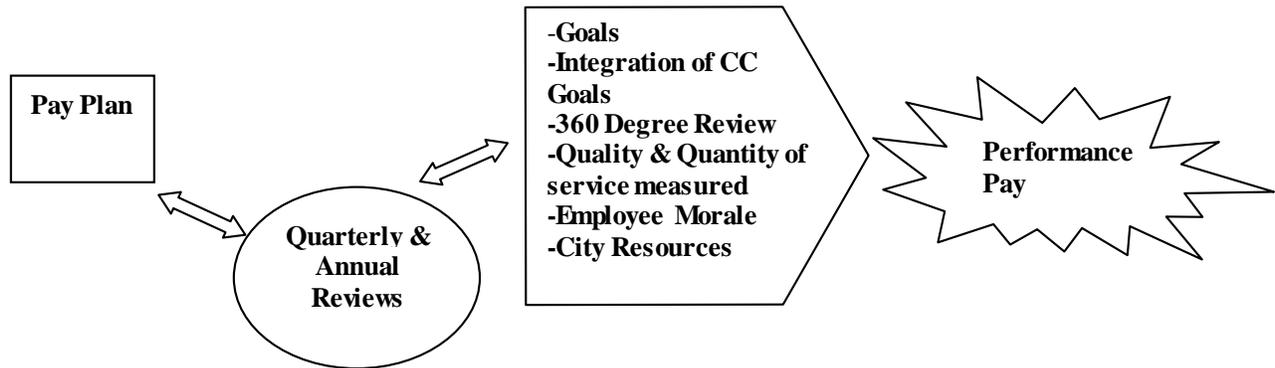
For most departments a requirement to incorporate goals and performance measures will not be difficult. For other departments this change may require a shift in philosophy for both the manager and the employee. It is important to remember that it is the responsibility of the manager to clearly communicate goals and project expectations. Goals established during the quarterly review can then be assessed and updated during the following months. Goals should be designed to challenge the employee but not present unreal expectations for performance. Since each employee is different, the review process will allow managers to customize employee goals to meet the needs and skills of the individual and modify them occasionally as needed.

The use of performance measures is the current direction for budgeting resources. As part of the performance measurement program managers and supervisors will begin linking performance measures and goals in their employee’s next review. As these measures and goals are developed they should be included in the employee review as applicable. Managers must insure that the goals linked to performance reviews are goals that can be accomplished or impacted by the employee.

There are currently many different levels of performance reviews taking place. Some departments are using performance measures, 360-Degree reviews, integrating Council goals, and employing other innovative ways to measure performance. The following figure represents a potential model for our performance pay program. This program can only be achieved if the City begins to modify how we measure performance. The easiest way to do this without a revolutionary change in our culture is through a two-step process: First, establish standard review criteria that will be incorporated into all regular employees’ performance reviews. Second, implement more advanced methods to measure performance (i.e. – 360 degree reviews) that will link employee performance to pay.

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Figure 16. Future Performance Reviews



Personnel Review Criterion

At present the City is developing a standardized criteria defined to assess performance. At a minimum the City will design uniform criteria and guidelines that will be incorporated into each performance review. Each regular employees review will incorporate the following:

- Self Evaluation
- Review of previous goals
- Identify additional accomplishments for review period
- Goals for next review period
- A measure to gauge the accomplishment of the goal
- Other areas for improvement

The following are examples of criteria that could be adopted for citywide implementation in addition to the outline above. Not all criteria are applicable to every employee; the goal is to incorporate as many criteria as are appropriate for each individual employee. Implementation would occur after manager and employee training and be incorporated into each employee's next performance evaluation.

- A statement of whether or not the employee is meeting expectations (below, at, or above)
- Work Product Measure (Qualitative measure for performance this would address the Deliverable product or output)
- Attitude Measure
- Work Ethic (attendance, punctuality where applicable)
- Development Goal (skills, knowledge, and abilities)
- Safety Goal (accident free, driver safety, work place safety where applicable)
- City Core Values

Maintaining this format will preserve cultural flexibility and insure consistency in what is required for evaluations. Managers should review the list of possible criteria and establish a uniform set of review standards for performance evaluations.

Other issues that were reviewed as part of this process are the use of 360-Degree evaluations and other standards of performance evaluation. Although this is not an exhaustive list of possibilities,

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all items have merit that should be reviewed as part of a Compensation Philosophy and Review Committee. This will allow for a more formal process to be developed using standard criteria. If in the future there are organizational inconsistencies, alternative solutions should be studied for possible implementation.

Commitment to a Performance Measurement Program

Council goals indicate a commitment to the development and use of performance measures. This commitment also extends to the direction the City has begun moving in the last year. Some of the driving factors are Council, the community, and other new management. These reasons although compelling are not enough to undertake this change.

The best reason and motivation for this happening now is that it is the right thing to do. The City is at a point where we provide a number of services and programs; yet we lack any sort of consistent performance indicator to verify the success of the program. We have started the process through many things we currently do and as part of the budget process it makes sense to take the next step now.

It is clear through the existing research that strong leadership is essential in creating a positive organizational climate for developing performance measurement. Management leadership is vital throughout the performance measurement and improvement process. Managers should have frequent formal and informal meetings and conversations with employees to show support for improvement efforts and implementation initiatives.

Council has committed to not micromanage the implementation of performance measures by trying to predetermine or rush outcomes. The commitment of staff to this program will largely be determined by the information needed to assess their programs success if they develop the measure. This program will fail if Council or the community force measures on departments and programs. This is an improvement tool that if used properly will move the City to a higher performance level. If used improperly performance measures will erode staff moral and negatively impact the organization.

To be successful, Council needs to recognize the limitations of performance measurement: the need to balance performance measures with other indicators, the high cost of developing some measures of effectiveness, the need to use the correct measures at the correct level of government, and recognize that City government often plays a limited role in determining societal outcomes. In reality some things can't be measured. Where specific information can be used to measure performance we should seek to improve the quality of service for the citizens and visitors of Washington Terrace (Utah State Governor's Office of Planning and Budget).

PERFORMANCE MEASUREMENT

End Notes:

City of Grande Prairie Alberta Canada.

http://www.city.grande-prairie.ab.ca/perform.htm#Other_Sources

Guajardo, Saloman A. and Rosemary McDonnell. An Elected Officials Guide to Performance Measurement. Government Finance Officers Association, 2000

Procurement Executives' Association. Guide to a Balanced Scorecard Performance Management Methodology. <http://oamweb.osec.doc.gov/bsc/guide.htm>

Utah State Governor's Office of Planning and Budget. Performance Measures in the Public Sector. <http://www.governor.state.ut.us/planning/PerformanceMeasures/perform.htm>

Additional References:

Tigue, Patricia and Dennis Strachota. The Use of Performance Measures in City and County Budgets. Government Finance Officers Association, 1994

Bland, Robert L. and Iren S. Rubin. Budgeting: A Guide for Local Governments. p.126-140.

International City/County Management Association, 1997

Aronson, J. Richard (editor). Management Policies in Local Government Finance. Fourth Edition. pp. 153, 163, 164-67. International City/County Management Association, 1996

Comparative Performance Measurement FY1998 Data Report, International City/County Management Association, 1999

SUPPLEMENTAL

Capital Project Program

Capital Requirements Summary

Capital		Total Capital	2013 - 2015	2016	2017	2018	2019	2020	2021	
Fund	#	Project Name	Cost	Actual	Adj Budget	Plan	Plan	Plan	Plan	
70		SE Adams Avenue Road & Utility Reconstruction	4,481,825	3,078,222	1,403,603	-	-	-	-	
70		CBD Redevelopment and Renewal Infrastructure Projects	358,474	1,200	83,800	181,356	22,899	22,987	23,158	
70		SE Redevelopment and Renewal Infrastructure Projects	3,062,842	28,473	95,000	1,048,055	449,103	464,601	497,037	
REDEVELOPMENT FUND SUB-TOTAL			\$ 7,903,141	\$ 3,107,895	\$ 1,582,403	\$ 1,229,411	\$ 472,002	\$ 487,588	\$ 503,647	\$ 520,195
55	RR9	450 West Road Reconstruction	344,064	344,064						
55	RM	City-wide Road Maintenance	3,075,486	188,608	851,550	391,368	459,387	460,905	455,523	268,144
55	RF	Road Capital Fleet & Equipment	532,514	109,635	114,879	150,000	38,000	40,000	40,000	40,000
55	BM	Buildings Capital O&M	210,001	81,275	58,726	10,000	10,000	10,000	10,000	30,000
55		Interfund Capital Transfers & Charges	862,110	34,406	176,751	135,096	137,821	134,831	140,025	103,182
55	NRF	Nonroad Capital Fleet & Equipment	944,232	437,364	141,607	243,261	30,000	30,000	30,000	32,000
55	IT	Information Technology	109,152	32,539	26,613	10,000	10,000	10,000	10,000	10,000
55	RR	300 West reconstruct	3,010,500						10,500	3,000,000
GENERAL GOV. CAPITAL PROJECTS FUND SUB-TOTAL			\$ 9,088,059	\$ 1,227,891	\$ 1,370,126	\$ 939,725	\$ 685,208	\$ 685,736	\$ 696,048	\$ 3,483,326
53	PK16	Little Rohmer Park restroom renovation	69,051	69,051						
53	PK30	Upper roach construction w/parking lot	345,967	345,967						
53	PK11	Civic Center Park Improvements	24,368	24,368						
53	PK13	VanLeeuwen Park Improvements	11,500		11,500					
53	PK10	Lion's Park Improvements	13,000		13,000					
53	PK7	Victory Park Improvements	264,397	1,407	262,990					
53	PK	Other park projects	90,000		15,000	15,000	15,000	15,000	15,000	15,000
PARKS FUND SUB-TOTAL			\$ 818,283	\$ 440,793	\$ 302,490	\$ 15,000				
52	RR9	450 West line replacement	59,922	59,922						
52	SD16	Storm drain relief line	110,000		110,000					
52	SD18	Storm drain relief line extension	30,000		30,000					
52	SD19	4300 South new drain installation	75,000		75,000					
52	SD21	Intersection drainage improvements	154,130	19,130	15,000	30,000	30,000	30,000	30,000	-
52		Interfund Capital Transfers & Charges	284,760	749	16,841	53,034	53,034	53,034	55,034	53,034
52	SD6	3500 South & 100 East	371,206		45,000	45,000	55,550	68,798	77,747	124,111
52	SD	Capital fleet & equipment	289,528	32,889	122,839	53,800	20,000	20,000	20,000	20,000
STORM WATER FUND SUB-TOTAL			\$ 1,374,546	\$ 112,690	\$ 369,680	\$ 181,834	\$ 158,584	\$ 171,832	\$ 182,781	\$ 197,145
51	SS16	3500 South	60,000				26,160	33,840		
51	SS12	450 West replace existing 8" w/10" line	342,258	342,258						
51	SS17	4525 South and 500 West replace existing 12" line	75,000	1,165	73,835					
51	SS18	4525 South and 500 West replace existing 12" & 10" line w/12"	75,000	849	74,151					
51	SS20	4575 South and 250 East line	75,000		75,000					
51	SS21	Repair line under railroad	29,000		29,000					
51	SS22	4750 South and 300 West line	70,000		70,000					
51		Interfund Capital Transfers & Charges	585,110	1,498	53,272	106,068	106,068	106,068	106,068	106,068
51	SS	Capital fleet & equipment	547,976	98,584	273,392	56,000	30,000	30,000	30,000	30,000
SANITARY SEWER FUND SUB-TOTAL			\$ 1,859,344	\$ 444,354	\$ 648,650	\$ 162,068	\$ 162,228	\$ 169,908	\$ 136,068	\$ 136,068
50	CW6,7	Rehabilitate storage tank #1	200,000			25,000	50,000	25,000	50,000	50,000
50	CW8,45,	Tank #3 improvements	245,759	58,659	187,100					
50	CW30	300 West and 4800 S to 5000 South	201,775				8,122	56,389	58,387	78,877
50	CS28	450 West replace existing 6" w/8" line	329,085	329,085						
50	CW17	5050 South and 300 East construct 8" main for looping	65,000		25,000	40,000				
50	CW37	Zone B looping	170,000		170,000					
50	CW46	5050 South 150 West line replacement	100,000		100,000					
50	CW47	5150 South 150 East line replacement	100,000		100,000					
50	CW49	Line extension Ridgeline Dr. and 5350 South	25,000		25,000					
50	CW51	Southpointe Dr. business water laterals	35,000		35,000					
50		Public Works Facility	5,625,263	4,992	160,271	5,460,000				
50	CW	Capital fleet & equipment	1,838,677	355,131	971,246	152,300	90,000	90,000	90,000	90,000
CULINARY WATER FUND SUB-TOTAL			\$ 8,935,560	\$ 747,868	\$ 1,773,617	\$ 5,677,300	\$ 148,122	\$ 171,389	\$ 198,387	\$ 218,8
FUNDS TOTAL			\$ 29,978,932	\$ 6,081,490	\$ 6,046,966	\$ 8,205,338	\$ 1,641,144	\$ 1,701,453	\$ 1,731,931	\$ 4,570,611

CAPITAL PROJECTS PROGRAM

INTRODUCTION

BACKGROUND

This section of the budget is intended to provide for an overview of the City's capital projects program identifying critical elements of prioritization, funding, cost estimates, and project classifications. For project details refer to the City's capital facility plans.

Each year the City completes an update of the Capital Facility Plans providing a comprehensive assessment of the existing facilities and a plan enacted to renovate, repair, and replace existing deficiencies throughout the City. All projects were to be completed within a 20 year period. The areas of classification assessed in this update are as follows (note that the abbreviation used to denote the project classification is included in parentheses):

- Road Seal Projects (RS)
- Buildings & Miscellaneous Projects (BM)
- Park Projects (PK)
- Road Reconstruction Projects (RR)
- Sanitary Sewer Projects (SS)
- City Fleet/Equipment Replacement (RF)
- Culinary Water Projects (CW)
- Road Overlay Projects (RO)
- Storm Water Projects (SD)

To address budgeting issues more effectively, this plan incorporates a project completion schedule indicated by fiscal year (beginning each July 1) in attempt to classify the budgeting source for each project has also been made.

CAPITAL PROJECTS PROGRAM

PROJECT FUNDING

CALCULATION PROCESS

In order to adequately account for the funding of all projects, estimates of each project have been completed. Most project estimates include a 30 percent Contingency and Engineering estimate to account for uncertainties at this level of project planning. All project estimates are calculated using current construction pricing. Project cost adjustments may be made to account for inflation as revisions to the Capital Facilities Plan in the future.

Upon completion of the individual project cost estimates, a summary of the projects is generated. This summary is used to rank each of the projects based the following considerations:

- Health & Safety
- State & Federal Mandates
- Community Priority
- Time Sensitivity

A committee comprising members of the Engineering Team and City Staff was established to rank each project based on the above considerations.

After compiling the ranking results, a yearly budget guideline is established based on the total cost for all projects. Projects were then assigned to fiscal years from 2009 to 2009 based on their priority level.

FUNDING ALLOCATION

At the completion of the project scheduling process, each project is assessed and funding options for each project are ascribed, The resources used to fund each project fall under the following funds/categories:

- Class B & C Road Funds
- Grants
- Culinary Water Enterprise Fund
- Sanitary Sewer Enterprise Fund
- General Fund
- Impact Fees
- Storm Water Enterprise Fund
- Debt Issuance

CAPITAL PROJECTS PROGRAM

OVERVIEW OF COST ESTIMATE SUMMARIES

Upgrade of existing infrastructure identifies costs that the City will need to pay completely without the aid of impact fees. The “Developer Base Cost” identifies costs that will be paid by those who develop currently undeveloped land. “Improvements for New Development” itemize costs that the City will pay to enhance new developed infrastructure. For example, a developer is required to cover the cost of a new 8” water line in his/her subdivision. If the City has planned for a 10” water main through his subdivision, it will cover all costs over and above of the 8” water line the developer would have installed.

The costs identified in the plans as “Improvements for New Development” can be completely paid for by Impact Fees.

All funding calculations are based on the summations of the “Upgrade to Existing Infrastructure” and the “Improvements for New Development’.

ROAD SEALS & FLEET REPLACEMENT

BACKGROUND - ROAD SEALS

It has been proven that conscientious road seal application can greatly enhance the life of a given pavement. Road seals include various slurry seals, rock chip seals, crack seals, and other forms of road protection.

In an effort to create a street maintenance plan to extend the pavement life of roads in Washington Terrace, a road seal plan has been implemented in conjunction with this update. Various areas in the City will be sealed over a six-year period. At the end of the period, all roads in the City will have received a road seal.

The six-year road seal cycles have been included in the planning of projects to be constructed in the future.

CAPITAL PROJECTS PROGRAM

ROAD SEAL APPLICATION SCHEDULE

Capital projects planned for completion over the next 18 years are assigned to a fiscal year. The fiscal year begins on July 1st of the preceding year. The scheduled road seals should occur in July or August or when otherwise determined to be in the best interest of the City.

ROAD SEAL OPTIONS

Many road seals are available. These options all have different advantages and disadvantages. The pricing for road seal projects planned for Washington Terrace is based on a Type-III Slurry Seal. A road seal schedule is proposed in this plan. The type of seal (slurry, chip seal, etc.) to apply will be left to future city staff and public works individuals to decide.

FLEET REPLACEMENT

Fleet replacement will be addressed part of the budget process and according to the guidelines established in the City's Fleet Management Plan.

BUILDINGS & MISCELLANEOUS

OVERVIEW

The classification of "Buildings & Miscellaneous" is new in this capital facilities plan. The projects under this category deal renovation and construction of city-owned and managed buildings, as well as miscellaneous budgetary items.

It should be noted that the miscellaneous projects to occur (including computer and telephone systems and updates to this plan) are to be funded on an annual basis.

CAPITAL PROJECTS PROGRAM

CULINARY WATER

OVERVIEW

Culinary water is the life-blood of any community. Culinary water is obtained from wells or springs, treated, stored in reservoirs or pumped into water pipe networks, and delivered to the community through pressurized pipelines. The water infrastructure in Washington Terrace includes both aged pipes as well as new pipes recently installed. Many of the older infrastructure is in disrepair and in need of replacement. Projects included in this report aim to correct existing deficiencies as well as plan for future water needs.

Culinary Water projects generate a large portion of the capital facilities projects in this plan. There are a total of 36 water projects identified in this summary. Many of these projects include upgrades to the existing system. These upgrades include connecting pipes that are close in proximity to improve water flow throughout the system, the replacement of existing transite pipe (mandated by the State of Utah), replacement of MLMC (mortar lined mortar coated) pipe, the replacement of old, leaky pipes, improvements and maintenance of water sources (wells), improvements to existing water storage facilities, and construction of new water facilities.

PARKS

OVERVIEW

City parks and open spaces provide a location for recreation, city functions, and other outdoor activities. Washington Terrace has several parks and improvements to these parks as well as new parks are included as part of this report,

This summary incorporates and modifies projects listed in the Washington Terrace Parks & Open Space Master plan completed in 2002. It is doubtful that with the current city budget all projects listed in the original Parks & Open Space Master Plan will be able to be funded in this 18 year period. For this reason, Park Project #s 16-22 include modifications as well as additional projects that can be used as a more financially feasible alternative to the Original Plan.

CAPITAL PROJECTS PROGRAM

The general improvements planned for parks include improvement of restroom facilities, recreational facilities, roads, sewer systems, additional park facilities, and new park construction.

ROADS

STREET MAINTENANCE - OVERVIEW

Street Maintenance is a program in which streets are maintained to provide the highest level of service possible in the areas of both capacity and quality of the roadway surface. There are many procedures and available to achieve good roadway life and service. Washington Terrace has chosen a plan of road seals, overlays and road reconstructions to attain this goal. As mentioned, Washington Terrace has implemented a road seal schedule. This road seal schedule will help to prolong the pavement life of roads in Washington Terrace. Due to the condition of many existing roads in Washington Terrace combined with budget limitations, it is not possible for the City to implement a complete Street Maintenance program (including scheduled overlays, chip seals, and slurry seals) at this time. However, in an effort to provide the best roads possible under the current budget and road conditions, additional road overlay projects and road reconstruction projects are scheduled for construction as included in this summary.

ROAD OVERLAYS

In addition to a road seal schedule, there exist some isolated sections of road that are in need of overlays at this time. These overlays consist of wedge milling a 6' wide path around the road perimeter to adequate clearance for the new asphalt adjacent to the existing curb lip. After this milling process is completed a geotextile fabric is applied to the road surface for road stability. The new road surface (a 1 %" asphalt overlay) is then applied.

Road overlays are recommended in areas of the city where the existing curb and gutter are in satisfactory condition, there are not numerous deficiencies with under-road utilities, and the existing asphalt surface is in very poor condition.

CAPITAL PROJECTS PROGRAM

ROAD RECONSTRUCTION

There are several roads in Washington Terrace where there are not only poor road surface conditions, but poor curb and gutter, sidewalk, and more than one under-road utility with needed replacement. In these areas, a road reconstruction project is planned.

Road reconstruction involves the removal of the existing road surface, base course, and curb and gutter and sidewalk. After this process is complete, any under-road utilities that need to be replaced are constructed. New curb and gutter and sidewalk are then constructed followed by construction of a new road surface including sub-grade preparation, new base course, and 3” of asphalt.

In this summary, road reconstruction project estimates include only the removal and replacement of curb and gutter, sidewalk, and roadway (with the exception of Project RR-1). Any utility replacement projects under these roads are given their own project numbers, Note that many of the utility project in this summary with a RR-” designation. This indicates that the utility project will be completed in conjunction with that particular road reconstruction project.

Utility replacement performed as a part of road reconstruction provides an economic advantage. No road cuts and patching are required for the utility construction. Both time and money are saved. Note that no cost for asphalt cut and replacement are included in utility projects to be completed with road reconstructions.

STORM DRAIN

OVERVIEW

Storm drainage is required in developed areas to alleviate flooding and erosional damage caused by storm water. Storm drainage systems are key to providing an satisfactory environment for businesses and residences.

Storm drain projects account for a large portion of the capital facilities projects. There are a total of 17 storm drain projects listed in the report. Five of these seventeen projects have been completed.

CAPITAL PROJECTS PROGRAM

Both projects to manage storm water for existing development as well as future development are included in this summary. Currently, Weber County has agreed to fund 25% of all storm drain projects listed with the County. Most of the projects included in this plan are listed with the County. However, there has been no accounting in the proposed budgeting for storm drain projects to account for this.

General storm drain improvement projects include new detention basins, piping, and reconstruction of existing deficient facilities.

SANITARY SEWER

OVERVIEW

Sanitary sewer is a means of taking wastewater from homes and businesses to a location where it can be treated and released safely back into the environment. The wastewater flows in Washington Terrace are delivered through sewer main lines to locations where the flows are received, treated, and released by the Central Weber Sewer District.

There are a total of 14 sanitary sewer projects included in this report. These projects address existing system deficiencies and projects that will be part of new development. Many of the projects involve increasing existing sewer line sizes from 8" to 10" to pass more wastewater flow in areas where the lines have become inadequate.

Fee Schedule

FEE SCHEDULE

Administration	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Candidate Filing Fee	25.00	25.00	25.00	25.00	25.00
City Zoning Maps					
11"x17"	1.00	1.00	1.00	1.00	1.00
17"x24"	4.00	4.00	4.00	4.00	4.00
Copies/reproduction	0.50	0.50	0.50	0.50	0.50
Credit Card/EFT Convenience Fee (1)	1.90/trans (2)				
Return Check	27.00	27.00	27.00	27.00	27.00
GRAMA Records Reques	\$0.50/page	\$0.50/page	\$0.50/page	\$0.50/page	\$0.50/page
Payroll deductions (non-city sponsored)	\$5 /deduction/ pay				
Newsletter Advertisements					
3"x5" Business Card Size	60.00	60.00	60.00	60.00	60.00
1/3rd page	80.00	80.00	80.00	80.00	80.00
Insert	100.00	100.00	100.00	100.00	100.00

(1) Credit card conveneince fee 3% for transactions over \$300.

Animal Control					
Reclaim/Transport					
after hours impound	75.00	75.00	75.00	75.00	75.00
transportation	50.00	50.00	50.00	50.00	50.00
temp holding kennel	23.00	23.00	23.00	23.00	23.00
trapped animal transport	20.00	20.00	20.00	20.00	20.00
Trap Rental					
per week	15.00	15.00	15.00	15.00	15.00
Licensing					
altered	10.00	10.00	10.00	10.00	10.00
unaltered	25.00	25.00	25.00	25.00	25.00
senior citizen (over 65)					
altered	5.00	5.00	5.00	5.00	5.00
unaltered	10.00	10.00	10.00	10.00	10.00
duplicate tag	5.00	5.00	5.00	5.00	5.00
late fee	20.00	20.00	20.00	20.00	20.00
Microchipping	15.00	15.00	15.00	15.00	15.00

Building Permits & Planning Fees					
Building Permits					
See the building permit fee schedule in the current building code					
65% Plan review fee on commercial permits					
25% Plan review fee on single/multiple family permits					
Plannings Fees (3)					
planning commission review	250.00	250.00	250.00	250.00	250.00
conditional use permit	100.00	100.00	100.00	100.00	100.00
subdivision & engineer review	60.00/lot	60.00/lot	60.00/lot	60.00/lot	60.00/lot
zoning amendment or rezone request	250.00	250.00	250.00	250.00	250.00
apartment complex	60.00/unit	60.00/unit	60.00/unit	60.00/unit	60.00/unit
commercial engineering review	500.00	500.00	500.00	500.00	500.00
subdivision off-site improvmt	Actual cost				
board of adjustments request	250.00	250.00	250.00	250.00	250.00
excavation permit (bond or deposit*)	47.47	47.47	47.47	47.47	47.47
annexation fee	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00

(3) Plus additional review costs in excess of minimum

FEE SCHEDULE

Impact Fees	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Culinary Water Facilities (Per ERU)	1,618.00	1,618.00	1,618.00	1,618.00	1,618.00
Sanitary Sewer Facilities (Per ERU)	533.00	533.00	533.00	533.00	533.00
Storm Drain Facilities (Per ERU)	536.00	536.00	536.00	536.00	536.00
Park Facilities (Per ERU)	1,826.00	1,826.00	1,826.00	1,826.00	1,826.00
Public Safety Facilities - Police (Per ERU)					

(4) Water meter fees reflect estimated cost, actual cost will be charged.

(5) Beginning January 2010, Civic-Senior Center rentals are available only to non-for-profits. Facility rentals are free Tuesday & Thursdays 4-8 pm. All other reservation times are subject to the above fee schedule.

Liesure Services & Recreation (6)					
Youth Soccer	35.00	40.00	40.00	40.00	45.00
T-Ball	35.00	40.00	40.00	40.00	45.00
Coach Pitch	35.00	40.00	40.00	40.00	45.00
Youth Baseball	45.00	45.00	45.00	45.00	45.00
Youth Softball	45.00	45.00	45.00	45.00	45.00
Football Camp	40.00	40.00	20.00	20.00	25.00
Youth Tackle Football	100.00	100.00	100.00	100.00	110.00
Youth Basketball	35.00	40.00	40.00	40.00	45.00
Boys Basketball	45.00	45.00	45.00	45.00	45.00
Girls Basketball	45.00	45.00	45.00	45.00	45.00
Girls Volleyball			45.00	45.00	45.00
Kids Summer Camp	na	45.00	45.00	45.00	50.00
Special Events Regular Vendor				25.00	30.00
Special Events Food Vendor				45.00	45.00
Special Events Premium Vendor				45.00	45.00

(6) Estimated fees. May be subject to change, as necessary, during fiscal year.

FEE SCHEDULE

Business Licenses	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Professional/Business Services					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	4.00	4.00	4.00	4.00	4.00
General Services					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	64.00	64.00	64.00	64.00	64.00
Contracted Services					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	40.00	40.00	40.00	40.00	40.00
Personal Services					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	4.00	4.00	4.00	4.00	4.00
Entertainment					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	201.00	201.00	201.00	201.00	201.00
Automotive					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	74.00	74.00	74.00	74.00	74.00
Sales					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	8.00	8.00	8.00	8.00	8.00
Convenience Stores					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	1,113.00	1,113.00	1,113.00	1,113.00	1,113.00
Family Services					
Basic	175.00	175.00	175.00	175.00	175.00
Disproportionate	32.00	32.00	32.00	32.00	32.00
Storage					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	64.00	64.00	64.00	64.00	64.00
Group Homes					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	275.00	275.00	275.00	275.00	275.00
Nursing Home / room					
Basic	175.00	175.00	175.00	175.00	175.00
Disproportionate	118.00	118.00	118.00	118.00	118.00
Hospital / room					
Basic	175.00	175.00	175.00	175.00	175.00
Disproportionate	11.00	11.00	11.00	11.00	11.00
Apartment / unit					
Basic	100.00	100.00	100.00	100.00	100.00
Disproportionate	111.00	111.00	111.00	111.00	111.00

FEE SCHEDULE

Utility Services (billed monthly)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Set-up Fee (Non-refundable)	40.00	40.00	40.00	40.00	40.00
Shut Off Deposit	100.00	100.00	100.00	100.00	100.00
Late Fee	10.00	10.00	10.00	15.00	15.00
Water Turn-On Fee	30.00	30.00	30.00	30.00	30.00
Weekend turn-on fee	60.00	60.00	60.00	60.00	60.00
Utility Billing History Report	3.00	3.00	3.00	3.00	3.00
Data Log Reproduction	5.00	5.00	5.00	5.00	5.00
Water Meter Re-read	na	na	na	na	na
Meter Accuracy Test	na	na	na	na	na
Meter Check Fee	25.00	25.00	25.00	25.00	25.00
Meter rental deposit (7)			955.00	955.00	955.00
Meter Tampering Fee (8)					
Storm Drain (per ERU)	5.75	6.25	6.65	6.90	7.15
Temporary Disconnect	30.00	30.00	30.00	30.00	30.00
Water Tank Fee					

(7) Fire hydrant meter rentals will be charged at a 1 1/2" commercial water rate. Charges will begin, unprorated, the month the meter is issued through the m returned. Overage rates will apply if actual usage exceeds the cumulative monthly base gallons.

(8) Refer to the Washington Terrace Municipal Code 13.08.090, "Meter Tampering Prohibited"

Residential Water

Single-Family (\$/gallons)	17.24/4,000	17.65/4,000	17.80 / 4,000	17.80 / 4,000	18.20 / 4,000
Single-Family gallons over (\$/gallons)	4.46/1,000	5.05/1,000	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000
Duplex (\$/gallons)	34.48/8,000	35.28/8,000	35.60 / 8,000	35.60 / 8,000	36.40 / 8,000
Duplex gallons over (\$/gallons)	4.46/1,000	5.05/1,000	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000
Tri-Plex (\$/gallons)	51.72/12,000	52.92/12,000	53.40 / 12,000	53.40 / 12,000	54.60 / 12,000
Tri-Plex gallons over (\$/gallons)	4.46/1,000	5.05/1,000	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000

Residential Sewer

Single-Family (\$/gallons)	15.72/4,000	17.16/4,000	17.56 / 4,000	17.56 / 4,000	18.10 / 4,000
Single-Family gallons over (\$/gallons)	4.75/1,000	4.91/1,000	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000
Duplex (\$/gallons)	31.44/8,000	34.32/8,000	35.10 / 8,000	35.10 / 8,000	36.20 / 8,000
Duplex gallons over (\$/gallons)	4.75/1,000	4.91/1,000	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000
Triplex (\$/gallons)	47.16/12,000	51.48/12,000	52.65 / 12,000	52.65 / 12,000	54.30 / 12,000
Triplex gallons over (\$/gallons)	4.75/1,000	4.91/1,000	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000

Refuse

Refuse First & Recycle Can	14.35	13.00	13.00	13.70	13.70
Refuse Second Can	14.35	13.00	13.00	13.70	13.70
Second Recycle Can	2.50	2.50	2.50	2.65	2.65

Commercial Water

3/4" meter (\$/gallons)	19.28/4,000	19.75/4,000	20.00 / 4,000	20.00 / 4,000	20.50 / 4,000
3/4" meter gallons over (\$/gallons)	5.19/1,000	5.66/1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
1" meter (\$/gallons)	36.15/7,500	37.05/7,500	37.50 / 7,500	37.50 / 7,500	38.40 / 7,500
1" meter gallons over (\$/gallons)	5.19/1,000	5.66/1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
1 1/2" meter (\$/gallons)	72.30/15,000	74.10/15,000	75.00 / 15,000	75.00 / 15,000	76.75 / 15,000
1 1/2" meter gallons over (\$/gallons)	5.19/1,000	5.66/1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
2" meter (\$/gallons)	108.45/22,500	111.15/22,500	112.50 / 22,500	112.50 / 22,500	115.10 / 22,500
2" meter gallons over (\$/gallons)	5.19/1,000	5.66/1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
3" meter (\$/gallons)	180.75/37,500	185.25/37,500	187.50 / 37,500	187.50 / 37,500	191.80 / 37,500
3" meter gallons over (\$/gallons)	5.19/1,000	5.66/1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
4" meter (\$/gallons)	361.50/75,000	370.45/75,000	375.00 / 75,000	375.00 / 75,000	383.60 / 75,000
4" meter gallons over (\$/gallons)	5.19/1,000	5.66/1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
6" meter (\$/gallons)	3,280 / 1,000,000	3,457.45 / 1,000,000	3,500 / 1,000,000	3,500 / 1,000,000	3,580 / 1,000,000
6" meter gallons over (\$/gallons)	3.53/1,000	3.96/1,000	4.01 / 1,000	4.01 / 1,000	4.01 / 1,000

Commercial Sewer

3/4" meter (\$/gallons)	18.08/4,000	19.25/4,000	19.67 / 4,000	19.67 / 4,000	20.35 / 4,000
3/4" meter gallons over (\$/gallons)	5.47/1,000	5.50/1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
1" meter (\$/gallons)	33.90/7,500	36.05/7,500	37.50 / 7,500	37.50 / 7,500	38.15 / 7,500
1" meter gallons over (\$/gallons)	5.47/1,000	5.50/1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
1 1/2" meter (\$/gallons)	67.80/15,000	72.10/15,000	73.75 / 15,000	73.75 / 15,000	76.30 / 15,000
1 1/2" meter gallons over (\$/gallons)	5.47/1,000	5.50/1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
2" meter (\$/gallons)	101.70/22,500	108.15/22,500	110.63 / 22,500	110.63 / 22,500	114.45 / 22,500
2" meter gallons over (\$/gallons)	5.47/1,000	5.50/1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
3" meter (\$/gallons)	169.50/37,500	180.20/37,500	184.38 / 37,500	184.38 / 37,500	190.75 / 37,500
3" meter gallons over (\$/gallons)	5.47/1,000	5.50/1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
4" meter (\$/gallons)	339.00/75,000	360.35/75,000	368.76 / 75,000	368.76 / 75,000	381.50 / 75,000
4" meter gallons over (\$/gallons)	5.47/1,000	5.50/1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
6" meter (\$/gallons)	3,080 / 1,000,000	3,363.35 / 1,000,000	3,441.76 / 1,000,000	3,441.76 / 1,000,000	3,560.25 / 1,000,000
6" meter gallons over (\$/gallons)	3.72/1,000	3.85/1,000	3.94 / 1,000	3.94 / 1,000	3.94 / 1,000

Resolution Adopting Budget

City of Washington Terrace
County of Weber, State of Utah

RESOLUTION NO. 16-10
ADOPTING THE FINAL 2017 BUDGET; ADOPTING THE RATE AND FEE
SCHEDULE AND POLICY GUIDELINES AS PRESENTED IN THE TENTATIVE
BUDGET; AND SETTING THE CERTIFIED TAX RATE AT THE COUNTY
AUDITOR'S CERTIFIED RATE

WHEREAS, Utah State Law requires that on or before the first regularly scheduled meeting of the governing body in the last May a tentative budget for the ensuing year shall be presented to the governing body and prior to June 22 of each year the Council shall by resolution adopt a budget and certified tax rate for the ensuing year; and

WHEREAS, the City Manager and Finance Director on the 3rd day of May 2016, presented to the governing body with a tentative budget for fiscal year 2017 and a budget plan for fiscal years 2018-2021; and

WHEREAS, the governing body has reviewed the tentative budget for fiscal year 2017 and a budget plan for fiscal years 2018–2021 and the contents contained therein; and

WHEREAS, the governing body, during their regularly scheduled meetings, held a public hearing on Tuesday, May 17th, 2016, at City Hall to receive public input regarding the budget and its contents prior to its final adoption on June 21, 2016.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Washington Terrace, County of Weber, State of Utah that the budget is adopted as follows:

ADOPT THE FISCAL YEAR 2017 BUDGET AND FEE SCHEDULE

The fiscal year 2017 budget as presented and attached hereto is hereby adopted as the final acting budget. The proposed rate and fee schedule is adopted as presented effective July 1, 2016.

ADOPT THE COUNTY AUDITOR'S CERTIFIED PROPERTY TAX RATE

The City's *general purpose* Certified Property Tax Rate shall be set at the Auditor's Certified Tax Rate of 0.001591 and Certified Rate Revenue of \$500,491. The *interest and sinking fund/bond* Certified Property Tax Rate shall be set at the Auditor's Certified Tax Rate of 0.001239 and Certified Rate Revenue of \$389,678 required to satisfy the General Obligation Bond (voter approved in 2000) annual debt service requirements.

EFFECTIVE DATE. This Resolution shall take effect July 1, 2016.

PASSED AND ADOPTED this 21st day of June 2016.

CITY OF WASHINGTON TERRACE



Mayor Mark C. Allen

Attest:



City Recorder

Roll Call Vote:

Council Member Barker Aye
Council Member Brown Aye
Council Member Jensen Aye
Council Member Monsen Absent
Council Member Shupe Aye

City of Washington Terrace
County of Weber, State of Utah

RESOLUTION NO. 16-11

**A RESOLUTION FOR THE
WASHINGTON TERRACE COMMUNITY DEVELOPMENT AND
RENEWAL AGENCY (A.K.A. REDEVELOPMENT AGENCY) AMENDING THE
FISCAL YEAR 2016 BUDGET, ADOPTING THE FISCAL YEAR 2017 BUDGET, AND
THE FISCAL YEAR 2018-2021 BUDGET PLAN**

WHEREAS, Utah State Law requires that on or before the first regularly scheduled meeting of the governing body in the last May a tentative budget for the ensuing year shall be presented to the governing body and prior to June 22 of each year the Council shall by resolution adopt a budget for the ensuing year; and

WHEREAS, the City Manager and Finance Director on the 3rd day of May 2016, presented to the board an amended budget for fiscal year 2016, a tentative budget for fiscal year 2017, and a budget plan for fiscal years 2018 - 2021; and

WHEREAS, the governing body has reviewed and considered the amended budget for fiscal year 2016, tentative budget for fiscal year 2017, and budget plan for fiscal years 2018-2021 during a series of public meetings; and

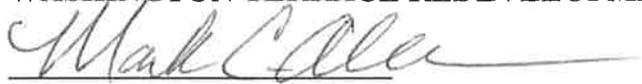
WHEREAS, the governing body, during their regularly scheduled meetings, held public hearings on Tuesday, May 17, 2016, at City Hall to receive public comment on amending the fiscal year 2016 budget, the tentative fiscal year 2017 budget, and the 2018 – 2021 budget plan prior to its final adoption on June 21, 2016.

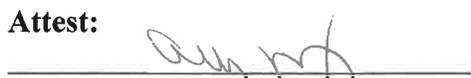
NOW, THEREFORE, BE IT RESOLVED by the Board of the Washington Terrace Redevelopment Agency, County of Weber, State of Utah that the fiscal year 2017 budget be adopted as presented and *attached*.

EFFECTIVE DATE. This Resolution shall take effect July 1, 2016, for the fiscal year ending June 30, 2017 and immediate for amending the fiscal year 2016 budget.

PASSED AND ADOPTED this 21st day of June 2016.

WASHINGTON TERRACE REDEVELOPMENT AGENCY


Chair Mark C. Allen

Attest:

City Recorder

Roll Call Vote
Council Member Barker AY
Council Member Brown AY
Council Member Jensen AY
Council Member Monsen ABSENT
Council Member Shupe AY

Glossary

GLOSSARY

A

ACRE-FT: Acre Feet

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

B

BALANCED BUDGET: beginning fund balance (revenues on hand at the beginning of year) and revenues received during year are equal to the expenditures for the year and the ending fund balance (or the revenues on hand at the end of year).

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments; *or* a predetermined group of cities identified by the Council as a group whereby each pay for performance personnel position may be compared to for salary market analysis

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

BUILDING IMPROVEMENTS: The construction or repair of a public building or structure (Utah Code 11-39-101).

GLOSSARY

C

CAPITAL EXPENDITURES (REQUIREMENTS): include purchases of land, improvements to land, buildings, building improvements, vehicles, machinery and equipment, infrastructure and all other tangible assets used in operations that have a initial useful life that extends beyond a single reporting period and have a historical cost of \$5,000 and greater.

CAPITAL IMPROVEMENT PROJECTS (CIP): Construction or improvements to capital facilities within the City.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

CHARGES FOR SERVICES: User charges for services provided by the City to those specifically benefiting from those services.

CITY: Washington Terrace City and all other reporting entities controlled by or dependent upon the City's governing body, the City Council.

COLLATERAL: Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CONTINGENCY: amount held in reserve each year for unforeseen circumstances.

CONTRACT: An agreement for the continuous delivery of goods and/or services over a period of time greater than fifteen (15) days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

GLOSSARY

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

CPI: The Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor.

C.Y. - Cubic Yard

D

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

D.I.P. - Ductile Iron Pipe

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

GLOSSARY

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

E

EA. - Each

EFFECTIVENESS: The extent to which actual performance compares with targeted performance.

EFFICIENCY: The number of inputs used to produce a given output.

F

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small-business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

GLOSSARY

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FISCAL YEAR: A 12 month budget period for spending beginning on July 1st and ending on June 30th

FIXED ASSET: Fixed assets are tangible property having a significant value and acquired for use over a long period of time. They are not intentionally acquired for resale, nor are they readily convertible into cash.

FTE: Full time equivalent

FULL TIME EQUIVALANT: Employee status based on a 40 hour work week 52 weeks of

GLOSSARY

the year for a total of 2,080 hours per year.

FUND BALANCE: The difference between assets and liabilities.

FY: Fiscal Year

G

GOALS: broad, general, and timeless

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FmHA mortgages. The term “pass-through” is often used to describe Ginnie Maes.

I

INTERGOVERNMENTAL REVENUES: Revenues collected or to be collected from other governmental units typically for entitlements and shared revenues and expenditure-driven grants.

L

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

LOWEST RESPONSIBLE BIDDER: shall mean the lowest bidder who has substantially complied with all prescribed requirements and who has not been disqualified as set forth herein.

GLOSSARY

L.S- Lump Sum

M

MANAGER: City Manager or designee.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MCML - Mortar Lined Mortar Coated Pipe

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers’ acceptances, etc.) are issued and traded.

MULTI-YEAR BUDGET: a document that anticipates revenues and expenditures for two or more consecutive budgetary years.

O

OBJECTIVES: specific, measurable, achievable, realistic, and time bound

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an

GLOSSARY

offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

P

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PUBLIC WORKS PROJECT: The construction of a park, recreational facility, pipeline, culvert, dam, canal, or other system for water, sewage, storm water, or flood control (Utah Code 11-39-101). "Public Works Project" does not include the replacement or repair of existing infrastructure on private property (Utah Code 11-39-101), or emergency work, minor alteration, ordinary repair, or maintenance necessary to preserve a public improvement (such as lowering or

GLOSSARY

repairing water mains; making connections with water mains; grading, repairing, or maintaining streets, sidewalks, bridges, culverts or conduits).

PURCHASE: The acquisition of goods (supplies, equipment, etc.) in a single transaction such that payment is made prior to receiving or upon receipt of the goods. (Note: Entities are encouraged to include a glossary as part of the investment policy. All words of a technical nature should be included. Following is an example of common treasury terminology.)

PVC – Poly (vinyl chloride) Pipe

Q

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

QUALITY: The condition of being of such and as distinguished from others

QUALITATIVE: Relating to or based on the quality or character of something, often as opposed to its size or quantity.

QUANTITATIVE: The describing or measuring of quantity

R

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

R.C.P. - Reinforced Concrete Pipe

GLOSSARY

RDA: Redevelopment Agency

REDEVELOPMENT AGENCY: a separate body created under the law that is a political subdivision of the state that undertakes or promotes redevelopment, economic development, or education housing development, or any combination and whose development activities are under a specific project area.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

REVENUE: Funds that a government receives as income. These receipts may include tax payments, interest earnings, service charges, grants, and intergovernmental payments. The term designates an increase to a fund’s assets which does not increase liabilities.

RETURN ON INVESTMENT (ROI): Used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. To calculate ROI, the benefit (return) of investment is divided by the cost of the investment; the result is expressed as a percentage or ratio. Formula: $ROI = (\text{Gain from Investment} - \text{Cost of Investment}) / \text{Cost of Investment}$.

S

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues

GLOSSARY

following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

SPECIAL IMPROVEMENT DISTRICT (SID): A district created for the sole purpose of making improvements and levying a special tax against the properties located within the district to pay all or a portion of the costs of making improvements in the district.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, and derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

S.Y. - Square Yard

T

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

TRUTH-IN-TAXATION: State Statute that requires a taxing entity to go through a series of steps and public hearings to properly notify the tax payers of a proposed tax rate increase.

GLOSSARY

U

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

W

WORKING CAPITAL: Current assets less current liabilities reported in enterprise funds. The measure of working capital indicates the relatively liquid portion of total enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

Y

YIELD: The rate of annual income return on an investment, expressed as a percentage.

(a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security.

(b) **NET YIELD** or **YIELD TO MATURITY:** The current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.