

The

City of Washington Terrace

Est. 1958

County of Weber, State of Utah

Budget Document

Fiscal Years



2018 Adjusted, 2019 Adopted &
2020 – 2023 Budget Plan



Effective July 1, 2018

Submitted By:

Thomas Hanson, City Manager

Shari' Garrett, Finance Director

www.washingtonterracecity.com

The

City of Washington Terrace

County of Weber, State of Utah



Old Public Works Facility



**New Public Works Facility
July 2018**

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY - INTRODUCTION

MAYOR AND CITY COUNCIL



**Mayor
Mark C. Allen**

801.479.7070

Email: mayormark41@yahoo.com

Term: 01/2014 - 01/2018



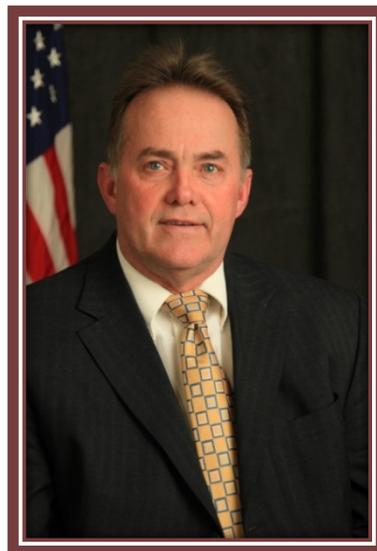
Council Member

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Term: 01/2016 - 01/2020



Council Member

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Term: 01/2016 - 01/2020

MAYOR AND CITY COUNCIL



Council Member

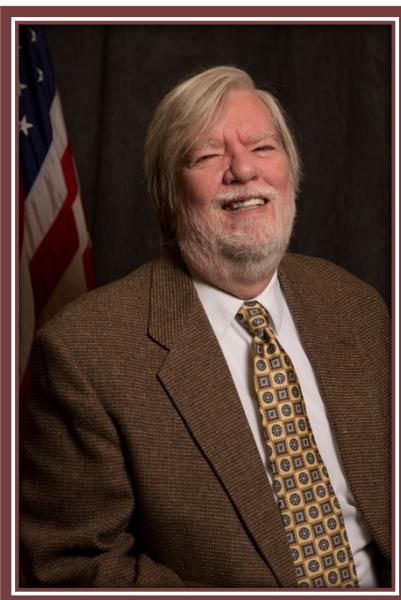
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Term: 01/2018 - 01/2022



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Term: 01/2018 - 01/2022

EXECUTIVE SUMMARY - INTRODUCTION



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July 1, 2018

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

I am pleased to submit the fiscal year 2018-19 operating and capital budget for Washington Terrace City. The formulation of this budget is based on careful application of Government Finance Officers Association guidelines and best practices, and diligent work from the staff, Mayor and Council.

The budget presented has been constructed to reflect the Policies and Priorities set by the Washington Terrace City Council and Mayor. The policies, priorities and accompanying goals, and highlights are the fundamental building blocks used in setting the budgetary outcomes. 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 stakeholder's contingent on the stakeholders' ability to pay.

Based on careful economic forecasting, we are projecting a slight improvement when it comes to the economic stability of the nation, state and our local economy. 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 the economy, we are projecting only modest revenue increases in budget amounts for the near future. It is the overall philosophy of the Mayor, Council and staff to consistently budget conservatively in revenue projections and overall expenditures so as to maintain a healthy and balanced use of City resources.

There will be no tax increases this year for general operation activities. Major budget items such as employee compensation, police, refuse collection and the majority of the utility services have been successfully included in current funding capacity. However, there will be a modest increase to the sewer utility fund that will be directly applied to support sewer system infrastructure improvements.

The financial goals, service levels and outcomes of the budget are directly linked to the legislative Policy Priorities that can be found in this budget document. The council policy priorities are the framework from which budget decisions and goals are generated 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 critical for the wellbeing of the residents and businesses within our borders.

This budget is the result 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 devoted 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 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.



two-
met

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 and direction by enacting local legislation and adopting budgets; the city manager is responsible for implementing the Council's policies

EXECUTIVE SUMMARY - INTRODUCTION

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
2017	9,152		251769			
2016	9,198					
2015	9,157	0.2%	247,560	1.7%	2,990,632	1.7%
2014	9,139	0.2%	243,453	1.2%	2,941,836	1.3%
2013	9,124	0.2%	240,536	0.8%	2,902,663	1.6%
2012	9,108	0.5%	238,528	0.8%	2,855,782	1.4%
2011	9,065	0.0%	236,565	2.3%	2,816,124	1.9%
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	

Table 2 (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 1 (above) 2010 Census demographic profile.

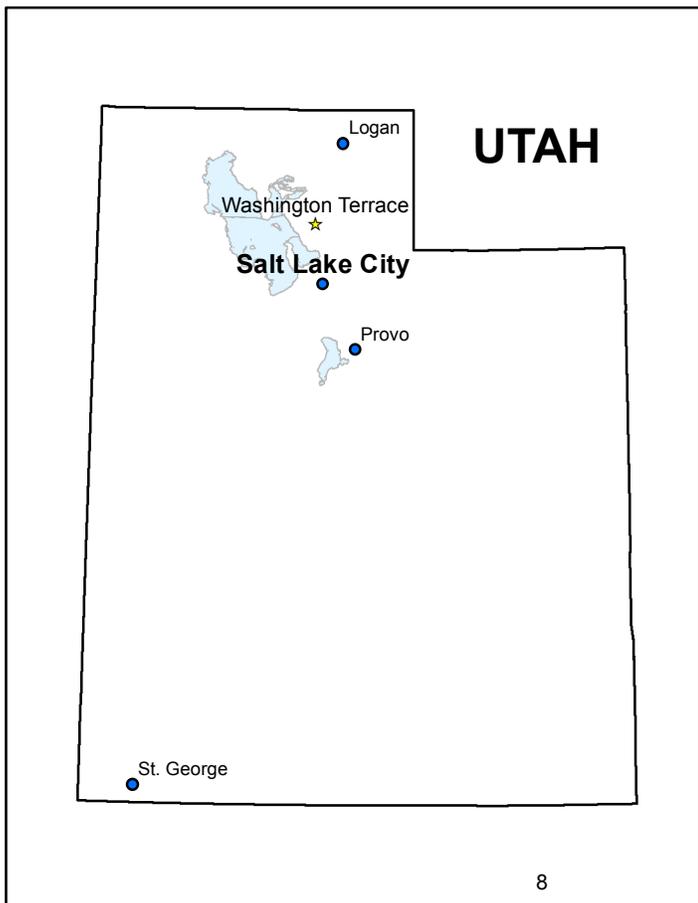
Since the City's incorporation in 1958, the population has changed by approximately 2,716 persons or increased by 42 percent, while the County's population has increased by 132,901 or 120 percent, and the State has increased 2,095,919 or over 232 percent.

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 2018 adjusted budget, 2019 final adopted budget, and 2020 - 2023 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. Establish citywide budget policy

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

MISSION

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 - INTRODUCTION

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 - INTRODUCTION

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 - INTRODUCTION

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 - INTRODUCTION

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 - INTRODUCTION

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 - INTRODUCTION

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 - INTRODUCTION

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, 2018 – June 30, 2019, the City Council has approved a budget 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 - INTRODUCTION

- 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 2019 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, 2017

Christopher P. Morrill

Executive Director

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

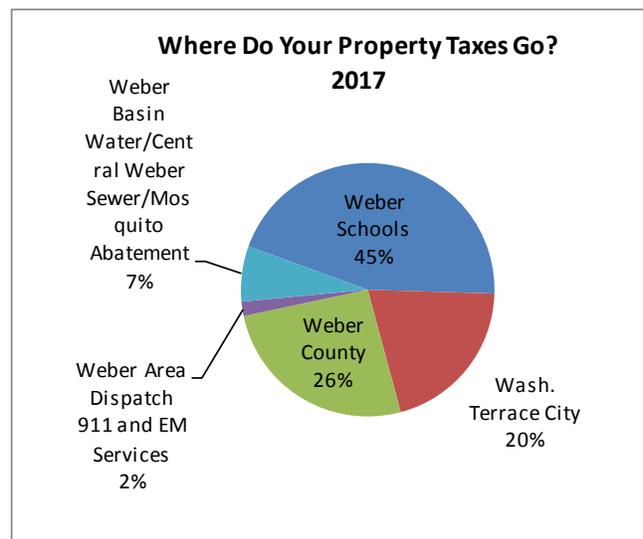
During the 1995 legislative session, the exemption for primary residential property was increased from 32 percent to the constitutional maximum of 45 percent. The local effect of this action was to shift the burden of supporting education, public safety, and general government from primary residents 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 2 - Each taxing entity's share of the total levy for property taxes in 2017

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.

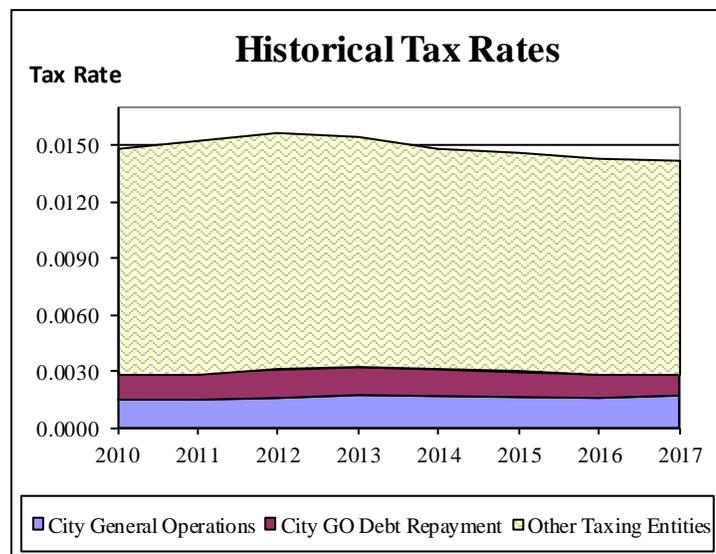


EXECUTIVE SUMMARY – ECONOMIC INDICATORS

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 3 - 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 decreased from 0.002866 in 2009 to 0.002830 in 2016. In 2013, the City raised its general purpose tax levy from 0.001588 to 0.001743. Said increase is largely attributed to generating additional funding for 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	2015		2016		2017	
Taxing Entity	Levy Rate	\$ collected from home market value of \$179K	Levy Rate	\$ collected from home market value of \$179K	Levy Rate	\$ collected from home market value of *\$179K
City - General Operations	0.001637	144.06	0.001591	140.01	0.001719	169.24
City - GO Debt Repayment	0.001313	115.54	0.001239	109.03	0.001162	114.40
Total City Levy	0.002950	\$ 259.60	0.002830	\$ 249.04	0.002881	\$ 253.53
<i>% chg from prior year</i>	-5%	-5%	-4%	-4%	2%	2%
Other Taxing Entities	0.011606	\$ 1,142.61	0.011379	\$ 1,120.26	0.011302	\$ 1,112.68
<i>% chg from prior year</i>	-1%	-1%	-2%	-2%	-1%	-1%
Total Tax Levy	0.014556	\$ 1,402.21	0.014209	\$ 1,369.30	0.014183	\$ 1,366.21
<i>% chg from prior year</i>	-2%	-2%	-2%	-2%	-0.2%	-0.2%
<i>* Average home valued at \$179K in 2017.</i>						

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

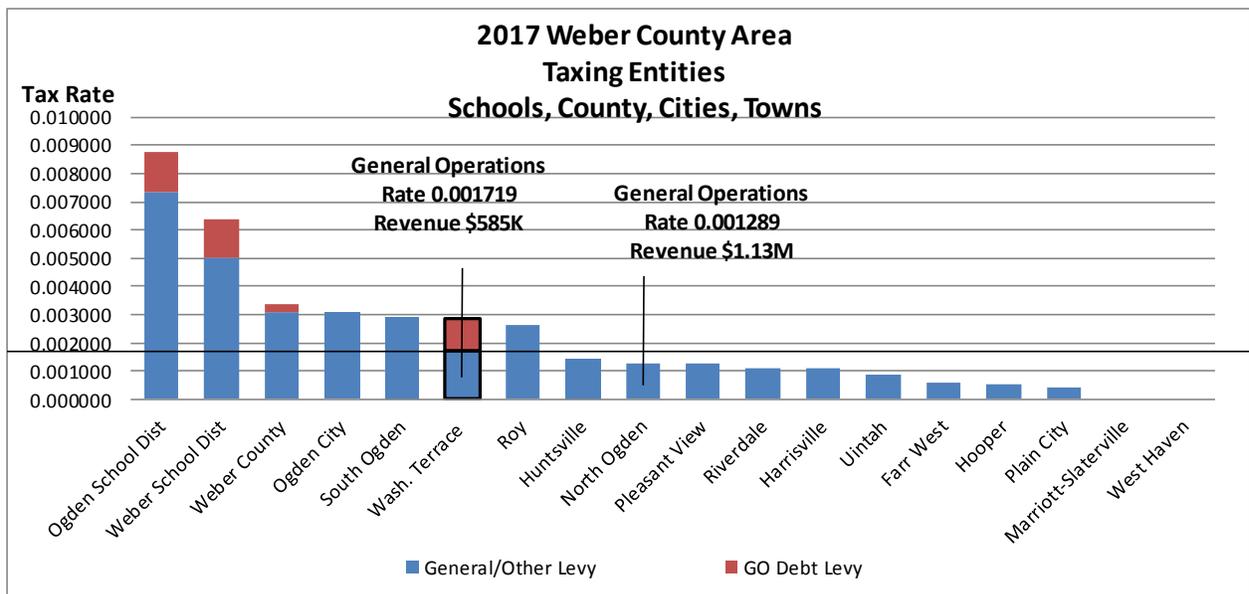


Figure 4 (above) – 2017 tax rates for Weber County area school districts, county, cities, and towns

As depicted in Figure 4, the City’s combined tax rate of 0.002881 is the third highest tax rate among cities and towns in Weber County. This is largely due to the City’s General Obligation Debt tax levy of 0.001162. Ogden City has the highest tax rate of 0.003103 and South Ogden City now ranking the second highest with a rate of 0.002900. The highest taxing entities in Weber County in 2017 are Ogden City Schools with a combined tax rate of 0.008754 and Weber School District the second highest taxing entity at 0.006373.

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 general operations tax rate at 0.001719 compared to North Ogden at 0.001289. 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 \$585K compared to North Ogden with a stronger tax base at \$1.13M.

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 Healt & 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.

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

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.**

City staff has been diligent in seeking grant revenue to lessen the financial burden of providing essential City services. Although the availability and eligibility of grant assistance has become extremely limited and competitive, grant funding assistance will continue to be actively sought out.

Additionally, the City has taken advantage, strategic planning, low interest financing, and optimal construction environments to assist with keeping costs as low as possible, the capital demands continue to exceed available resources thus making progress slower and more expensive.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

1. FIRE AND EMERGENCY MEDICAL SERVICES (EMS)

Legislative Policy Statement/Goal:

- **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 Washington Terrace City Fire Department serves as a fully functioning volunteer fire and EMS service provider.

From its inception in 1952, the City has operated as a

volunteer department relying on a dedicated staff willing to fill shift requirements. Since its inception, calls for service have increased from 3 calls per week, to over 1000 call per year, requiring the department operate as a full time Fire and EMS service provider not a volunteer department as in the past.



With the steadily increasing demand on the employee's time, the escalating staffing requirements by the department, the minimal availability of volunteers to fill open shifts, and the rising call volume on our volunteer employees, it increasingly difficult to fill vacant staffing positions.

As a result of the critical need to provide continuous service, the City is considering options to move away from a volunteer staffing model to a part time/full time staffing model that would encourage more consistent availability of fire and EMS personnel. This structural shift will significantly change the way we compensate employees and will impact the budget in significant ways. The 2019 budget and 2020-2023 budget plan maintains a volunteer staffing model at this time.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

2. OTIS II / Capital Improvement

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.

- **Fiscal Responsibility**

Diligently manage public funds and resources.

The public utility systems are the backbone and core components of what makes the city function. The structural integrity and up keep of these systems are the mainstay of creating and maintaining a sustainable community. This emphasis on system integrity is a key component to the cities success and has been a nexus for several successful projects.

One such project was the multiyear OTIS (Original Terrace Infrastructure System) project that began in 2001 and significantly improved the reliability of utility services and roadway infrastructure in certain areas of the city. The improved reliability and system integrity has made Washington Terrace City a safer place to live, has reduced maintenance costs in the OTIS project area, and will continue to serve the city into the future.

Looking ahead it is clear that more OTIS work will be required in order to update significant areas of the city to current construction standards. The reliability and structural integrity of some portions of our system are deteriorating in a way that will require a broad-based project in order to improve the needed system reliability. OTIS II, grants, and careful planning will be part of the strategy to making the necessary improvements. OTIS II will be a broad-based project that will use the finance capacity set forth in the OTIS project. In essence the bonding capacity that was secured in 2001 for the OTIS project and the associated tax increase will be maintained in order to secure current tax rates that will generate the revenue needed to fund long-term financing.

In addition to long term financing, staff will continue to secure grant funding and creatively plan for future projects that will support the critical need for capital improvements.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

3. 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 of other benchmark communities.

The City's ability to recruit and retain competent well-trained employees is a critical component in maintaining required service necessary to operate effectively as a city. At times, certain sectors of the economy may put pressure on local governments to evaluate pay structure in an effort to maintain sufficient staff members with the required licensing necessary to provide basic city services.

Over the past few years there has been and continues to be significant pressure on the recruitment and retention capacity of the Public Works Department. With the growing construction sector of the economy growing and the need for skilled labor expanding, there is increasing burden on the Public Works Department to retain and recruit personnel in an ever-shrinking pool of qualified applicants.

As a result of the diminished pool of qualified applicants and the near zero unemployment rate, the tentative budget proposes the option to raise the compensation rate for Public Works employees to within 5% of the comparative average rather than the historical 10% of the average compensation range.

This adjustment in the pay plan will allow for greater leverage and financial incentive to maintain the critical employees that are required to operate our systems. In the end it is anticipated that this adjustment will help resolve recruitment and retention challenges.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

Budgeted Personnel costs for 2019 of \$2,004,896 are estimated to increase by 7 percent or \$132,904 when compared to the 2018. Of Said increase \$104,000 is attributed to salaries, wages and \$29,000 benefits and other personnel costs.

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

Health coverage offered by PEHP has a July 1, 2018, renewal rate *increase* of 3.8% for traditional medical plans and 9.4% for HAS plans; dental renewal rates are expected to *decrease* by 2%. 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' Division A retirement system (including employer pickup election) will experience a rate *increase* of 3.6% or a total employer contribution rate of 19.66%.

Plan Projections

Future projections for Personnel requirements include 3 percent annual increases through 2023. Staffing levels beginning in 2019 are project to remain unchanged through 2023. Of said increases, salaries and wages are projected to increase by 3 percent annually and total benefit requirements are estimated to increase by 3 percent annually through 2023.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

4. LAW ENFORCEMENT SERVICES



Legislative Policy Statement/Goal:

- **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.

Law enforcement services continue to be evaluated to determine appropriate and sustainable service levels. Outsourced law enforcement services represent the largest General Fund department expenditure at \$826,000 in 2019, down \$4,825 from the 2018 original budget and up \$15,175 from the 2018 adjusted budget. The budget plan beyond 2019 anticipates up to 2% annual increases.

There is some uncertainty regarding the future pricing of the Sheriff contract because of the wide spread challenges associated with officer recruitment, retention, the lack of qualified applicants, and an overall fluctuation of population, calls for service and future radio equipment requirements.

As a result of a Weber County Sheriff reduction in fleet, a moderate reduction in the employee benefit plan, and an increased level of participation from Weber School District; there is a moderate decrease to our general fund for law enforcement services. At this point in time the contribution calculation formula for contract cities will remain at 50% population and 50% calls for service.

Cautionary note: In budget year 2020 there will be a significant one-time requirement for the replacement of all vehicle mounted and personnel radios. It is not clear at this time the budgetary impact of this mandate; however, it is anticipated to be a significant amount.

We are cautiously optimistic that Sheriff Contract pricing for law enforcement services will remain relatively moderate.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

5. 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 cities within the region.

As a result, beginning July 1, 2018, utility rates for sewer and refuse services are *proposed* to increase monthly by \$1.00 bringing the base minimum bill for a single family residential user to \$60.75.

Service	Single Family Residential					
	Base (\$/4,000 gal.)			Overage (\$/1,000 gal.)		
	Current	New	Change	Current	New	Change
Water	18.70	18.70	-	5.10	5.10	-
Sewer	18.45	19.30	0.85	5.03	5.03	-
Refuse	14.60	14.75	0.15			-
Storm	8.00	8.00	-			-
Minimum Bill	\$ 59.75	\$ 60.75	\$ 1.00	\$ 10.13	\$ 10.13	\$ -
Late Fees	\$5.00	15.00				

Table 8 – Proposed Single family residential utility rate structure effective July 1, 2018.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

The proposed increases are necessary to continue to fund the ongoing operations & maintenance cost of refuse and recycling services and sanitary sewer capital infrastructure.

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



Figure 5 (above) – illustrates a *proposed* minimum residential utility bill by service type.

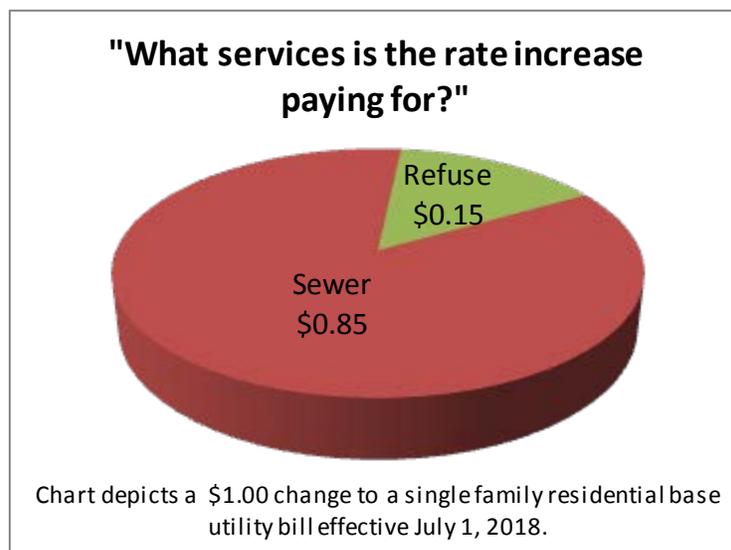


Figure 6 (above) – illustrates "What services is the rate increase paying for?" effective July 1, 2018.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

SEWER SERVICES

Capital

The 2019-2023 budget plan anticipates capital infrastructure contribution levels to grow from approximately \$92,000 to \$120,000 annually to further address the Capital Facility Plans recently updated by the City engineer.

The City’s ability to fund sewer capital infrastructure has been limited. Historically, additional resources collected through user fees have been used to offset rising operating costs, particularly those attributed to CWSID, rather than capital needs.

The 2019 tentative budget anticipates minimal increases to operating costs that are expected to be absorbed with existing resources. This presents a unique opportunity to raise the current low funding levels of sewer capital infrastructure to further the projects outlined in the plans.

REFUSE AND RECYCLING

Waste Collection

Fortunately, mainstream waste hauling has seen some settling as a result of our ability to negotiate an extension on our solid waste contract with Republic Service. This contract renewal will be for a term of 5 years with anticipated moderate increases annually and is expected to be in the best interest of the City.



Waste Disposal

One area of the solid waste service that we are keeping an eye on is the increasing cost for “tipping fees” at the transfer station and associated transportation cost increases to haul the waste to a land fill. Tipping fees are expected to rise over the next several years in order to respond to rising transportation costs, increased capital improvement and operational costs at the Weber County Transfer Station.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

For 2019, general waste disposal fees are expected to increase from \$36.90 to \$40.30 per ton or by 9.2 percent. The cost to dispose of recycle material will also increase from \$36.80 to \$40.20 per ton. Budgeted disposal costs in 2019 are expected to increase to \$147,000 an increase of 8 percent or \$10,884.

Recycling

Recycling will continue to be an area that requires ongoing observation as the off-shore markets continue to ebb and flow in regards to the value of recyclable materials. We have seen and will



continue to see volatility in the recycling market as China regulates the content of recyclable materials. This fluctuation will continue; however, staff is working with local vendors to cap the processing of recyclable materials to not exceed the cost of disposing of mainstream waste. Left unchecked the cost to continue

in our recycling program would cost significantly more than our main stream waste costs and would become unsustainable.

EXECUTIVE SUMMARY – BUDGET OVERVIEW

Levels of Service

It is the desire of the City to provide a highest level of public services to our customers that include offering these services at the highest professional level including staff, equipment/technology, and facilities that match the revenue realities of our customer base.

The FY 2019 adopted budget and FY 2020 – 2023 budget plan does not anticipate significant changes to levels of service or service delivery.

Changes in Fund Balance

Table 9 reports actual ending fund balances for fiscal year ended June 30, 2017, and depicts estimated fund ending balances for governmental funds for fiscal years ended 2018 – 2023. Fund balances are generally projected to continue to decline between 2017 and 2023--decreasing from \$6,804,032 in 2017 to \$4,114,897 in 2023 or by \$2,689,135. Said decrease is primarily being reported in the Capital Projects Fund and Redevelopment Agency Fund. The declines of these balances are being attributed to the use capital reserves (balances) for one-time capital purchases/improvements. The declines in the General Fund, however, highlight budgetary imbalances surfacing in 2020 that will need to be addressed.

Governmental Funds: Ending Fund Balances							
Fund	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
10 General	\$ 1,270,719	\$ 1,070,719	\$ 1,070,719	\$ 1,056,305	\$ 973,499	\$ 851,193	\$ 737,656
12 Recreation	10,735	10,735	10,735	10,735	10,735	10,735	10,735
53 Parks Capital Projects	114,841	96,986	96,986	96,986	96,986	96,986	96,986
55 Capital Projects	3,528,985	3,181,894	3,146,881	3,097,286	3,074,199	3,052,324	2,847,713
65 Debt Service	86,847	85,097	83,347	81,597	79,847	78,097	76,347
66 Special Improvement District	299,360	297,691	296,806	295,921	266,446	198,728	198,728
70 Redevelopment Agency	1,492,544	1,492,544	-	-	-	-	-
TOTAL ENDING BALANCES	\$ 6,804,032	\$ 6,235,667	\$ 4,705,475	\$ 4,638,831	\$ 4,501,712	\$ 4,288,064	\$ 3,968,166
<i>\$ change from prior year</i>	<i>\$ 1,127,435</i>	<i>\$ (568,365)</i>	<i>\$ (1,530,192)</i>	<i>\$ (66,644)</i>	<i>\$ (137,119)</i>	<i>\$ (213,649)</i>	<i>\$ (319,898)</i>
<i>% change from prior year</i>	<i>20%</i>	<i>-8%</i>	<i>-25%</i>	<i>-1%</i>	<i>-3%</i>	<i>-5%</i>	<i>-7%</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.

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 payable in annual installments through 2021. The principal source of revenue is levying a special

EXECUTIVE SUMMARY – REVENUES

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 services or non-utility based services. General governmental services that normally impact the capital projects funds include: streets & sidewalks, parks & open spaces, public facilities, and public safety services.

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

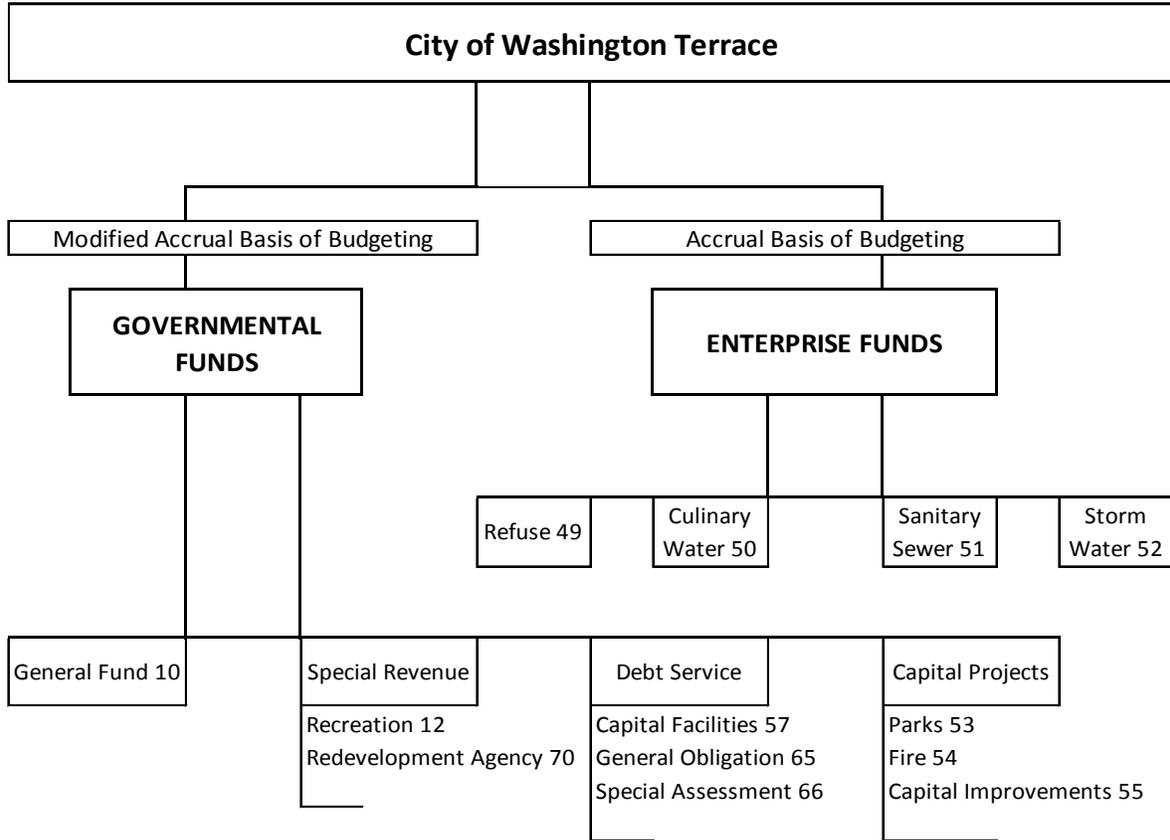


Figure 7 – Fund Structure

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

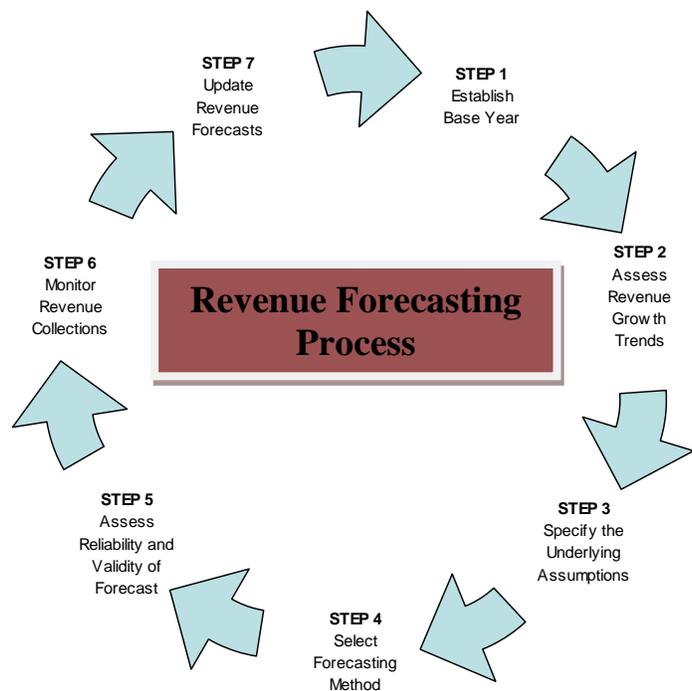


Figure 8 – Revenue Forecasting Process

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 3 percent in 2019. Said increase is primarily attributed to estimated increases in utility consumption and proposed rate increases for refuse and sanitary sewer services.

Charges for services are expected to increase at by an additional 2-3 percent annually between through 2023. Said increase is largely expected to be generated from utility rate increases necessary cover growing operation and maintenance costs. Charges for services represent 41 percent of total revenues in 2019, excluding interfund transfers & charges.

Government-Wide: Revenues by Major Object							
Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	\$ 3,246,289	\$ 3,238,476	\$ 3,339,034	\$ 3,413,984	\$ 3,472,855	\$ 3,542,156	\$ 3,632,992
<i>% Change from Prior Year</i>	4%	0%	3%	2%	2%	2%	3%
Property Tax	1,093,840	1,153,274	1,165,826	1,167,077	1,073,267	710,679	716,666
<i>% Change from Prior Year</i>	0%	5%	1%	0%	-8%	-34%	1%
Sales & Franchise Tax	1,758,241	1,745,454	1,790,109	1,826,492	1,863,881	1,902,304	1,941,792
<i>% Change from Prior Year</i>	4%	-1%	3%	2%	2%	2%	2%
Intergov Revenue	1,256,372	1,600,072	1,281,072	1,073,228	1,093,418	1,114,155	1,117,609
<i>% Change from Prior Year</i>	-56%	27%	-20%	-16%	2%	2%	0%
Court Fines	133,966	187,000	156,140	160,141	152,000	152,000	152,000
<i>% Change from Prior Year</i>	-18%	40%	-17%	3%	-5%	0%	0%
Licenses, Permits, & Fees	184,584	151,300	130,500	115,500	115,500	115,500	115,500
<i>% Change from Prior Year</i>	-4%	-18%	-14%	-11%	0%	0%	0%
Other Revenue	1,675,430	4,549,097	327,014	333,062	274,084	288,052	285,021
<i>% Change from Prior Year</i>	-21%	172%	-93%	2%	-18%	5%	-1%
Interfund Transfers & Charges	2,136,591	2,232,406	1,974,588	1,976,934	1,950,855	1,982,218	1,913,802
<i>% Change from Prior Year</i>	-2%	4%	-12%	0%	-1%	2%	-3%
TOTAL REVENUES	\$ 11,485,313	\$ 14,857,079	\$ 10,164,283	\$ 10,066,418	\$ 9,995,860	\$ 9,807,063	\$ 9,875,382
<i>\$ Change from Prior Year</i>	<i>\$ (1,935,974)</i>	<i>\$ 3,371,765</i>	<i>\$ (4,692,796)</i>	<i>\$ (97,865)</i>	<i>\$ (70,558)</i>	<i>\$ (188,797)</i>	<i>\$ 68,318</i>
<i>% Change from Prior Year</i>	<i>-14%</i>	<i>29%</i>	<i>-32%</i>	<i>-1%</i>	<i>-1%</i>	<i>-2%</i>	<i>1%</i>

Table 10- Government-wide revenues by major object

EXECUTIVE SUMMARY – REVENUES

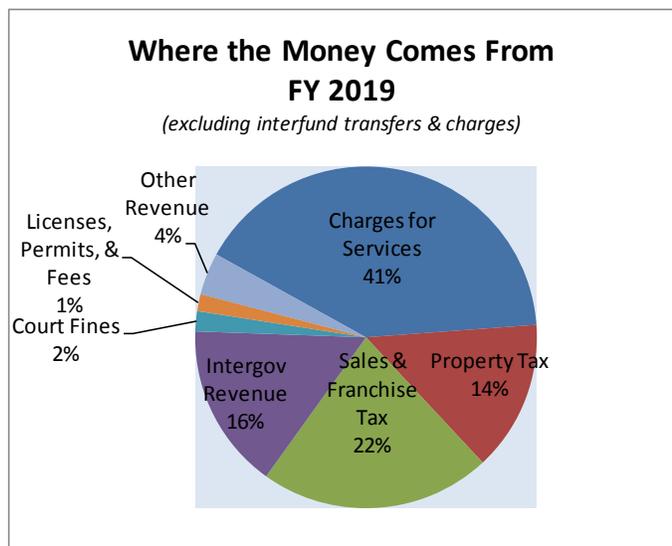
Government-wide **Property Tax** revenues in 2019 are expected to increase by 1 percent in 2019. Beginning in FY 2021, Property Tax revenue is expected to decline by 8 percent or \$93,943 and additional 34 percent in 2022. Said decreases are attributed to outstanding General Obligation bonds reaching their final 2022 maturity.

Property Tax revenue represents 14 percent of total government-wide revenues in 2019, excluding interfund transfers & charges. Property Taxes revenue imposed by the City are 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 9 - “Where the Money Comes From - FY 2019” 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. These bonds are being repaid directly by the beneficiaries within the SID project area.

EXECUTIVE SUMMARY – REVENUES

Government-wide **Sales & Franchise Tax** receipts are expected to reach \$1,790,109 in 2019 up 3 percent or \$44,655 when compared to 2018. Sales and franchise taxes are estimated to represent 22 percent of total government-wide revenues in 2019 (excluding interfund transfers).

The 2018 budget estimates revenue generated from **Sales Tax** receipts to reach \$1,097,313 up 3 percent or \$31,961 when compared to 2018.

Sales & Franchise Tax receipts are deposited into the General Fund to support general

Sales Tax 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%

As of April 1, 2018 for Washington Terrace

governmental services. Table 12 represents the sales and use tax rates for the City in the Weber County locality as of April 1, 2018. 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 12 (left) Effective Sales Tax Rates for the City

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. Rates have remained unchanged since 2016.

Table 13 (right) Historical Sales Tax Rates for the City between October 1, 2007 and April 1, 2018.

Historical Sales Tax Rates		
Period Effective	Rate	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%

EXECUTIVE SUMMARY – REVENUES

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

Government-wide **Franchise Tax** in 2019 is projected to increase by 2% or \$12,694 when compared to 2018. 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** of \$1,281,072 represents 16 percent of total revenue in 2019, excluding interfund transfers & charges. Intergovernmental revenue receipts are expected to decrease by 20 percent or \$319,000 in 2019. Said decrease is largely attributed to one-time capital grant funding of \$367,255 reported in 2018 from the State Transportation Program (STP) Funds for the Adams Ave 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 \$340,000 in 2019 and up from \$305,000 in 2018. The newly imposed local option sales tax is expected to generate \$81,000 in 2019.

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

EXECUTIVE SUMMARY – REVENUES

redevelopment improvements include land acquisition, street construction, installation of utilities development incentives, 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.

The RDA anticipates receiving \$535,046 from the Southeast Project Area and \$26,473 from the Central Business District in 2019. 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 decreased the increment collected by the project area by \$87,000 from 2016 to 2017.

Court Fine revenue in 2019, representing 2 percent of government-wide revenue, is estimated to decrease by 17 percent or \$30,860 from the 2018 adjusted budget. Projected increases to revenue collections in 2018 are being attributed to an increase in traffic enforcement goals and requirements set out by the Sheriff's Office for overall improvement in traffic related activities.

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. In addition to the Washington Terrace City Justice Court, the City also provides justice court services for Marriott-Slaterville City. For 2019, it is estimated that Marriott-Slaterville City will generate \$70,000 in revenue for the City and the City \$82,140.

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 2019 are expected to decrease by 14% or \$20,800 when compared to 2018 adjusted budget. Said decrease is largely attributed a decline in building permit and planning fee revenue. Licenses,

EXECUTIVE SUMMARY – REVENUES

Permits, and Fees represent 2 percent or \$130,500 of the City's total revenue sources in 2019.

Government-wide **Other Revenue** represents 4 percent or \$327,014 of the City's projected revenues for 2019. Other revenue is projected report a net decrease of \$4.222 million from prior year. Said decrease is attributed to the use of one-time bond proceeds of \$4 million in 2018 to finance a new public works facility and the one-time sale of capital equipment in 2018. 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.

EXECUTIVE SUMMARY – REQUIREMENTS

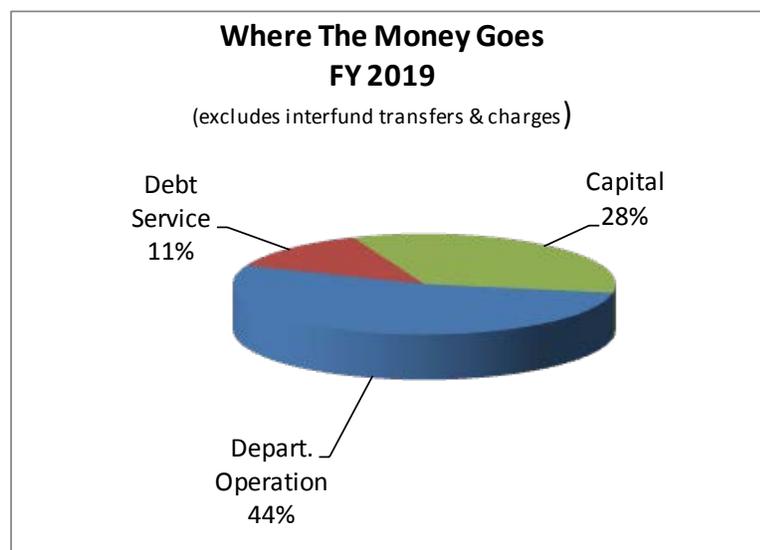
MAJOR REQUIREMENTS SUMMARY

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	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Departmental Operations	\$ 4,479,508	\$ 4,980,751	\$ 5,161,390	\$ 5,314,522	\$ 5,428,431	\$ 5,588,006	\$ 5,731,063
% Change from Prior Year	2%	11%	4%	3%	2%	3%	3%
Capital	1,996,653	9,120,925	3,285,663	1,556,892	1,595,010	1,603,008	1,735,386
% Change from Prior Year	-46%	357%	-64%	-53%	2%	1%	8%
Debt Service	975,274	1,266,105	1,257,402	1,269,025	1,143,151	831,171	800,435
% Change from Prior Year	9%	30%	-1%	1%	-10%	-27%	-4%
Interfund Transfers & Charges	2,151,252	2,361,514	1,974,486	1,976,311	1,949,262	1,980,545	1,909,516
% Change from Prior Year	-2%	10%	-16%	0%	-1%	2%	-4%
TOTAL REQUIREMENTS	\$ 9,602,688	\$ 17,729,295	\$ 11,678,942	\$ 10,116,751	\$ 10,115,853	\$ 10,002,730	\$ 10,176,400
\$ Change from Prior Year	\$ (3,397,343)	\$ 8,126,607	\$ (6,050,353)	\$ (1,562,191)	\$ (898)	\$ (113,123)	\$ 173,671
% Change from Prior Year	-26%	85%	-34%	-13%	0%	-1%	2%

Table 15 – 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 4 percent or \$180,640 in 2019 than 3 percent annually between 2020 and 2023.

Figure 12 (right) “Where The Money Goes FY2019,” represents the three major city-wide requirements.

EXECUTIVE SUMMARY – REQUIREMENTS

Departmental Operating requirements are typically the largest requirement. In 2019, Department Operations, (excluding interfund transfers) are expected to represent approximately 53 percent or \$5,161,390 of total requirements.

Government-Wide: Requirements by Major Object							
Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Personnel	\$ 1,725,061	\$ 1,871,992	\$ 2,004,896	\$ 2,071,603	\$ 2,127,992	\$ 2,188,851	\$ 2,251,735
% Change from Prior Year	5%	9%	7%	3%	3%	3%	3%
Materials, Supplies, & Services	2,754,447	3,108,759	3,156,494	3,242,919	3,300,440	3,399,155	3,479,328
% Change from Prior Year	1%	13%	2%	3%	2%	3%	2%
Debt Service	975,274	1,266,105	1,257,402	1,269,025	1,143,151	831,171	800,435
% Change from Prior Year	9%	30%	-1%	1%	-10%	-27%	-4%
Capital	1,996,653	9,120,925	3,285,663	1,556,892	1,595,010	1,603,008	1,735,386
% Change from Prior Year	-46%	357%	-64%	-53%	2%	1%	8%
Interfund Transfers & Charges	2,151,252	2,361,514	1,974,486	1,976,311	1,949,262	1,980,545	1,909,516
% Change from Prior Year	-2%	10%	-16%	0%	-1%	2%	-4%
TOTAL REQUIREMENTS	\$ 9,602,688	\$ 17,729,295	\$ 11,678,942	\$ 10,116,751	\$ 10,115,853	\$ 10,002,730	\$ 10,176,400
\$ Change from Prior Year	\$ (3,397,343)	\$ 8,126,607	\$ (6,050,353)	\$ (1,562,191)	\$ (898)	\$ (113,123)	\$ 173,671
% Change from Prior Year	-26%	85%	-34%	-13%	0%	-1%	2%

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

Materials, Services, and Supplies, representing 33 percent of total requirements, are the largest operating requirement, are projected to increase by 2 percent reaching \$3,156,494 in 2019 then increase by 2-3 percent annually through 2023.

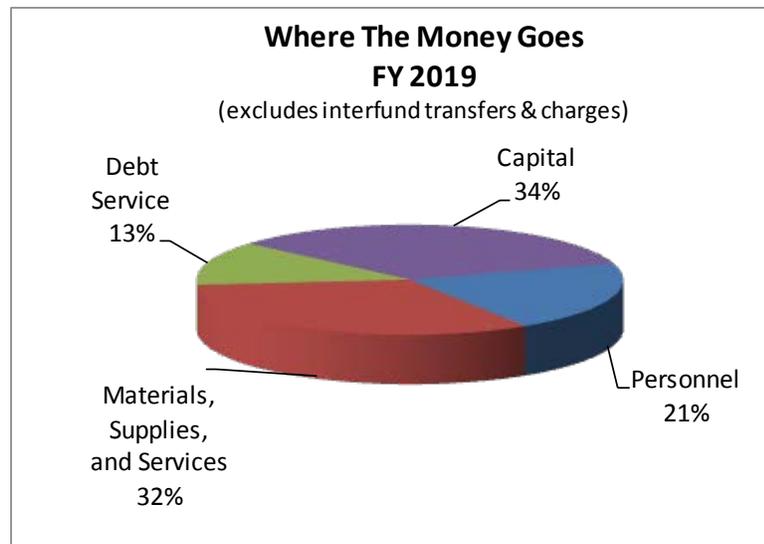
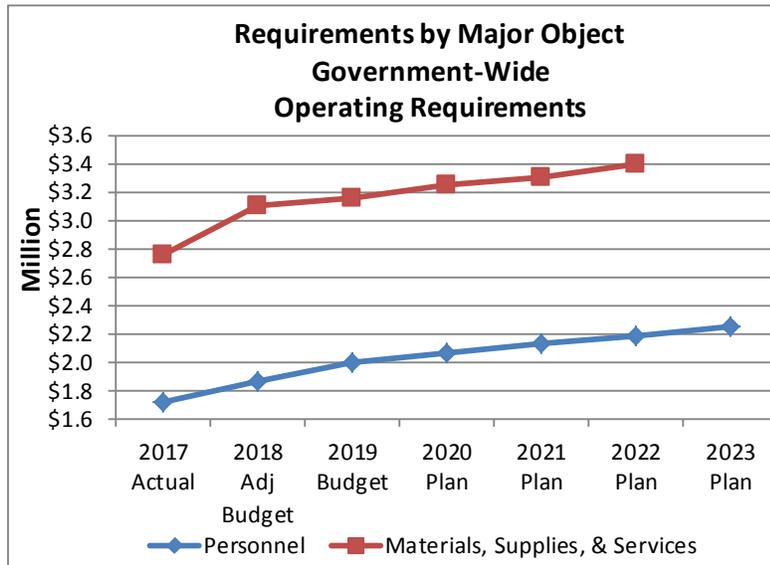


Figure 11 (left) “Where The Money Goes FY 2019,” represents the four major government-wide requirements.

Materials, Supplies, and Services requirements, as a percentage of Departmental Operating requirements, represent 62 percent of total Departmental Operating requirements in 2019.

EXECUTIVE SUMMARY – REQUIREMENTS

Additional detailed information on Department Operations including Materials, Supplies,



Services and Personnel Requirements can be found in the Operating Budgets and Fund Summaries.

Figure 12 (right) represents Personnel and Materials, Services, and Supplies as a dollar amount of Operating requirements for all funds combined.

Personnel requirements or salaries/wages, benefits/allowances, and travel & training requirements,

representing 21 percent of government-wide requirements, are expected to increase by up to 7 percent or \$132,904 in 2019 than 3 percent annually between 2020 and 2023. Personnel requirement increases are largely attributed to salary/wage market adjustments and employee benefits.

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

EXECUTIVE SUMMARY – REQUIREMENTS

PERSONNEL & COMPENSATION

Retaining and recruiting 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 2017* issued by the Utah Department of Workforce Services, Utah's nonfarm employment for June 2017 grew by an estimated 3.4 percent, adding 49,200 jobs to the economy compared to June 2016. Current employment registers at 1,477,700. June's seasonally adjusted unemployment rate increased two-tenths from May to 3.4 percent. Approximately 53,400 Utahans were unemployed in the month and actively seeking work. The national unemployment also rose one-tenth of a percentage point to 4.4 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 produces data on changes in the prices paid by urban consumers for a representative group of goods and services that are reflective in the CPI. The Denver metro area (the closest metro area reported) reported a change of +3.01 percent between June 2016 and June 2017.

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 analysis 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 Resources 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 tentative budget includes a compensation plan based on market pay less 10% of the average wage described in the wage analysis. The strategy is based on market driven salaries and wages determined by benchmark communities in the council approved study comparison list. The City has moved away from an at risk performance pay system to a market model for compensation. Each year as part of the budget process, the City conducts a wage compensation study/review.

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. The pay plan as illustrated in Table 18 is broken into exempt and nonexempt pay plans according to Fair Labor Standards Act (FLSA).

EXECUTIVE SUMMARY – REQUIREMENTS

Salary & Wage Compensation Plan							
Market Adjustments							
Non-Exempt Employees (Hourly)							
Position	Department	2018			2019		
		Min	Mid	Max	Min	Mid	Max
Accounts Payable Specialist	Finance	\$ -	\$ -	\$ -	\$ 13.37	\$ 17.03	\$ 20.68
Court Clerk	Court	11.47	12.93	14.39	11.25	13.21	15.17
Crossing Guard	Building & Zoning	10.00	10.00	10.00	10.50	10.50	10.50
Fire/EMS Night Shift (per 12 hr. shift)	Fire/EMS	59.32	59.32	59.32	72.00	72.00	72.00
Fire/EMS Day Shift (per 12hr. shift)	Fire/EMS	63.96	63.96	63.96	120.00	120.00	120.00
Recorder	Finance	16.59	21.02	25.44	-	-	-
Recorder/Human Resources	Administration	-	-	-	20.88	26.61	32.33
Recreation Aide	Leisure Services	8.84	8.92	9.00	8.84	8.92	9.00
Recreation Coordinator	Leisure Services	8.84	11.85	14.86	8.84	11.85	14.86
Storm Water Manager/GIS Tech	Public Works	19.81	22.37	24.93	19.81	22.37	24.93
Treasurer	Finance	-	-	-	18.60	23.47	28.34
Utility Billing Specialist	Finance	12.50	15.20	17.89	13.35	15.62	17.89
Utility Service Worker I	Public Works	12.63	14.78	16.93	13.76	15.84	17.91
Utility Service Worker II	Public Works	15.19	17.07	18.95	15.19	17.50	19.81
Utility Service Worker III	Public Works	17.59	19.58	21.56	17.23	20.82	24.41
Exempt Employees (Salary)							
Building Official	Building & Zoning	\$ 43,216	\$ 54,095	\$ 64,974	\$ 51,396	\$ 59,228	\$ 67,059
City Manager	Administration	72,000	89,333	106,665	87,200	98,682	110,163
Council Member	Mayor & City Council	2,400	2,400	2,400	2,400	2,400	2,400
Court Judge	Court	20,685	23,983	27,280	27,440	29,843	32,246
Court Supervisor	Court	32,167	39,503	46,839	38,376	43,826	49,275
Finance Director	Finance	56,000	71,540	87,079	66,508	77,986	89,463
Fire Captain	Fire/EMS	6,000	6,000	6,000	6,000	6,000	6,000
Fire Chief	Fire/EMS	31,262	41,108	50,954	29,818	41,405	52,992
Maintenance Operations Supervisor	Public Works	43,680	51,709	59,738	45,968	54,902	63,835
Mayor	Mayor & City Council	7,200	7,200	7,200	7,200	7,200	7,200
Public Works Director	Public Works	56,800	72,906	89,012	62,902	77,235	91,568
RDA Board Member	Redevelopment	2,400	2,400	2,400	2,400	2,400	2,400
Recreation Director	Leisure Services	31,933	40,495	49,057	31,928	41,610	51,292
Treasurer/Human Resources	Treasurer/HR/UB	39,500	54,857	70,213	-	-	-

Table 18 – City-wide Pay Plan

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

Health, Dental & Life: 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 an ongoing

EXECUTIVE SUMMARY – REQUIREMENTS

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 19 – Employer/employee share of health, dental, employer provided basic life, and AD&D premiums.

Medical/ Dental/ Basic Life & AD&D			
Share of Premium	Single	Double	Family
Employer's	90%	90%	90%
Employees'	10%	10%	10%

The City offers through PEHP three different coverage plans for employees to choose from—traditional Advantage and Summit network plans and a *new* high deductible Star HSA plan. The following table represents the employer and employees’ share of premiums. For 2018, 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%.

In lieu of a traditional heath care plans, the City also provides the option for employees to enroll in a HSA plan. The City will contribute the difference between the employer’s share of a traditional plan and HSA plan toward the employees’ HSA.

The 2019 budget anticipates that the traditional health coverage plans offered by the City will experience a premiums increase of 3.8%; HAS plan premiums will increase by 9.4%; and dental premiums are expected to decrease by 2%.

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 also remain *unchanged* at 16.69%. The Firefighters’

EXECUTIVE SUMMARY – REQUIREMENTS

Retirement System Division A (including employer pickup election) will experience a rate *increase* of 3.6% resulting in a total employer contribution rate of 19.66%. Of said amount, 15.05 percent represents the required employee contribution (the City has elected to pick up the employee contribution indefinitely) and 4.61 percent represents the required employer contribution. Additionally, the City contributes a non-matching 4 percent to eligible exempt employees' qualified 401k plan.

The City has chosen a pick-up election in which the City elects to pay all of the employees' and employers' required contribution for the Firefighter's Retirement System Division A plan. Employer and employee paid retirement contributions are governed by Utah State Law and are subject to change annually.

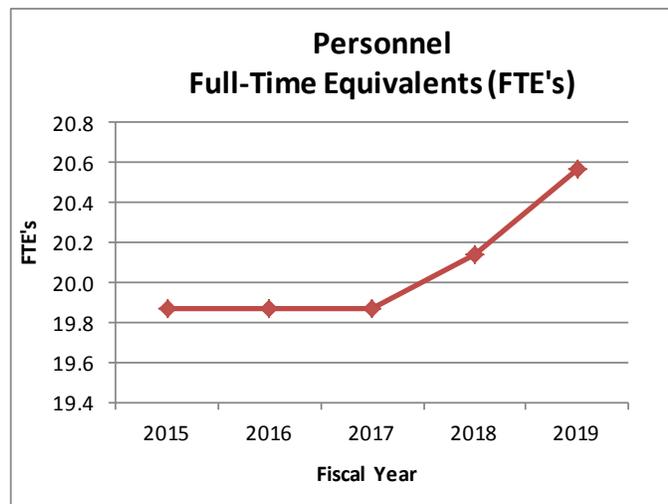


Figure 13 - Changes in full-time equivalents (FTEs).

Personnel full-time equivalents are expected to increase from 20.32 in 2014 to 22.14 in 2018 or a change of 1.82 FTEs. The greatest change in FTEs occurred in 2018. Changes in 2018 include the creating of a new storm water manager position combined with the existing part-time GIS position. This combined position will be one full-time equivalent.

Figure 14 shows that personnel growth rates since 2014 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.

EXECUTIVE SUMMARY – REQUIREMENTS

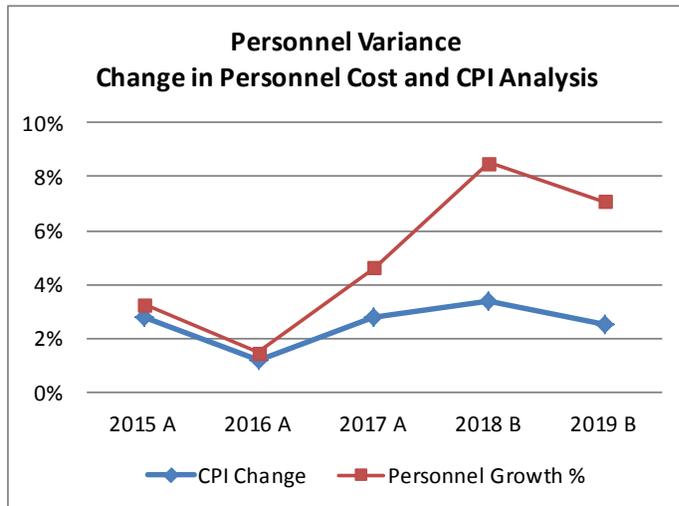


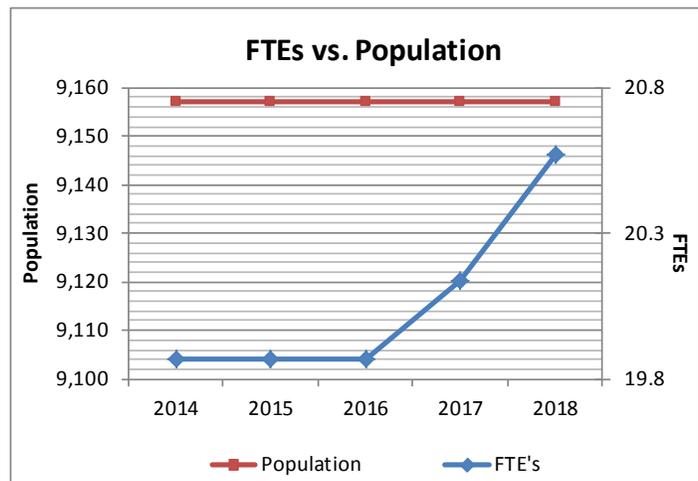
Figure 14 (left) – Changes to personnel costs to changes in the consumer price index relative to growth

There are several variables to consider when comparing personnel cost and CPI are the differences between budget year estimates in 2018 - 2019 and actual expenditures as reported in 2015, 2016, and 2017. Estimated years may show

higher personnel costs than actual years—estimated costs may be higher than actual. Other contributing factors include 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.

Figure 15 depicts the relationship between the number of FTEs or labor productivity to population.

Figure 15 (right) 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 9.0. All departments have remained relatively flat between 2013 and 2017, except Administration. Change to

FTEs in 2018 is attributed to expanding the GIS position to GIS/Storm Water Technician reported in the Public Works Department. In 2019, the Administration and Human Resources/Treasurer/Utility Billing Department were reorganized creating a new Finance Department and Administration Department. The net change in FTEs as a result of said reorganization was an increase of 0.50 FTEs.

EXECUTIVE SUMMARY – REQUIREMENTS

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	2015	2016	2017	2018	2019
Administration	3.00	3.00	3.00	3.00	2.00
Code Enforcement, Building, and Planning	1.56	1.56	1.56	1.56	1.50
Fire & Emergency Medical Services	1.00	1.00	1.00	1.00	1.00
Finance	-	-	-	-	4.05
Human Resources, Treasurer, and Utility Billing	2.55	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	1.39
Public Works	8.73	8.73	8.73	9.00	9.00
TOTAL	19.87	19.87	19.87	20.14	20.57

Table 20 (above) compares the number of full-time equivalents (FTEs) by department.

EXECUTIVE SUMMARY – REQUIREMENTS

CAPITAL AND DEBT SERVICE REQUIREMENTS

Capital requirements are scheduled to decrease from \$9,120,925 in 2018 to \$3,285,663 or a change of \$5,835,262 in 2019.

The greatest increase and change in capital requirements for 2019 is expected to occur within the Water Enterprise Fund. Capital requirements are expected to decrease from \$5,610,290 in 2018 to \$583,399 in 2019 or a decrease of \$5,026,891. Said decrease is attributed recognizing the full construction budget of a new public works facility estimated at \$5,460,000 in 2017. Unexpended project funds in 2018 will continue to roll over into subsequent years until the project is

completed.

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

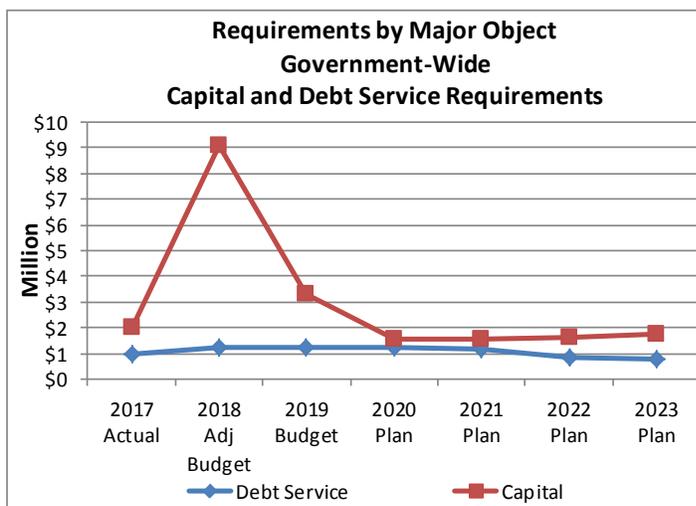


Figure 16 (left) represents capital and debt service requirements for all funds combined.

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 Water Infrastructure.

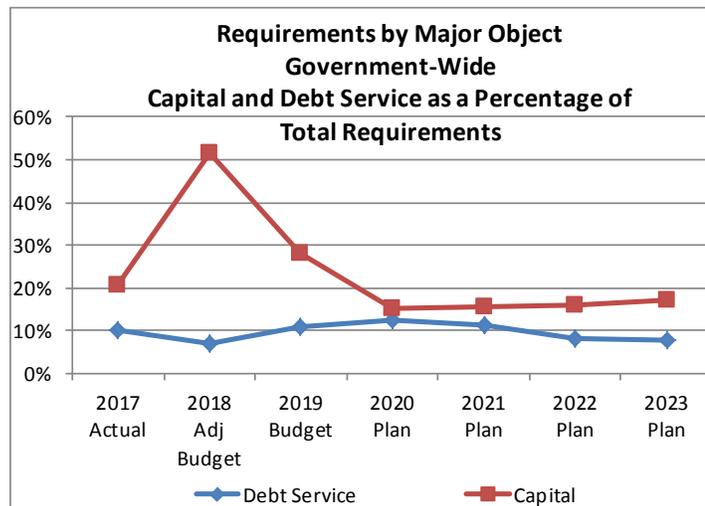


Figure 17 (right) represents government-wide capital and debt service requirements for all funds combined.

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 and the Supplemental section of this document for a five year capital projects plan.

Significant Capital Projects

The following significant (projects > \$200,000) capital projects have been identified as funding priorities for the fiscal years 2018-2023 tentative budget plan.

A. 500 West Waterline (CW5) \$500,000 – The Project scope includes a new 10” supply and distribution line. Funding period 2017 – 2022.

B. Rehabilitate Water Storage Tank #1 (CW6) \$416,000 – The Project scope includes the rehabilitation of tank #1 located on 500 West.
Funding period 2017 - 2019.

C. Water Line Looping for Zone B (CW37) \$225,000 – The Project scope includes installing 10” PVC pipe for looping at 5350 S. from 300 W. to 5600 S & Ridgeline.
Funding period 2018-2019.

D. Water Line Looping for Zone A (CW40) \$200,000 – The Project scope includes looping of 12” & 8” supply line for zone A at 5700 S. East of Adams Avenue.
Funding period 2019-2020.

EXECUTIVE SUMMARY – REQUIREMENTS

E. Lining Existing Sewer (SS23) \$285,000 – The Project scope includes a trenchless repair of 10” & 8” sewer main with cured in place pipe at 5000 South from Washington Blvd. to 300 West & 400 West to 500 West.

Funding period 2019-2022.

F. Intersection Drainage Improvements (SD21) \$215,000 – The Project scope includes intersection drainage improvements throughout the City.

Funding period 2017-2022.

G. Regional Detention Basin (SD6) \$395,000 – The Project scope includes the installation of a regional detention basin at or about 5200 South and 300 West.

Funding period 2017 – 2022.

H. Road Maintenance (RM) \$300,000-\$325,000 annually – The Project scope includes annual city-wide road maintenance that includes various types of road seal and protection applications and other road rework.

Funding periods 2018 – 2023.

EXECUTIVE SUMMARY – REQUIREMENTS

Debt Service Requirements

Recently Issued

In January 2017 the City publicly issued at a premium 20-year Utility Revenue Bonds Series 2017, par amount of bonds \$4,795,000 to be used for the construction and land acquisition of a new public works facility. The TIC is stated at 2.89% with average annual principal and interest payments due of \$337,311. These bonds were rated by S&P Global being assigned an “AA” rating.

In February 2015 the City entered into a 5- year Lease Purchase Agreement for \$220,000 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.

Recently 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.

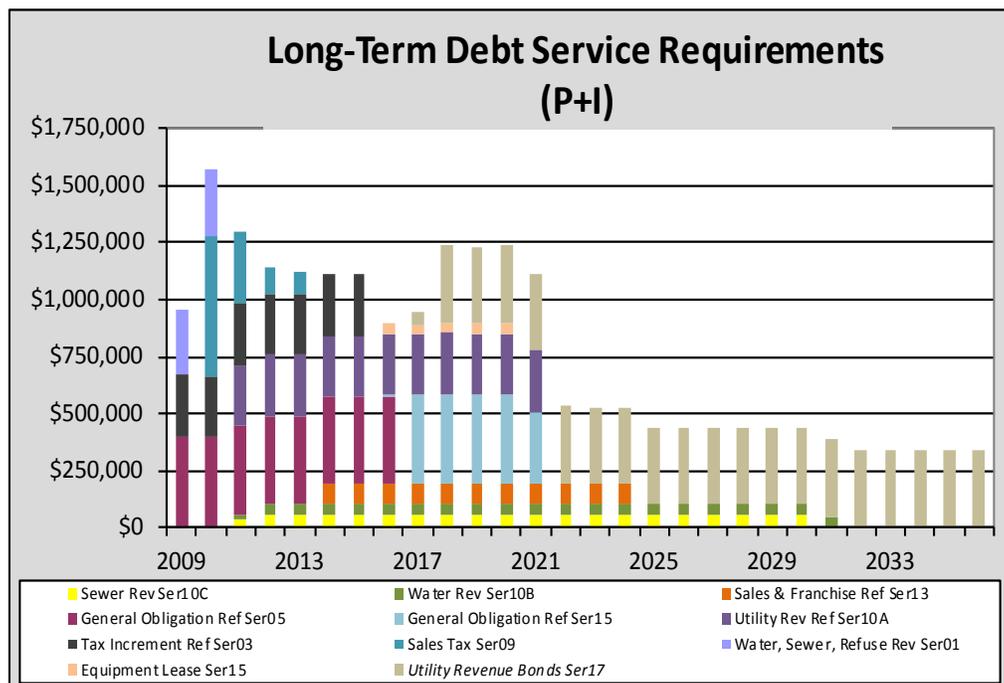


Figure 18 (above) represents total annual debt service requirements through 2037.

EXECUTIVE SUMMARY – REQUIREMENTS

Debt Limits

The State of Utah limits a city’s direct general obligation debt to 4 percent of assessed valuation; in 2017, the City’s outstanding GO debt is 0.4 percent of assessed value.

Outstanding Long-Term Debt (Bonds)											
Fiscal Year ended June 30, 2017											
Fund	Bonds Outstanding	Series	Activity	Par Amount	Ending Balance	Principal Due within one year	Interest Due within one year	Maturity (year)	True Interest Cost	*Rating	
Debt Service	Fund 65	General Obligation Refunding	2015	Governmental	1,802,000	1,439,000	373,000	22,524	2021	1.83%	Not rated
	Fund 57	Sales and Excise Tax Revenue	2013		1,097,000	699,000	106,000	13,840	2024	1.98%	Not rated
Utilities Refuse, Water, Sewer, Storm	Fund 50	Utility Revenue	2010A	Business-Type	2,425,000	1,175,000	225,000	39,800	2021	3.70%	Underlying AA
	Fund 51	Utility Revenue	2010B		708,000	543,000	31,000	19,331	2031	3.53%	Not rated
	Fund 52	Utility Revenue	2010C		835,000	295,000	38,000	15,700	2031	2.49%	Not rated
	Fund 50	Utility Revenue	2017		4,795,000	4,795,000	170,000	165,275	2037	2.89%	Underlying AA
Total Outstanding					\$11,662,000	\$8,946,000	\$ 943,000	\$276,470			

Table 21 – Long-term debt (bonds) outstanding as of June 30, 2017

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 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.

EXECUTIVE SUMMARY – REQUIREMENTS

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 as of June 30, 2017, two have been rated—Water, Sewer, and Refuse Collection Revenue Refunding Bonds, Series 2010 and Utility Revenue Bonds, Series 2017. The remaining four issuances have been privately placed and unrated.

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 and Utility Revenue Bonds, Series 2017. The rating assigned to these bonds was 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 S&P is AAA.

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

EXECUTIVE SUMMARY – REQUIREMENTS

Interfund Transfers & Charges are defined as 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 2018. 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 16 percent or \$387,028 in 2019 moving from \$2,361,514 in 2018 to \$1,974,486 in 2019. Said decrease is largely due to budget speculation of excess reserves to be transferred from the General Fund to the Capital Projects Fund at 2018 year end.

**GENERAL FUND
OPERATING BUDGETS**

General Government

Mayor & City Council

Administration

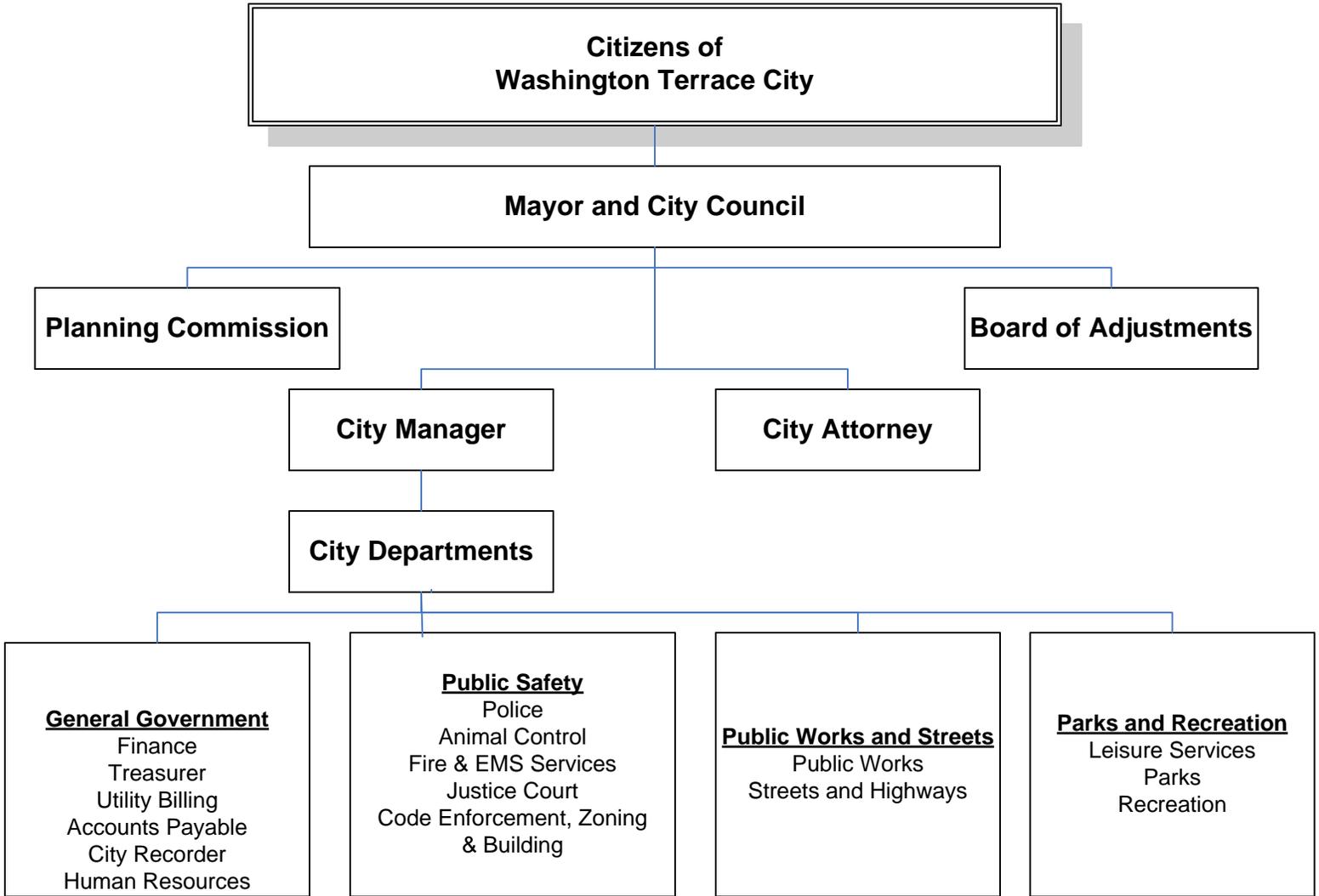
Human Resources

Finance & Budget

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.

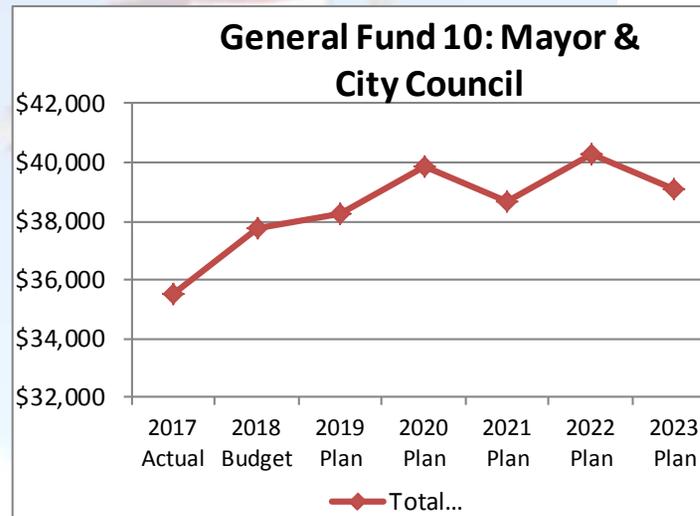
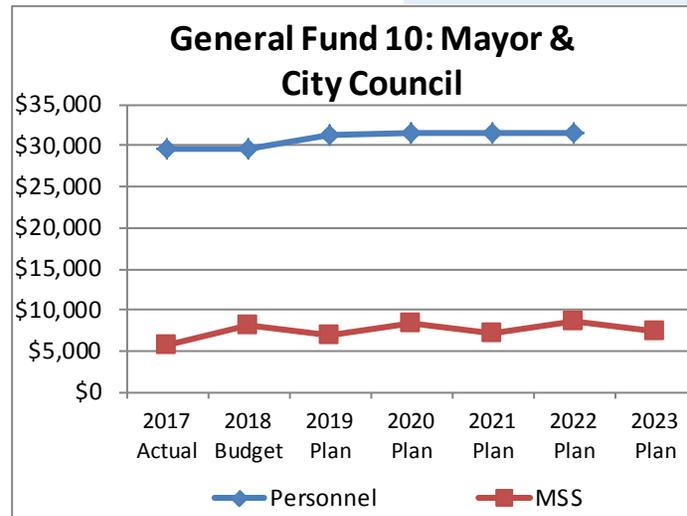
General Fund 10: Mayor & City Council							
Requirements by Major Object	2017 Actual	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Personnel	29,740	29,661	31,392	31,475	31,558	31,642	31,727
Materials, Supplies, and Services	5,770	8,106	6,831	8,359	7,092	8,628	7,368
Total Requirements	\$ 35,510	\$ 37,767	\$ 38,223	\$ 39,834	\$ 38,650	\$ 40,270	\$ 39,095
<i>\$ Change from Prior Period</i>	<i>\$ 2,447</i>	<i>\$ 2,257</i>	<i>\$ 456</i>	<i>\$ 1,611</i>	<i>\$ (1,185)</i>	<i>\$ 1,620</i>	<i>\$ (1,175)</i>
<i>% Change from Prior Period</i>	<i>7%</i>	<i>6%</i>	<i>1%</i>	<i>4%</i>	<i>-3%</i>	<i>4%</i>	<i>-3%</i>

The Mayor and Council’s budget requirements are expected to increase by 1 percent in 2019. Fluctuations in requirements in 2020 – 2023 are associated with onetime technology requirements expected in even numbered years.

GENERAL GOVERNMENT: MAYOR AND CITY COUNCIL

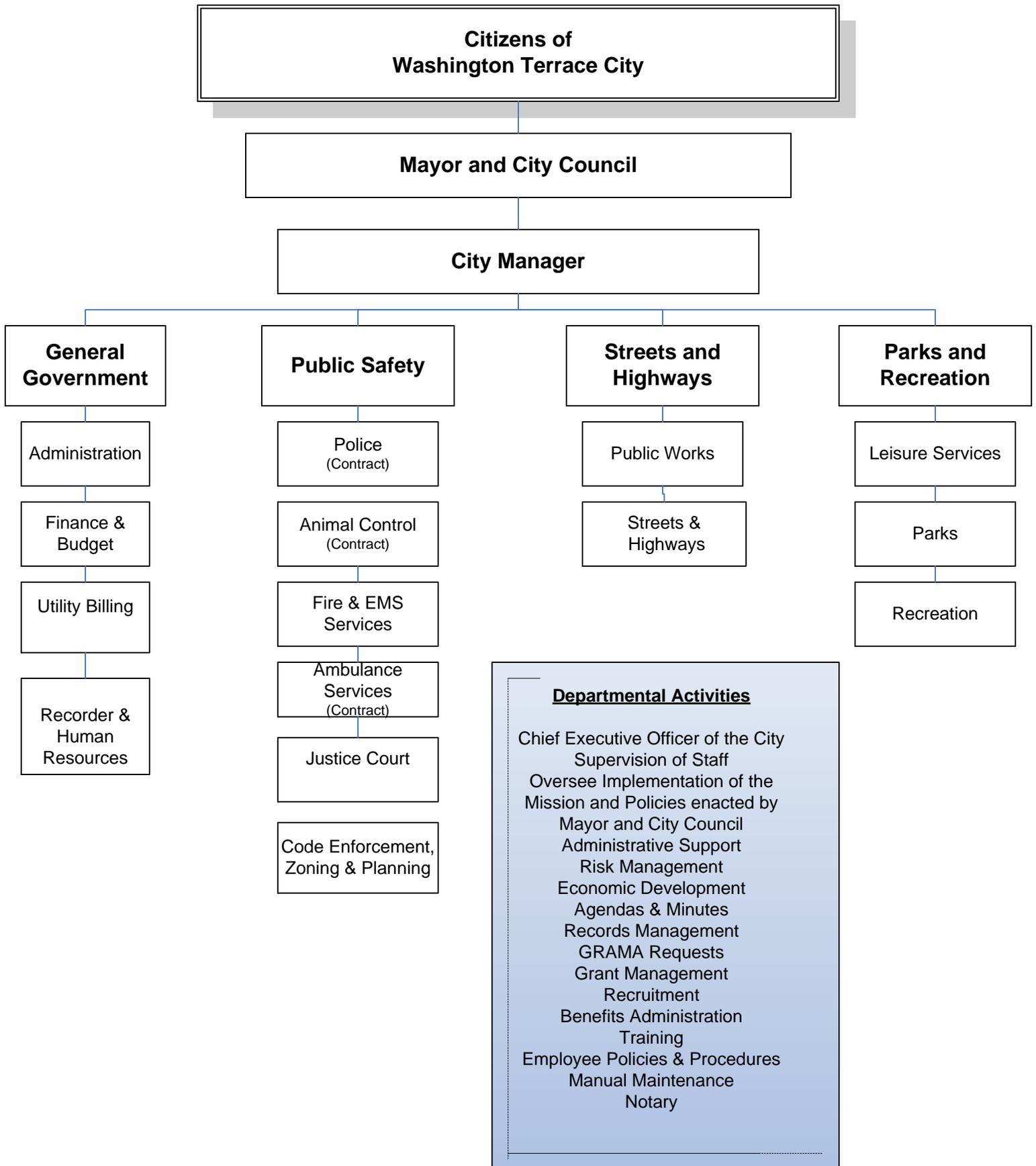
Personnel costs, that include salaries/wages, benefits, allowances, and travel and training, are expected to increase by 6 percent or \$1,200. Personnel requirements between 2020 and 2023 are also expected to remain relatively flat.

Materials, Supplies, and Services (MSS) include costs for professional membership dues, public relations, and office equipment/supplies. Budget increases in 2018, 2020, and 2022 are largely attributed to replacing mobile technology needs.



GENERAL GOVERNMENT- ADMINISTRATION

City of Washington Terrace Organizational Structure



GENERAL GOVERNMENT: ADMINISTRATION

Administration Mission :

The mission of Administration 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

Our Vision is to insure the organization carries out the will of the Mayor and Council in the governance of our community, while promoting excellence in internal and external customer service and serving the residents of the community with integrity.

Department Overview and Objectives

The Administration Department is comprised of the City Manager and the City Recorder/Human Resources.

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 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.

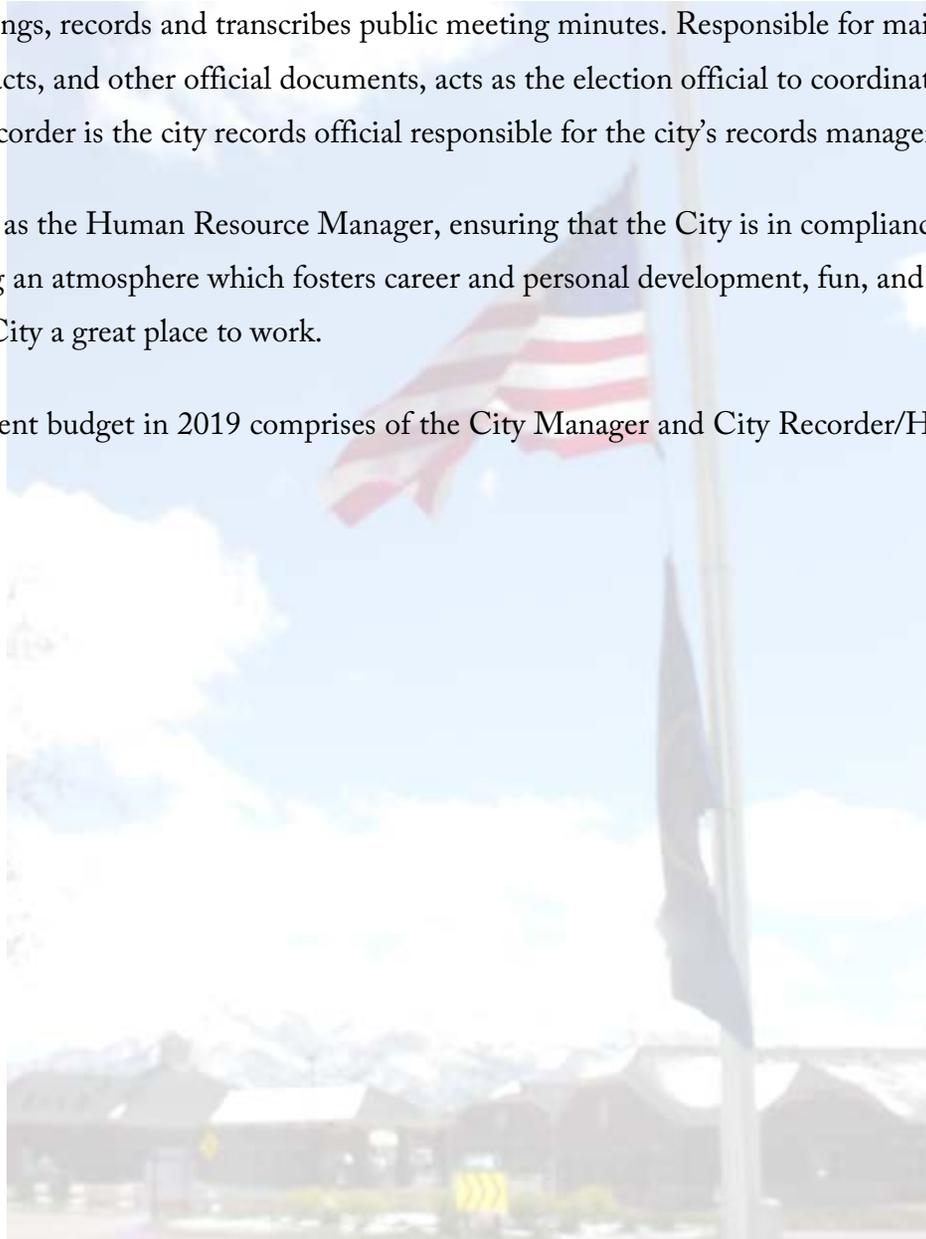
Our department is responsible for maintaining detailed, accurate records of the business conducted by its elected officials. The Recorder's Office offers services and programs that include, but not limited to: preparing and posting agendas and notices for

GENERAL GOVERNMENT: ADMINISTRATION

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.

The City Recorder also serves as the Human Resource Manager, ensuring that the City is in compliance with state and federal labor practices, and facilitating an atmosphere which fosters career and personal development, fun, and safety. Human Resources strive to make the City a great place to work.

The Administration Department budget in 2019 comprises of the City Manager and City Recorder/Human Resources representing 2 FTEs.



GENERAL GOVERNMENT: ADMINISTRATION

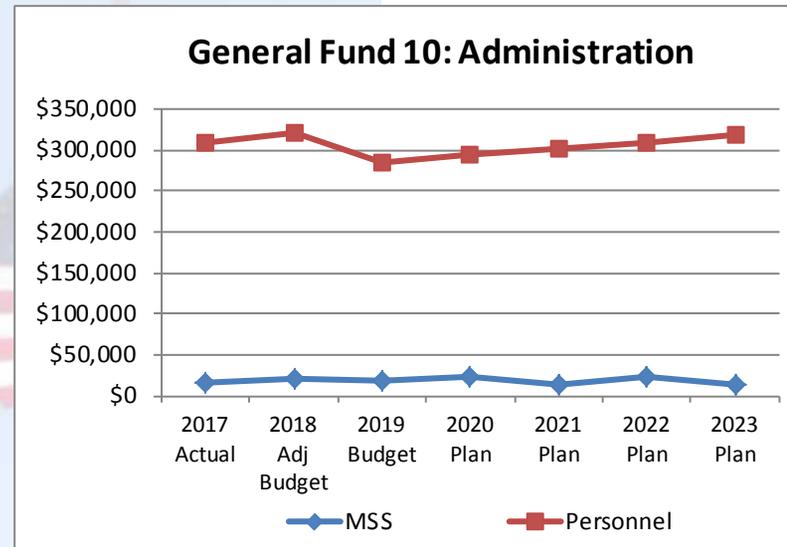
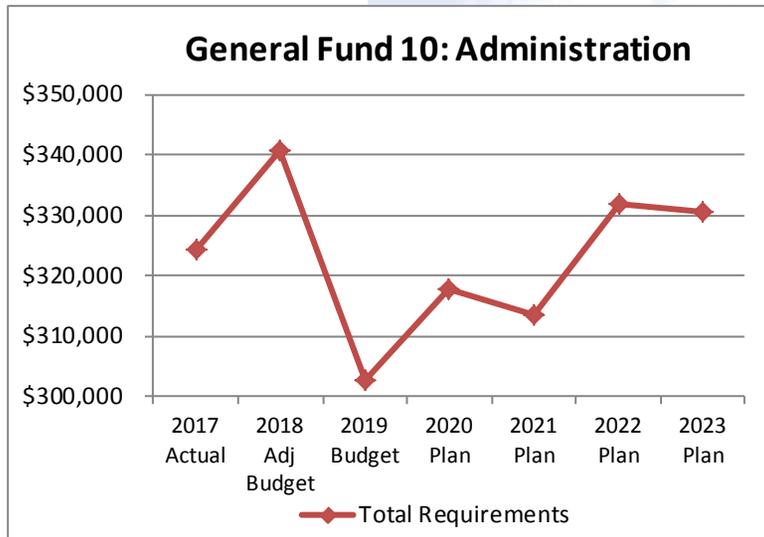
Genral Fund 10: Administration							
Requirements by Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Personnel	308,377	320,000	284,000	294,019	300,278	308,785	317,547
Materials, Supplies, and Services	15,991	20,700	18,800	23,850	13,100	23,100	13,100
Total Requirements	\$ 324,367	\$ 340,700	\$ 302,800	\$ 317,869	\$ 313,378	\$ 331,885	\$ 330,647
<i>\$ Change from Prior Period</i>	<i>\$ 11,220</i>	<i>\$ 16,333</i>	<i>\$ (37,900)</i>	<i>\$ 15,069</i>	<i>\$ (4,491)</i>	<i>\$ 18,507</i>	<i>\$ (1,238)</i>
<i>% Change from Prior Period</i>	<i>4%</i>	<i>5%</i>	<i>-11%</i>	<i>5%</i>	<i>-1%</i>	<i>6%</i>	<i>0%</i>

Personnel costs account for salaries/wages, benefits/allowances (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). Salaries/wages and benefits are expected to increase according to the City's compensation philosophy (increases vary with each position) and subject to funding availability. The 2019 budget proposes full implementation of all personnel costs consistent with the City compensation plan.

Personnel requirements are expected to decrease by 11 percent or \$36,000 in 2019 then average 2-4 percent annual increases through 2023. In January 2018, the City reorganized the Administration, Treasurer/Human Resources/Utility Billing, and Recorder Departments. Said decrease in 2019 is largely attributed to said reorganization.

Materials, Supplies, and Services (MSS) are expected to decrease by 9 percent or \$1,900 in 2019 then increase every even numbered year in funding municipal elections. In January 2018, the City reorganized the Administration, Treasurer/Human Resources/Utility Billing, and Recorder Departments. Said decrease in 2019 is largely attributed to said reorganization.

GENERAL GOVERNMENT: ADMINISTRATION



GENERAL GOVERNMENT: ADMINISTRATION

Fiscal Year 2017 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 2019 budget.
	Operate within budget parameters	Oversaw the budget and construction of the Public Works facility and collectively brought the project to a successful complexation on time and under budget.
	Revenue Generation	Successfully served as grant application coordination on 2018 grant. Grant funds to be awarded total \$198765. Project include Sewer repair and restoration on 4525 S. Applied for Trust Accountability TAP grant with awarded amount \$2500.
Open and Responsive Government	Keep Stakeholders Informed	Produced meaningful 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.
		Oversaw Good Landlord Program documentation, tracking, and Program Enforcement issues to comply with City ordinance and help promote a cleaner safer environment. Successfully coordinated transitioning Program to a new administrator.
	Keep Stakeholders Informed	Informed candidates and voters of 2017 election information and cancellation
Sustainable Growth / Economic Development	Philanthropic Support of City Sponsored Events	Successfully coordianted efforts with community businesses to support our Terrace Days event in excess of \$8,000.
	Strategically Administer the RDA	Worked collaboratively with Golden West Credit Union to acquire and close on land within the South East Area RDA.
	Update Codes to Encourage Economic Development	Proactively worked with staff, the Planning Commission and the City Council to allow for increased density for in-fill properties and received first in-fill property development approval.
Public Safety and Health	Public Safety Operations	Cooperatively negotiated a monthly building lease for ambulance services that will financially support recruitment and retention of fire department personnel.

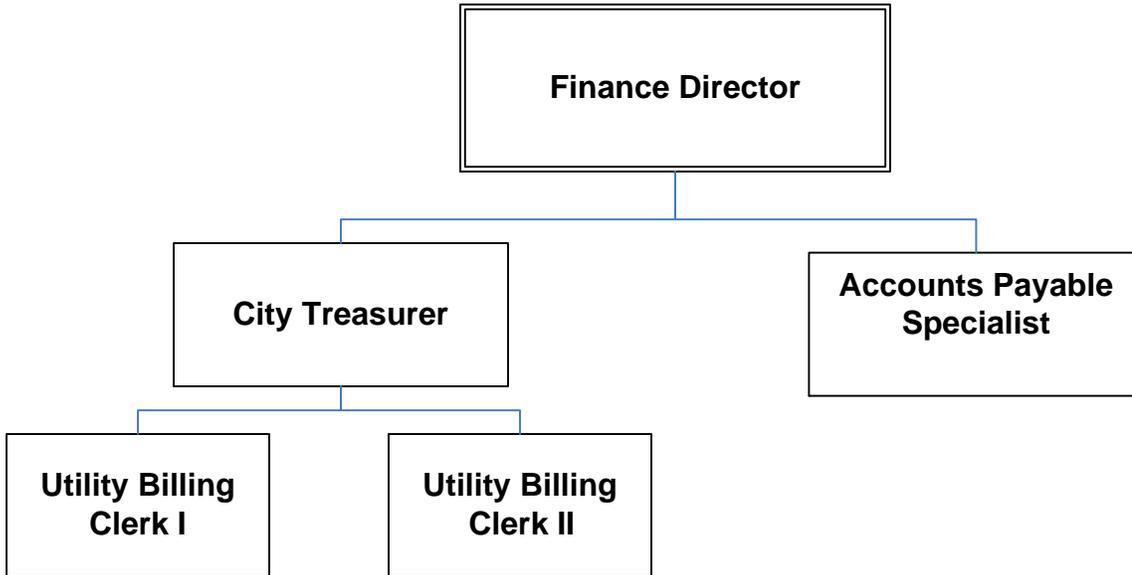
Fiscal Year 2018 Goals		
Legislative Policy	Objective	Department Strategy
Fiscal Responsibility	Budget Document	Review Council Policy Priorities with Council and Staff to clarify objectives and outcomes of the budget process.
	Operate within Budget Parameters	Manage the Public Works project to ensure the project does not increase in scope beyond budget parameters.
	Online Services	Coordiante efforts to improve online services for the building department.
Open and Responsive Government	Keep Stakeholders Informed	Continue to update relevent department information on website, facebook, newsletter, and by mail when necessary. Codify ordinances on website in a timely manner and attach corresponding ordinance for easy viewing. Serve as Certified Records officer and maintain governmental records in accordance with State Archives. Fill requests for records under the GRAMA law in a timely manner.
		Engage in meaningful correspondence with stakeholders monthly through the news letter and social; media outlets.
Sustainable Growth / Economic Development	Annexation Plan	Work with RDA land owners to establish a developert plan for RDA related properties.
Regional Cooperation	Coordinate, develop, and maintain cohesive relationships with local, regional, and state agencies	Serve on the board of Regional Recorders Association, attend state association trainings. Assist County in 2018 election through information and coordination. Attend regional and state wide trainings.

GENERAL GOVERNMENT: ADMINISTRATION

Performance Measures													
Legislative Policy Statement	Legislative Objective	Program	Performance Measure	Target	Actual								
				2014	2014	2015	2015	2016	2016	2017	2017	2018	2018
All	All	Administration	% of departmental goals met on an annual basis	90	90	90	90	90	90	90	90	90	90
Open and Responsive Government	Stakeholders informed	Administration	% of Council Policy Priorities accomplished during year	90	90	90	90	90	90	90	90	90	90
			# of Facebook and newsletter posting	40	56	52	65	52	63	52	58	52	52
			# program and project updates to Council	50	60+	50	52	50	48	50	49	50	45
Economic Development	Development Planning	Economic Development	# of months with economic development activities and promotion	12	12	12	12	12	12	12	12	12	12
Sustainable and Effective Public Safety	Sheriff Reports	Administration	% of monthly reports	90	100	100	100	100	100	100	NA	NA	NA
	Fire Reports		% of quarterly reports	100	100	100	100	100	100	100	100	100	100
	Animal Control Reports		% of quarterly reports	100	100	100	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	12
		Planning / Economic Development	# of evaluations for possible development	6	6	6	3	6	6	6	7	6	2
Family Oriented Community	Leisure Services / City manager	Administration	# program and project updates to Council	40	42	40	52	40	50	40	48	40	42
			# of programs evaluated and updated	4	4	6	6	6	6	6	3	4	4
			Annual Terrace Day Evaluations				1	1	1	1	1	1	1
Infrastructure	Public Works	Administration	Semi Annual infrastructure evaluations and planning			Annual			1		1	2	1
Emergency Management	All	All	# of times Emergency Plan reviewed and exercised	2	2	2	2	2	2	2	2	1	0
Regional Cooperation	All	All	# of outreach opportunities to engage regional cooperation that supports the City	12	12	12	14	12	12	12	12	12	14

GENERAL GOVERNMENT- FINANCE & BUDGET

City of Washington Terrace
Organizational Structure



- Departmental Activities**
- Operating & Capital Budgeting
 - Financial Reporting
 - Audit
 - Payroll
 - Asset Management
 - Financial Analysis
 - Accounts Payable
 - Business Licensing
 - Utility Billing
 - Frontline Customer Service
 - Cash Receipting
 - Newsletter
 - Investments
 - Notary

GENERAL GOVERNMENT: FINANCE & BUDGET

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, and timely records of the City's financial activities.

GENERAL GOVERNMENT: FINANCE & BUDGET

Services & Programs Overview

The services and programs of the Finance Department include, but not limited to:

- Annual Budget - Preparation and Monitoring
- Financial Reporting - Internal and external
- Audit - Coordinate the completing the annual financial audit
- Accounts Receivables & Cash Receipting
- Cash Disbursements -- Payroll and Accounts Payable
- Asset Management
- Investment Management

GENERAL GOVERNMENT: FINANCE & BUDGET

General Fund 10: Finance & Budget

Requirements by Major Object	2017 Actual	2018 Budget	Adj 2019 Budget	2020	Plan 2021	Plan 2022	Plan 2023	Plan
Personnel	181,706	190,000	304,000	313,110	321,587	331,040	340,977	
Materials, Supplies, and Services	24,966	35,890	44,325	49,965	46,565	47,065	47,465	
Total Requirements	\$ 206,672	\$ 225,890	\$ 348,325	\$ 363,075	\$ 368,152	\$ 378,105	\$ 388,442	
<i>\$ Change from Prior Period</i>	<i>\$ 3,810</i>	<i>\$ 19,218</i>	<i>\$ 122,435</i>	<i>\$ 14,750</i>	<i>\$ 5,077</i>	<i>\$ 9,953</i>	<i>\$ 10,337</i>	
<i>% Change from Prior Period</i>	<i>2%</i>	<i>9%</i>	<i>54%</i>	<i>4%</i>	<i>1%</i>	<i>3%</i>	<i>3%</i>	

Personnel costs account for salaries/wages, benefits/allowances (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). Salaries/wages and benefits are expected to increase according to the City's compensation philosophy (increases vary with each position) and subject to funding availability. The 2019 budget proposes full implementation of all personnel costs consistent with the City compensation plan.

Personnel costs in the 2019 budget are expected to increase by 60 percent or \$114,000 then increase by 3 percent annually between 2020 and 2023. In January 2018, the City reorganized the Administration, Treasurer/Human Resources/Utility Billing, and Recorder Departments. Said increase in 2019 is largely attributed to said reorganization.

The number of full-time equivalents (FTEs) are 4.05 beginning in 2019.

Materials, Supplies, and Services (MSS) are expected to increase by 24 percent or \$8,435 in 2019. Said increase is largely attributed to department reorganization.

GENERAL GOVERNMENT: FINANCE & BUDGET

Fiscal Year 2018 Accomplishments and Highlights		
Legislative Policy	Objective	Department Strategy
Open and Responsive Government	Be Responsive to Customers Needs, Stakeholder Relationships and Dissimination of Information	Participated in the reorganization of the Finance and Administration Department to achieve greater efficiencies and effectiveness.
		Upgraded and trained on new financial account system--Connect.
		Developed plan and approach to training new Finance staff on core position responsibilities.
Fiscal Responsibility	Diligently Manage Public Funds and Resources	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.

Fiscal Year 2019 Goals		
Legislative Policy	Objective	Department Strategy
Open and Responsive Government	Be Responsive to Customers Needs, Stakeholder Relationships and Dissimination of Information	Actively participate in fire consolidation feasibility discussions and information gathering.
		Finance Department staff trained on all core position competencies.
		Represent the City and government finance professionals as president of the UGFOA.
Fiscal Responsibility	Diligently Manage Public Funds and Resources	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 & BUDGET

Performance Measures

Legislative Policy Statement	Legislative Objective	Performance Measure	Target	Actual								
			2014		2015		2016		2017		2018	
Fiscal Responsibility	Fiscal Management/Development	# of months for budget process	7	7	7	7	7	7	7	7	7	7
		# of public tentative budget meetings in a year	3	3	4	4	5	5	5	5	5	5
		# of months to close out year end and produce CAFR	5	5	5	5	5	5	5	5	5	5
Open and Responsive	Disseminate Information	# of months report financials to council	12	12	12	12	12	12	12	12	12	12
		# of quarterly reports presented to council	4	4	4	4	4	4	4	4	4	4

Output Measures

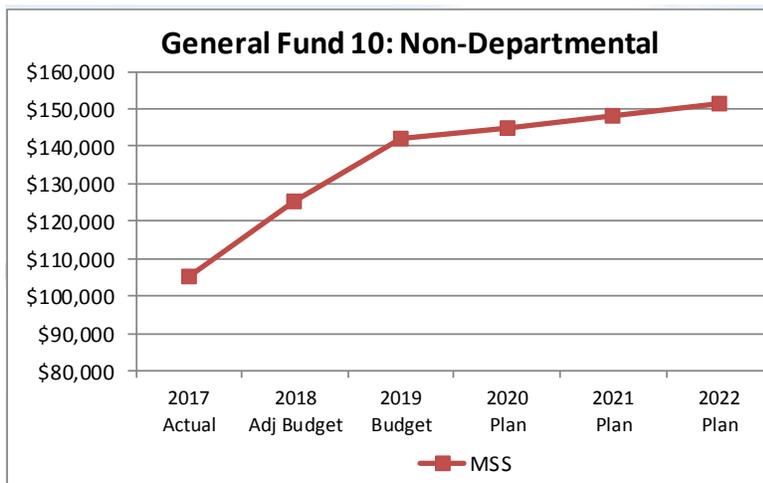
# of business licenses issued annually	na	438	na	423	na	444	na	421	na	315
# of Good Landlord Program participants	na	115	na	125	na	124	na	132	na	139

GENERAL GOVERNMENT – NON-DEPARTMENTAL

General Fund 10: Non-Departmental

Requirements by Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Materials, Supplies, and Services	105,508	125,294	142,101	145,031	148,065	151,207	154,462
Total Requirements	\$ 105,508	\$125,294	\$ 142,101	\$ 145,031	\$ 148,065	\$ 151,207	\$ 154,462
<i>\$ Change from Prior Period</i>	\$ 3,936	\$ 19,786	\$ 16,807	\$ 2,930	\$ 3,034	\$ 3,142	\$ 3,255
<i>% Change from prior period</i>		4%	19%	2%	2%	2%	2%

Materials, Supplies, and Services (MSS) requirements for Non-Departmental largely consist of

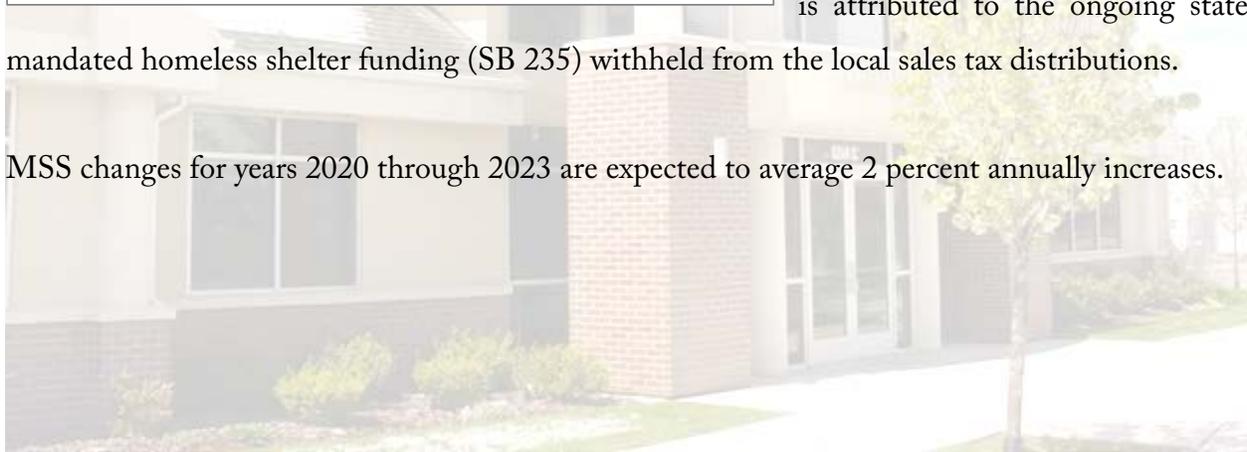


general liability and property insurance, contingency, IT maintenance and support, and emergency preparedness related expenditures.

MSS requirements are expected to increase by 13 percent or \$16,807 in 2019. Of said increase \$15,880 is attributed to the ongoing state

mandated homeless shelter funding (SB 235) withheld from the local sales tax distributions.

MSS changes for years 2020 through 2023 are expected to average 2 percent annually increases.

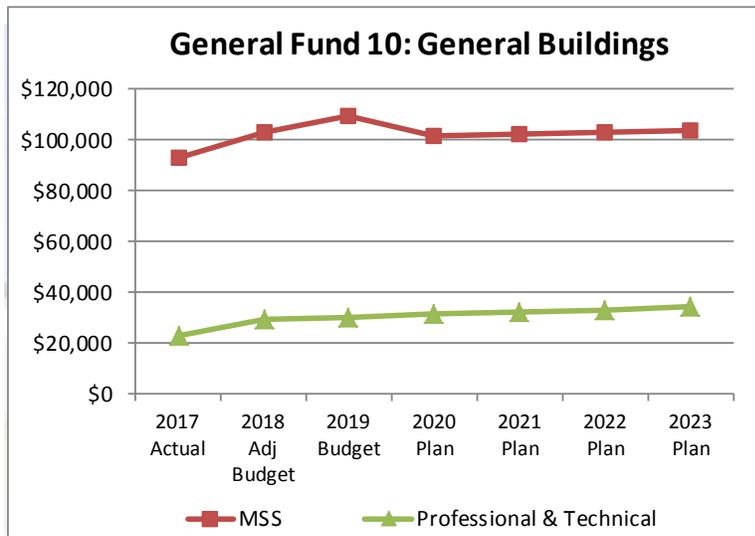


GENERAL GOVERNMENT – BUILDINGS

General Fund 10: Buildings

Requirements by Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Materials, Supplies, and Services	92,746	103,204	109,436	101,345	102,060	102,782	103,510
Professional & Technical	23,447	29,628	30,519	31,435	32,378	33,349	34,349
Total	\$ 116,193	\$ 132,832	\$ 139,955	\$ 132,780	\$ 134,438	\$ 136,131	\$ 137,859
<i>\$ Change from Prior Period</i>	\$ 528	\$ 16,639	\$ 7,123	\$ (7,175)	\$ 1,658	\$ 1,693	\$ 1,728
<i>% Change from Prior Period</i>	0%	14%	5%	-5%	1%	1%	1%

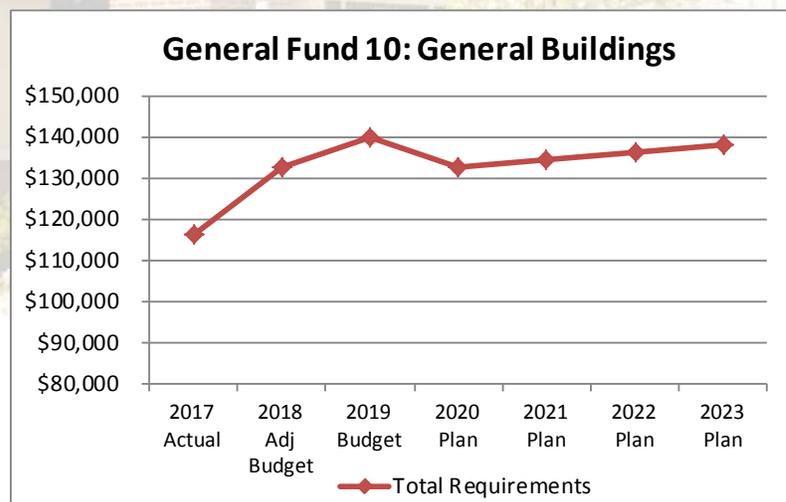
Materials, Supplies, and Services (MSS) and Professional & Technical include costs related to



the operations and maintenance of City operated public buildings— City Hall, Civic Center, and the Public Works Facility.

MSS in 2019 are expected to increase by 6 percent or \$6,232. Said net increase is attributed to additional utility requirements for the new public works facility.

Professional & Technical requirements are expected to increase by 3 percent or \$891 in 2019. Said increase is largely attributed to contractual increases for custodial services.



Public Safety

Animal Control

Building, Planning & Zoning

Fire

Emergency Medical Services

Justice Court

Police

PUBLIC SAFETY – ANIMAL CONTROL

General Fund 10: Public Safety - Animal Control

Requirements by Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Materials, Supplies, and Services	120	500	250	250	250	250	250
Professional & Technical	51,049	55,306	55,160	57,175	59,268	61,444	63,705
Total Requirements	\$ 51,169	\$ 55,806	\$ 55,410	\$ 57,425	\$ 59,518	\$ 61,694	\$ 63,955
<i>\$ Change from Prior Period</i>	<i>\$ 1,752</i>	<i>\$ 4,637</i>	<i>\$ (396)</i>	<i>\$ 2,015</i>	<i>\$ 2,093</i>	<i>\$ 2,176</i>	<i>\$ 2,261</i>
<i>% Change from Prior Period</i>	<i>4%</i>	<i>9%</i>	<i>-1%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>

Animal Control services include the cost for animal licensing, sheltering, and control services. While animal licensing services are performed internally, sheltering and adoption services are provided by Weber County and control services are provided by South Ogden City.

Total animal control services requirements are expected to decrease by 1 percent or \$396 in 2019, then average 4 percent annual increases for each year thereafter through 2023.

Contract animal sheltering services budget projections of \$18,350 are down from 2018 estimates of \$19,564.



Contract animal control service fees for South Ogden City are expected to increase from \$35,492 in 2018 to \$36,560 in 2019 or a 3 percent increase. Contract provisions allow annual increases up to the change in the consumer price index or as otherwise negotiated. 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

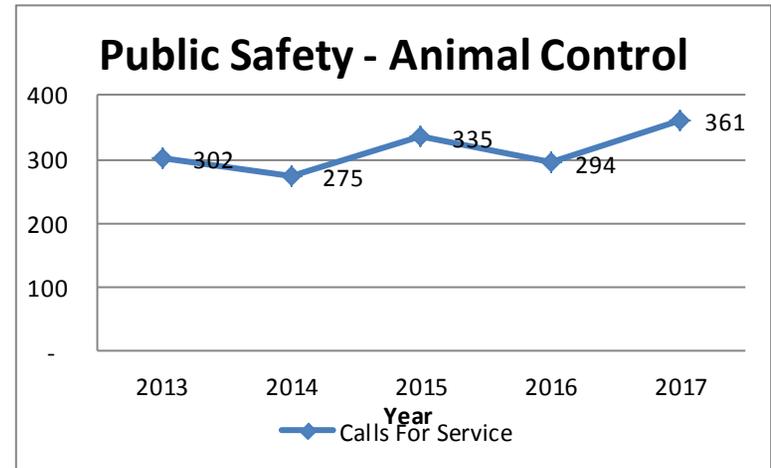
PUBLIC SAFETY – ANIMAL CONTROL

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.



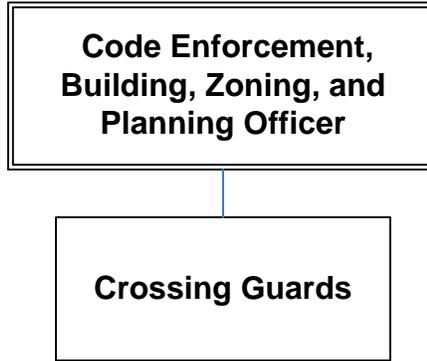
For more information on South Ogden Animal Services, visit them online at www.southogdencity.com.

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

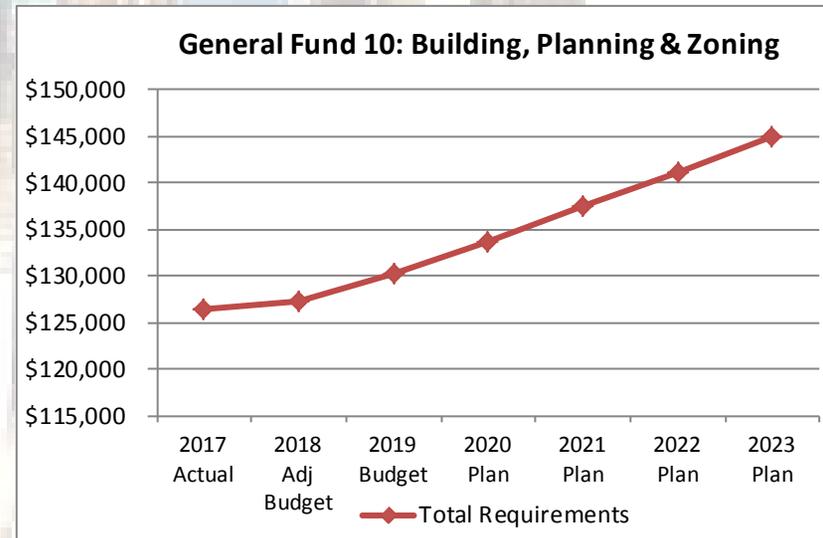
The Building, Planning, and Zoning Department oversee the construction and renovation of buildings and structures in the City and ensure compliance with applicable zoning, construction, and building codes; enforces zoning and nuisance ordinances; and coordinates with the Planning Commission on zoning 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	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Personnel	111,076	116,800	118,882	122,377	125,977	129,684	133,503
Materials, Supplies, and Service	15,405	10,590	11,352	11,396	11,442	11,491	11,542
Total	\$ 126,481	\$ 127,390	\$ 130,234	\$ 133,773	\$ 137,419	\$ 141,175	\$ 145,045
<i>\$ Change from Prior Period</i>	\$ 10,238	\$ 909	\$ 2,844	\$ 3,539	\$ 3,646	\$ 3,756	\$ 3,870
<i>% Change from Prior Period</i>	9%	1%	2%	3%	3%	3%	3%

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 2019 budget proposes full implementation of all changes consistent with the City compensation plan.



Personnel requirements are expected to increase by 2 percent or \$2,082 in 2019 and 3 percent annual increases through 2023. Department FTEs are expected to remain at 1.56 for years 2019-2023.

PUBLIC SAFETY – BUILDING, PLANNING & ZONING

Materials, Supplies, and Services (MSS) are expected increase by 7 percent or \$762 in 2019 then remain flat through 2023. In 2017, MSS included \$6,500 in one-time legal fees to address a greater number development reviews and drafting changes to the City’s zoning ordinance.

Fiscal Year 2018 Accomplishments and Highlights

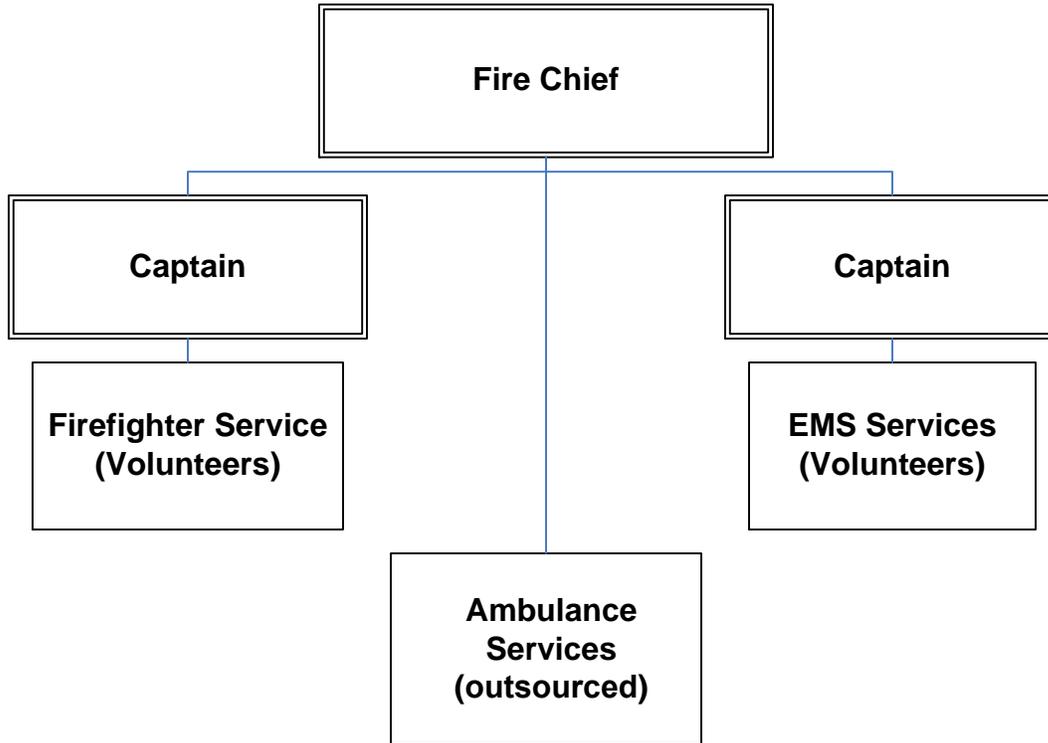
Legislative Policy	Objective	Department Strategy
Sustainable Growth through Vision and Planning	Review and update the zoning, planning, and building standards of the City.	Successfully coordinated efforts with the Planning Commission, Staff and City Council to create zoning standards that increased density for in-fill projects in an effort to make infill projects more attractive for development. Ultimately, the zoning standard was approved and the first in-fill development is now approved and under construction.
Sustainable Growth through Vision and Planning	Review and update the zoning, planning, and building standards of the City.	Successfully modified the corner lot fence ordinance to provide the residents guidelines to allow fencing next to the street side property. Coordinated with the city staff, Planning Commission and Council to improve the fence ordinance while protecting line of sight requirements.
Open and Responsive Government	Update the city ordinances to ensure that information is timely, pertinent, and helpful to the City codes.	Monitor and track legislative changes that impact the City of Washington Terrace's Municipal code. As a result I revised and took corrective action to the City's Municipal Code where necessary through codification and amendments.

PUBLIC SAFETY – BUILDING, PLANNING & ZONING

Performance Measures															
Legislative Goal	Legislative Objective	Program	Performance Measure	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target			
				2014		2015		2016			2017	2018			
Open & Responsive Government	Improve Customer Service	Planning	% of cases that action taken within 30 days	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		
			% of applications completed and on agenda within 14 days	100	100	100	100	100	100	100	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			135	na		na		155	na		189	na
			# of building inspections			405	na		na		465	na		527	na

PUBLIC SAFETY- FIRE AND EMERGENCY MEDICAL SERVICES

City of Washington Terrace
Organizational Structure



Departmental Activities

- Volunteer Fire Service
- Emergency Medical Service
- Fire Marshall
- Ambulance Service
- Building Inspections
- Permit Issuance
- Training

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.



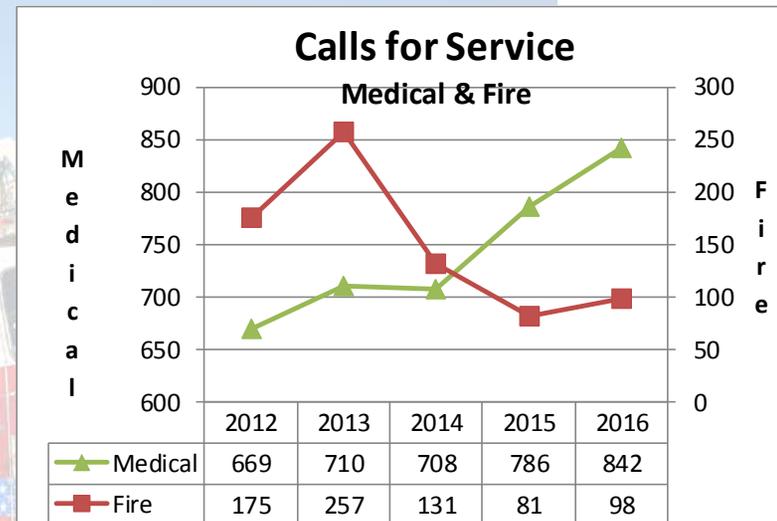
PUBLIC SAFETY – FIRE & EMERGENCY MEDICAL SERVICES

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	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Personnel	192,084	202,000	266,500	277,695	285,876	294,302	302,981
Materials, Supplies, and Service	27,784	54,443	59,063	59,112	49,835	50,594	51,391
Total	\$ 219,868	\$ 256,443	\$ 325,563	\$ 336,807	\$ 335,711	\$ 344,896	\$ 354,372.00
<i>\$ Change from Prior Period</i>	<i>\$ (8,401)</i>	<i>\$ 36,575</i>	<i>\$ 69,120</i>	<i>\$ 11,244</i>	<i>\$ (1,096)</i>	<i>\$ 9,185</i>	<i>\$ 9,476</i>
<i>% Change from Prior Period</i>	<i>-4%</i>	<i>17%</i>	<i>27%</i>	<i>3%</i>	<i>0%</i>	<i>3%</i>	<i>3%</i>

Personnel costs account for salaries/wages, benefits/allowances (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). Salaries/wages and benefits are expected to increase according to the City’s compensation philosophy (increases vary with each position) and subject to funding availability. The 2019 budget proposes full implementation of all personnel costs consistent with the City compensation plan, additionally volunteer firefighter/ems shift stipend pay experienced increases greater than the standard pay plan to address recruitment and retention challenges.

Budgeted Personnel requirements are expected to increase by 32 percent or \$64,500 in 2019. Of said amount \$55,000 is attributed to increasing volunteer firefighter/ems shift pay.

Materials, Supplies, and Services (MSS) are expected to increase by 8 percent or \$4,620 in 2019. Of Said amount a net \$5,314 is attributed to one-time expenses include mandated state reporting software and mobile fleet radios. Ongoing expenses are expected to decrease by a net \$694.

PUBLIC SAFETY – FIRE & EMERGENCY MEDICAL SERVICES

Fiscal Year 2018 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 Responsibility	Apply for grants	Applied for and received \$3,000 From Ems Grant to help fund the city's Emergency Medical Responce efforts Succsesfully Nagotiated contract with Ogden City to provied \$55,000 to help with department costs
Open and Responsive Government	Community Outreach	Provided Emergency preparedness information through social media
Emergency Preparedness	Training	Participated in the Utah Shakeout earthquake drill

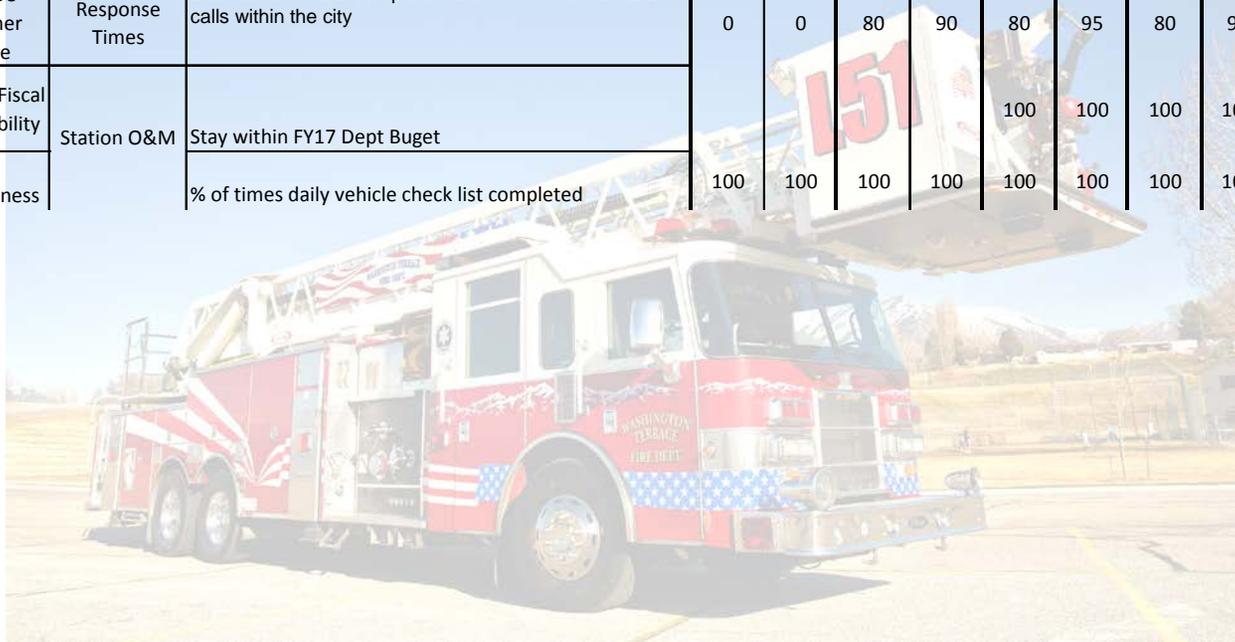
Fiscal Year 2019 Goals

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 within 2 months of promotion.
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. Participated in the Utah Shakeout earthquake drill
Public Safety and Health	Training	Provide Viable and useful EOC training for city employees. Plan and conduct city Shake out Drill



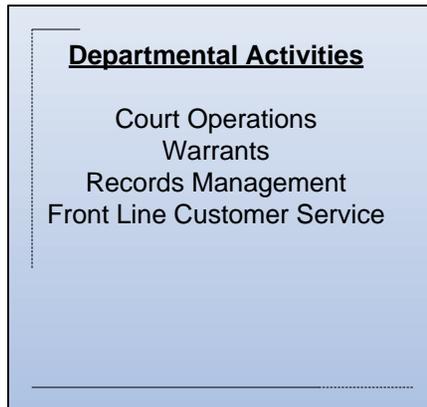
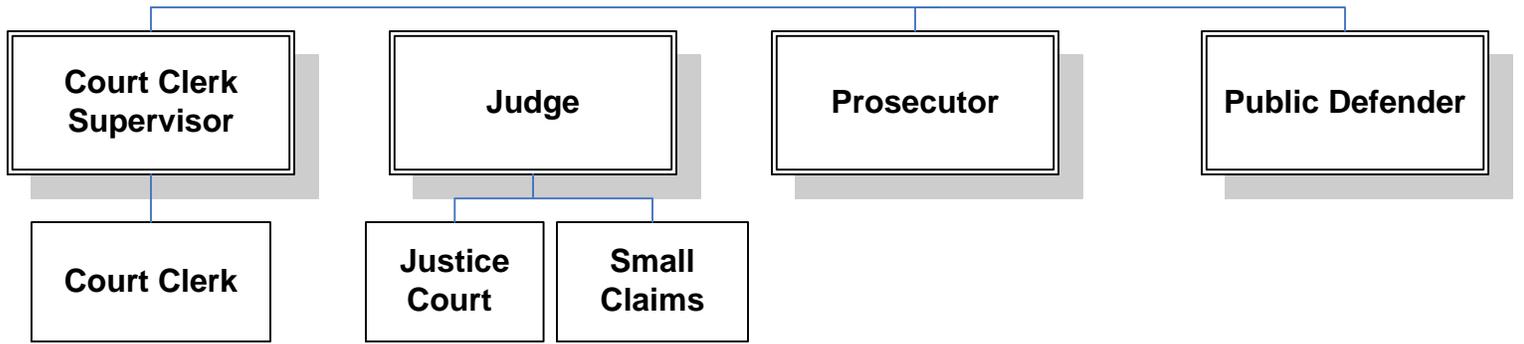
PUBLIC SAFETY – FIRE & EMERGENCY MEDICAL SERVICES

Performance Measures														
Fire & Emergency Medical Services Department														
Council Goal	Council Objective	Program	Performance Measure	Target	Actual	Target								
				2013		2014		2015		2016		2017		2018
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	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	80	90	80	95	80	95	80	95	80
	Maintain Fiscal Responsibility	Station O&M	Stay within FY17 Dept Budget					100	100	100	100	100	100	100
Emergency Preparedness	City Preparedness		% of times daily vehicle check list completed	100	100	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.

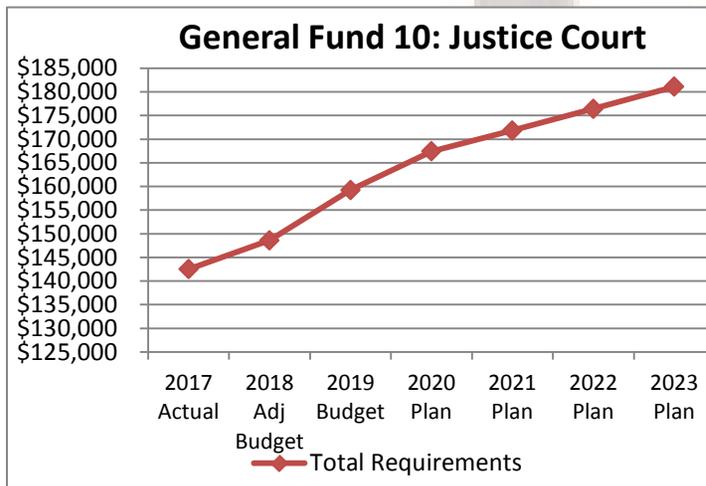
Department Overview

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	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Personnel	126,181	131,422	142,060	150,235	154,655	159,207	163,896
Materials, Services, and Supplies	16,339	17,200	17,200	17,200	17,200	17,200	17,200
Total Requirements	\$ 142,520	\$ 148,622	\$ 159,260	\$ 167,435	\$ 171,855	\$ 176,407	\$ 181,096
<i>\$ Change from Prior Period</i>	\$ 7,243	\$ 6,102	\$ 10,638	\$ 8,175	\$ 4,420	\$ 4,552	\$ 4,689
<i>% Change from Prior Period</i>	5%	4%	7%	5%	3%	3%	3%



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 2019 budget proposes full implementation of all changes consistent with the City compensation plan.

Personnel requirements are expected to increase by 8 percent or \$10,638 in 2019 then increase by up to 3-6 percent annually through 2023.

Materials, Supplies, and Services (MSS) are expected to remain flat through 2023.

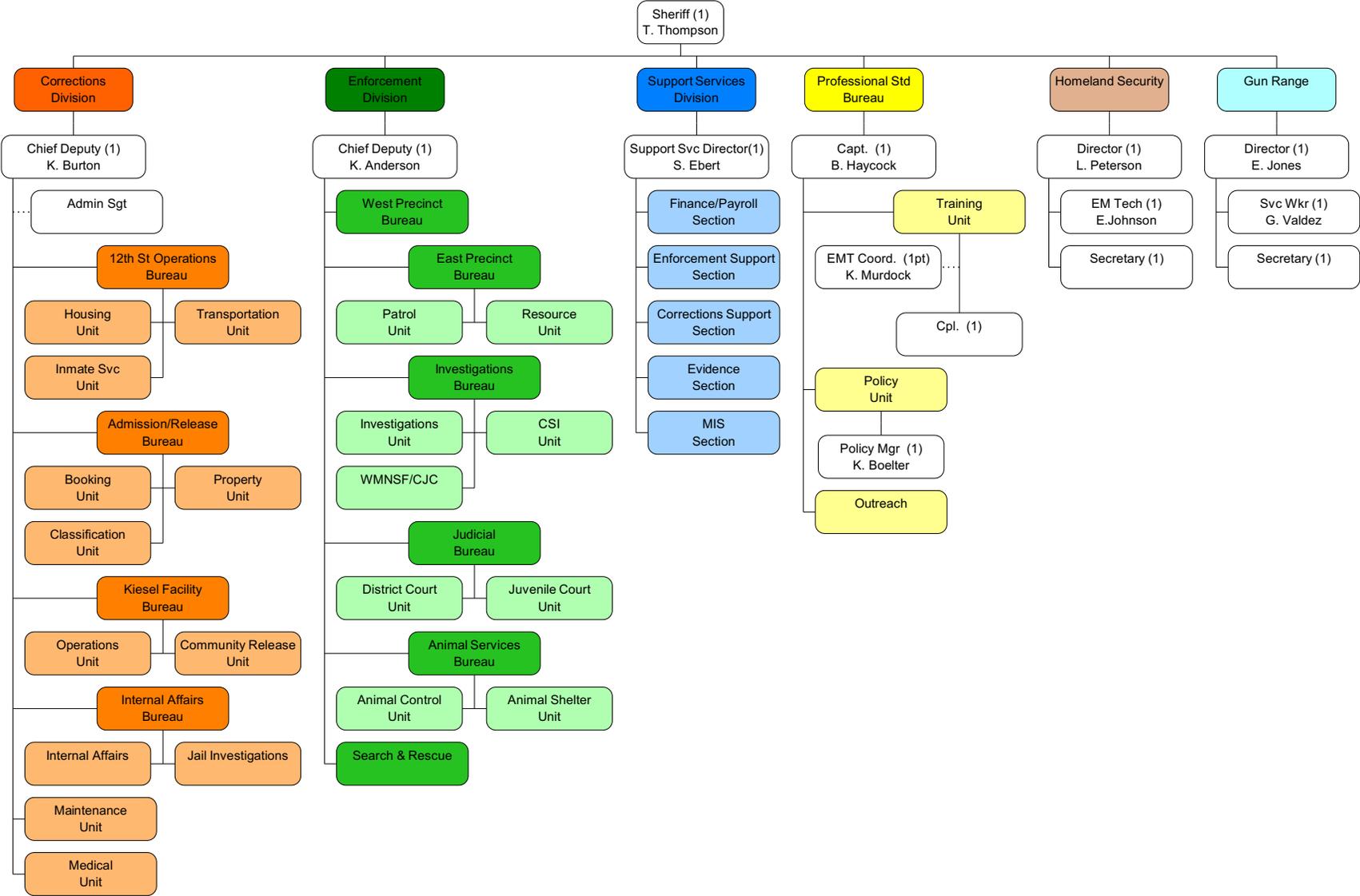
PUBLIC SAFETY - JUSTICE COURT

Fiscal Year 2018 Accomplishments and Highlights		
Legislative Policy	Objective	Department Strategy
Cultivate open and responsive customer service through technology, streamline processes and responding to customers in a timely friendly manner.	Actively promote and manage the options for online payment services	Proactively updated information and informed customers regarding the option for online payments.
Adhere to National, State and Local regulatory compliance requirements.	Adhere to state mandated court requirements	Actively and accurately responded to Utah SOC and legislative mandates required to keep the WTC/MS Court within state compliance.
Provide professional law enforcement and animal control services to serve and protect life and property.	Animal Control Licensing	Coordinated and managed efforts with South Ogden Animal Control for animal licensing, control response and clinics.
Cultivate open and responsive customer service through technology, streamline processes and responding to customers in a timely friendly manner.	Pretrial Conference Timeline	Coordinated with the judge, prosecutors and staff to shorten waiting time for Traffic and Criminal pretrial. Improved customer service in pretrial timeline.
Fiscal Year 2019 Goals		
Cultivate open and responsive customer service through technology, streamline processes and responding to customers in a timely friendly manner.	Keep stakeholders informed using a variety of tools including the City newsletter,	Continue to proactively evaluate and update court information on city website, keeping customers informed of current bail schedule, traffic school and other pertinent information.
	Court Date reminder call	Monitor results from the state Judicial Work Space court reminder telephone system.
Collaborate with local, regional and state stakeholders to develop cooperative services, programs, and facilities.	Implement, review, update and manage the 24/7 drunk driving sobriety program. This court being the model for such program.	Provides a 2nd DUI offense offender the ability to maintain his license and continue working, supporting his family and paying tax base.

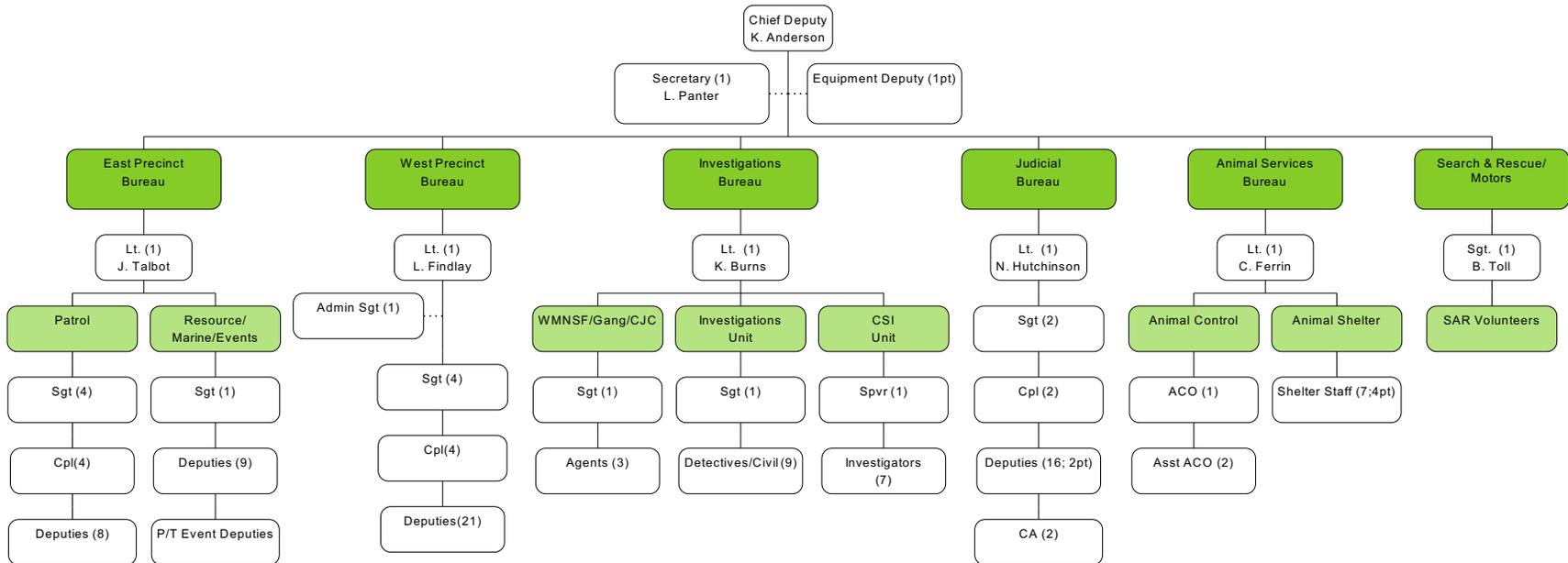
PUBLIC SAFETY - JUSTICE COURT

Performance Measures												
Justice Court												
Legislative Policy Statement	Objective	Program	Performance Measure	Target	Actual	Target	Actual	Target	Target	Actual	Target	Actual
				2014		2015		2016	2017		2018	
Open & Responsive Government	Customer Service	Case Management	% of traffic violations resolved	98	98	99	99	99	99	98	99	99
			% of criminal violations resolved	94	96	98	99	99	93	99	99	99
			% of ordinance violations resolved	91	95	98	100	99	91	100	100	100
			# of days cases resolved after taken under	20	20	15	0	15	20	20	10	10
			% of pretrials reduced each week	6	6	3	4	6	6	5	6	6
			% of monthly cases issued and disposed	100	100	100	99	99	100	99	99	99
			# of incident reports filed with Court annually	10	10	10	0		10	0	10	10
	Maintain Fiscal Responsibility	Reporting	% of case summary reports submitted to State by deadline	100	100	100	100	100	100	100	100	100
			# of times warrant audit completed annually	4	4	4	4	4	4	4	4	4

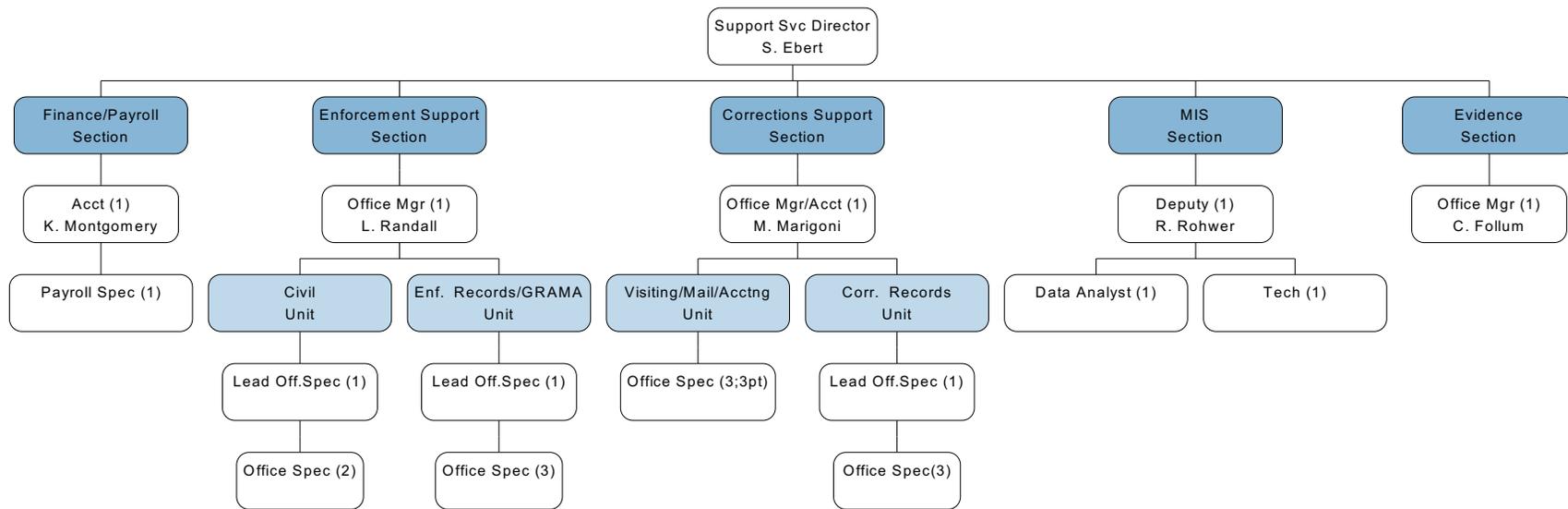
Weber County Sheriff's Office July 2015



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

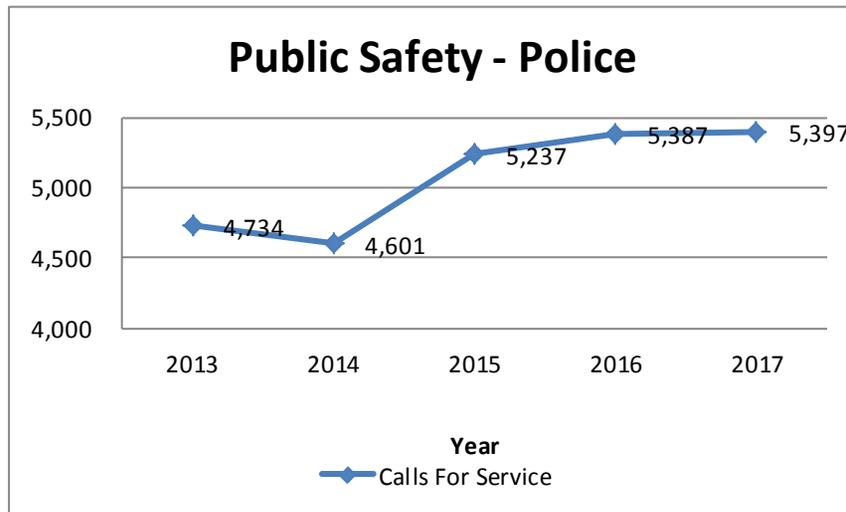
To be a leader and model in the delivery of Police and Correctional Services, we will validate our vision by the continued development of successful programs, marked by Superior dedication and performance.

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. 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.

PUBLIC SAFETY – POLICE

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 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.

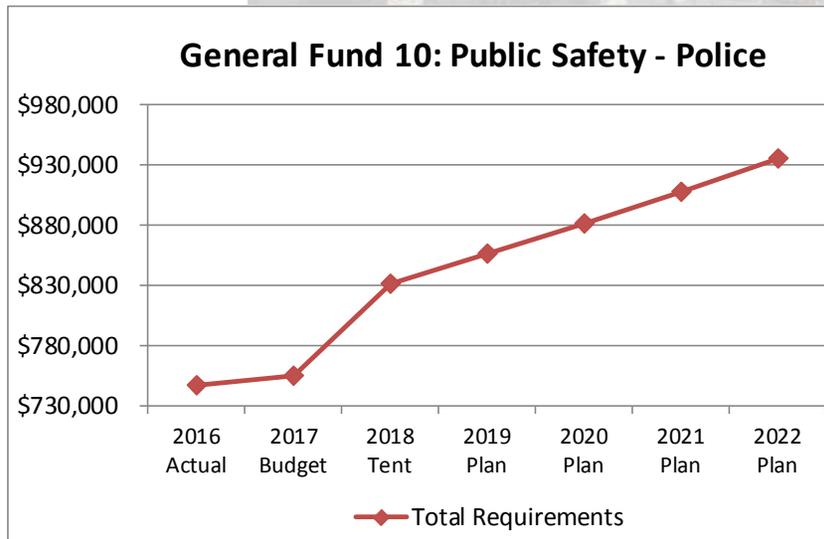
For more information about the Weber County Sheriff's Office, visit them online at <http://www.co.weber.ut.us/sheriff/>.

PUBLIC SAFETY – POLICE

General Fund 10: Public Safety - Police

Requirements by Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Materials, Supplies, and Services	755,666	811,085	826,260	842,785	859,641	876,834	894,371
Total	\$ 755,666	\$ 811,085	\$ 826,260	\$ 842,785	\$ 859,641	\$ 876,834	\$ 894,371
<i>\$ Change from Prior Period</i>	<i>\$ 8,897</i>	<i>\$ 55,419</i>	<i>\$ 15,175</i>	<i>\$ 16,525</i>	<i>\$ 16,856</i>	<i>\$ 17,193</i>	<i>\$ 17,537</i>
<i>% Change from Prior Period</i>	<i>1.2%</i>	<i>7.3%</i>	<i>1.9%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>

Materials, Supplies, and Services (MSS) contractual requirements for public safety police services are expected to increase by 1.9 percent or \$15,175 in 2019 when compared to the 2018 adjusted budget. Budget estimates project additional increases of 2 percent annually for each year thereafter through 2023.



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.

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 1.39.

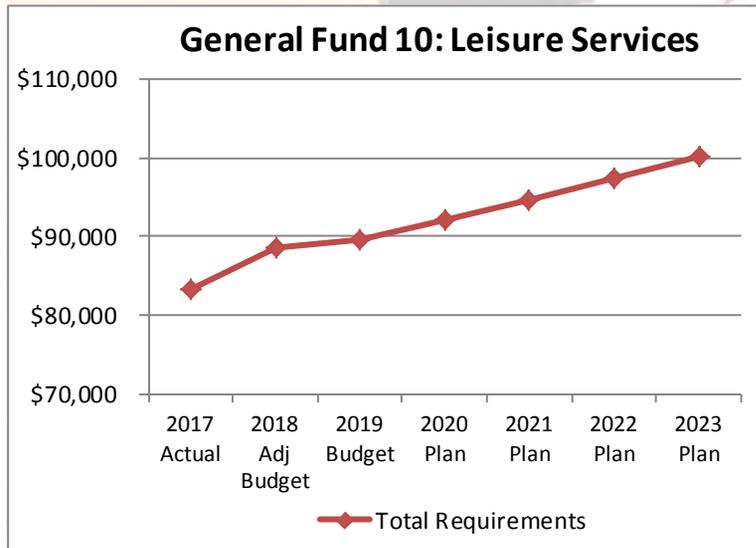
PARKS & RECREATION: LEISURE SERVICES

General Fund 10: Leisure Services

Requirements by Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Personnel	81,052	85,782	86,762	89,312	91,939	94,644	97,430
Materials, Supplies, and Services	2,171	2,700	2,730	2,762	2,795	2,830	2,867
Total Requirements	\$ 83,223	\$ 88,482	\$ 89,492	\$ 92,074	\$ 94,734	\$ 97,474	\$100,297
<i>\$ Change from Prior Period</i>	\$ 1,425	\$ 5,259	\$ 1,010	\$ 2,582	\$ 2,660	\$ 2,740	\$ 2,823
<i>% Change from Prior Period</i>	2%	6%	1%	3%	3%	3%	3%

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 2019 budget proposes full implementation of all changes consistent with the City compensation plan.



Personnel requirements are expected to increase by 1 percent or \$980 in 2019 then increase by 3 percent annually through 2023.

Materials, Supplies, and Services (MSS) are expected to increase by 1 percent annually through 2023.

PARKS & RECREATION: LEISURE SERVICES



PARKS & RECREATION: LEISURE SERVICES

Fiscal Year 2018 Accomplishments and Highlights		
Council Policies	Objective	Highlight
Provide Leisure and city sponsored service programs that meet the diverse needs of the community.	Annually review leisure service programs to evaluate and update recreation programs.	Improved coaches and parents engagement by implementing sportsites online communication system for scheduling information, season start dates, rain delays, coaching success and prompt effective updates on all recreation activities.
Family Oriented Community	Funding & Volunteer production for renovation projects and equipment purchases. Develop the growth of Recreation participants and facilities Master Plan	Managed 250 Boy Scouts of America and volunteers on the renovation of the Rohmer Park Hillside Fence Project. Successfully supervised all of the volunteers, including the public works crew members on the tear out of the existing fence and the preparation for the new fence. Successfully worked with 200 community volunteers to improve the Lions Park Playground on removing all of the existing sand out of the play area and filling it with the proper soft fall to provide adequate playground safety requirements while reducing City liability.
Recreation Programs and Facilities	Develop Parks and Recreation facilities to better serve the community.	Applied for and received \$62,819 of Weber County Ramp Grant funds for the Rohmer Park baseball scoreboards. Managed the bid process of the acquisition and installation of the Rohmer Park baseball scoreboards. Coordinated & responded on volunteers of the improvements on the baseball diamonds.
Fiscal Year 2019 Goals		
Council Policy Statement	Objective	Description
Recreation Programs and Facilities	Ensure a wide variety of recreational offerings and community events within the City while continuing to improve Park infrastructure.	To provide a basic survey monkey questionnaire to every participant after each program to ensure a satisfactory level of service and positive growth in all Leisure Service activities.
Open and Responsive Government	Encourage resident involvement within the community.	Follow up with an activity review with the City Manager, Mayor and Council on the activities provided by the Leisure Services department on the success and fiscal responsibilities of all recreation and community events.
Family Oriented Community	Promote community pride and value with events, programs, projects, and volunteer opportunities throughout the City.	Become actively involved in the Ramp Grant process of obtaining the funds and volunteers to successfully complete the north side of the Rohmer Park roadway and parking lot project.
Regional Cooperation by Council and Staff	Coordinate and develop relationships with local, regional, and state agencies.	Participate in meetings with each department head, animal control and other regional departments that are linked to the City to provide quality information on each page of the website.

PARKS & RECREATION: LEISURE SERVICES

Performance Measures														
Council Policy	Council Objective	Program	Performance Measure	Target	Actual									
				2012	2013	2014	2015	2016	2017					
Open & Respsnive Government	Improve Citizen Communication	Advertising	# months articles or announcements are in newsletter	9	9	10	12	12	12	12	12	12	12	
			% of times department webpage updated once a month	90	90	90	90	100	100	100	100	100	100	100
		Recreation	increased % of participation of teams/individuals	0-3	3	10	10	3	8	0	0	0	0	0
			# of volleyball participants									30	31	30
			# of football camp participants	30	34	40	46	90	90	70	97	90	100	90
			# of basketball participants	120	123	125	162	162	160	160	160	160	156	160
			# of baseball participants	160	203	175	222	222	260	220	260	220	264	240
			# of football participants	125	123	130	130	125	143	125	125	120	121	120
			# of soccer participants	100	105	110	115	115	130	115	140	120	122	120
			# of programs that break even	80	80	-	-	-						
Parks	# of park inspections a year					12	12	12	12	12	12	12		



PARKS & RECREATION: RECREATION

Recreation Fund 12: Major Program Resources

Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Basketball	5,838	7,200	7,200	7,200	7,200	7,200	7,200
Baseball/Softball	9,119	11,482	13,482	13,482	13,482	13,482	13,482
Football	14,352	16,032	18,032	18,032	18,032	18,032	18,032
Soccer	4,909	5,400	5,400	5,400	5,400	5,400	5,400
Volleyball	1,084	1,800	1,169	1,800	1,800	1,800	1,800
Terrace Days	24,745	19,100	19,100	19,100	19,100	19,100	19,100
Other	-	500	500	500	500	500	500
Total Resources	\$ 60,047	\$ 61,514	\$ 64,883	\$ 65,514	\$ 65,514	\$ 65,514	\$ 65,514
<i>\$ change from prior period</i>	<i>\$ 3,054</i>	<i>\$ 1,467</i>	<i>\$ 3,369</i>	<i>\$ 631</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>5%</i>	<i>2%</i>	<i>5%</i>	<i>1%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

Recreation Fund 12: Major Program Requirements

Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Basketball	5,745	7,200	7,200	7,200	7,200	7,200	7,200
Baseball/Softball	9,012	11,482	13,482	13,482	13,482	13,482	13,482
Football	14,608	16,032	18,032	18,032	18,032	18,032	18,032
Soccer	2,588	5,400	5,400	5,400	5,400	5,400	5,400
Volleyball	818	1,800	1,169	1,800	1,800	1,800	1,800
Terrace Days	18,206	19,100	19,100	19,100	19,100	19,100	19,100
Other	-	500	500	500	500	500	500
Total Requirements	\$ 50,977	\$ 61,514	\$ 64,883	\$ 65,514	\$ 65,514	\$ 65,514	\$ 65,514
<i>\$ change from prior period</i>	<i>\$ (8,196)</i>	<i>\$ 10,537</i>	<i>\$ 3,369</i>	<i>\$ 631</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-14%</i>	<i>21%</i>	<i>5%</i>	<i>1%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

PARKS & RECREATION: RECREATION

Recreation Fund 12: Resources

Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Charges for Services	45,820	46,350	45,719	46,350	46,350	46,350	46,350
Interfund Transfers & Charges	14,227	15,164	19,164	19,164	19,164	19,164	19,164
Total Resources	\$ 60,047	\$ 61,514	\$ 64,883	\$ 65,514	\$ 65,514	\$ 65,514	\$ 65,514
<i>\$ change from prior period</i>	\$ 3,054	\$ 1,467	\$ 3,369	\$ 631	\$ -	\$ -	\$ -
<i>% change from prior period</i>	5%	2%	5%	1%	0%	0%	0%

Recreation Fund 12: Requirements

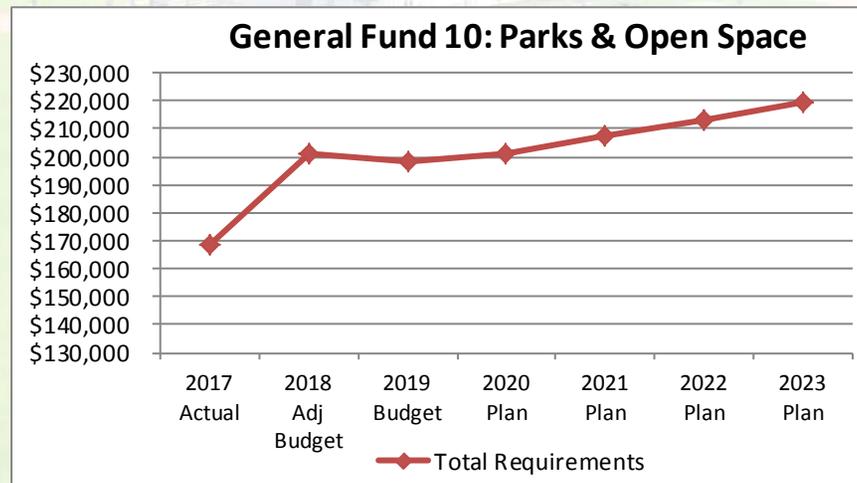
Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Materials, Supplies, and Services	50,977	61,514	64,883	65,514	65,514	65,514	65,514
Total Requirements	\$ 50,977	\$ 61,514	\$ 64,883	\$ 65,514	\$ 65,514	\$ 65,514	\$ 65,514
<i>\$ change from prior period</i>	\$ (8,196)	\$ 10,537	\$ 3,369	\$ 631	\$ -	\$ -	\$ -
<i>% change from prior period</i>	-14%	21%	5%	1%	0%	0%	0%

PARKS & RECREATION: PARKS

General Fund 10: Parks & Open Space

Requirements by Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Materials, Supplies, and Services	27,648	55,197	45,520	44,092	45,215	46,391	47,622
Professional & Technical	141,075	145,678	152,805	157,389	162,111	166,974	171,983
Total Requirements	\$ 168,723	\$ 200,875	\$ 198,325	\$ 201,481	\$ 207,326	\$ 213,365	\$ 219,605
<i>\$ Change from Prior Period</i>	\$ (5,865)	\$ 32,152	\$ (2,550)	\$ 3,156	\$ 5,845	\$ 6,039	\$ 6,240
<i>% Change from prior period</i>	-3%	16%	-1%	2%	3%	3%	3%

The Parks Department net requirements are expected to decrease by 1 percent or \$2,550 in 2019. Onetime maintenance requirements are expected to decrease by \$11,300 while ongoing requirements, largely attributed to contract parks and open space maintenance, are expected to increase by \$8,750



Public Works and Streets

Public Works

Streets

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 within the department include the public works director, public works foreman, utility service worker I, II, and III, and GIS/Storm Water Manager. Total FTEs are 9.0.



STREETS AND PUBLIC WORKS

General Fund 10: Public Works

Requirements by Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	603,831	695,827	754,500	776,580	799,322	822,747	846,874
Materials, Supplies, and Services	66,044	55,108	62,794	63,640	64,529	65,462	66,442
Total Requirements	\$ 669,875	\$ 750,935	\$ 817,294	\$ 840,220	\$ 863,851	\$ 888,209	\$ 913,316
<i>\$ Change from Prior Period</i>	<i>\$ 57,903</i>	<i>\$ 81,060</i>	<i>\$ 66,359</i>	<i>\$ 22,926</i>	<i>\$ 23,631</i>	<i>\$ 24,358</i>	<i>\$ 25,107</i>
<i>% Change from Prior Period</i>	<i>9%</i>	<i>11%</i>	<i>8%</i>	<i>3%</i>	<i>3%</i>	<i>3%</i>	<i>3%</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 2019 budget proposes full implementation of all changes consistent with the City compensation plan.

Budgeted Personnel costs are estimated to increase by 8 percent or \$58,673 in 2019 then 3 percent annually through 2023. Total Department FTEs are 9.

Materials, Supplies, and Services (MSS) are expected to increase by 14 percent or \$7,686 in 2019 then 1 percent annually through 2023. Ongoing fire hydrant maintenance and wireless service for tablet are largely attributing to the 2019 increase.

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

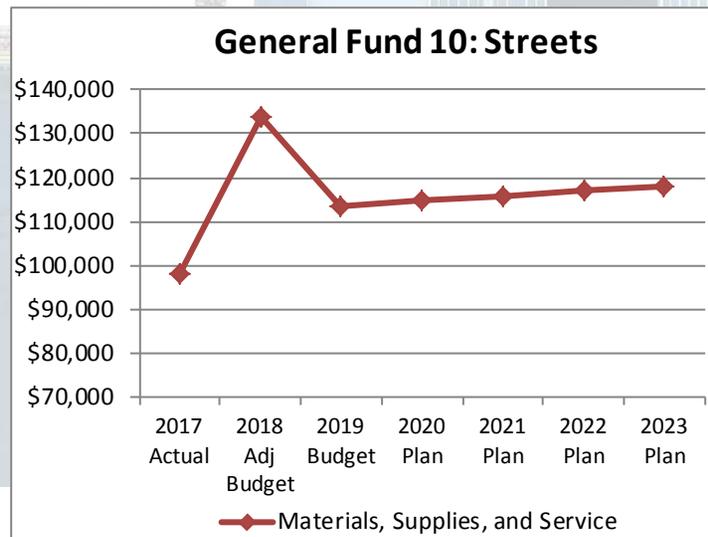
Legislative Policy	Objective	Program	Performance Measure	Target	Actual	Target								
				2012	2013	2014	2015	2016	2017					
Infrastructure, Improvements and Public Facilities	Comply with regulations for delivery and operations of utility service	Water Services	Maintain water system certification from 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	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Materials, Supplies, and Service	98,281	133,634	113,634	114,707	115,801	116,917	118,055
Total Requirements	\$ 98,281	\$ 133,634	\$ 113,634	\$ 114,707	\$ 115,801	\$ 116,917	\$ 118,055
<i>\$ Change from Prior Period</i>	\$ 2,479	\$ 35,353	\$ (20,000)	\$ 1,073	\$ 1,094	\$ 1,116	\$ 1,138
<i>% Change from Prior period</i>	3%	26%	-18%	1%	1%	1%	1%

Materials, Supplies, and Services (MSS) are expected to decrease by 18 percent or \$20,000 in 2019 due to onetime requirements included in the 2018 adjusted budget. Annual increases of 1 percent or an average of \$1,073 are projected between 2019 and 2023.



BUDGET SUMMARIES

Budget Summaries
All Funds Combined

BUDGET SUMMARIES – REVENUES BY FUND

Government-Wide: Revenues by Fund

Fund	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Governmental Funds							
10 General	\$ 4,139,102	\$ 4,196,760	\$ 4,290,439	\$ 4,350,341	\$ 4,350,026	\$ 4,421,457	\$ 4,487,494
12 Recreation	60,047	61,514	64,883	65,514	65,514	65,514	65,514
53 Parks Capital Projects	59,998	65,419	20,000	20,000	20,000	20,000	20,000
55 Capital Projects	1,034,850	872,244	481,319	455,703	458,988	472,294	433,880
65 Debt Service	590,783	599,561	592,750	590,059	472,358	160,792	115,435
66 Special Improvement	80,660	80,660	80,935	80,956	51,140	0	-
70 Redevelopment Agency	749,011	912,918	561,519	577,850	594,672	611,998	611,998
Total Governmental Funds	\$ 6,714,451	\$ 6,789,076	\$ 6,091,845	\$ 6,140,423	\$ 6,012,697	\$ 5,752,055	\$ 5,734,320
Enterprise Funds							
49 Refuse	492,836	521,391	528,436	556,046	578,876	603,015	628,565
50 Water	2,587,237	5,657,248	1,796,852	1,597,547	1,618,001	1,645,622	1,673,539
51 Sewer	1,216,457	1,387,168	1,228,881	1,250,943	1,261,770	1,278,364	1,310,258
52 Storm Drain	474,332	502,196	518,269	521,458	524,515	528,008	528,699
Total Enterprise Funds	\$ 4,770,862	\$ 8,068,003	\$ 4,072,438	\$ 3,925,995	\$ 3,983,163	\$ 4,055,008	\$ 4,141,061
TOTAL REVENUES	\$ 11,485,313	\$ 14,857,079	\$ 10,164,283	\$ 10,066,418	\$ 9,995,860	\$ 9,807,063	\$ 9,875,382

Government-Wide: Revenues by Major Object

Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Charges for Services	\$ 3,246,289	\$ 3,238,476	\$ 3,339,034	\$ 3,413,984	\$ 3,472,855	\$ 3,542,156	\$ 3,632,992
% Change from Prior Year	4%	0%	3%	2%	2%	2%	3%
Property Tax	1,093,840	1,153,274	1,165,826	1,167,077	1,073,267	710,679	716,666
% Change from Prior Year	0%	5%	1%	0%	-8%	-34%	1%
Sales & Franchise Tax	1,758,241	1,745,454	1,790,109	1,826,492	1,863,881	1,902,304	1,941,792
% Change from Prior Year	4%	-1%	3%	2%	2%	2%	2%
Intergov Revenue	1,256,372	1,600,072	1,281,072	1,073,228	1,093,418	1,114,155	1,117,609
% Change from Prior Year	-56%	27%	-20%	-16%	2%	2%	0%
Court Fines	133,966	187,000	156,140	160,141	152,000	152,000	152,000
% Change from Prior Year	-18%	40%	-17%	3%	-5%	0%	0%
Licenses, Permits, & Fees	184,584	151,300	130,500	115,500	115,500	115,500	115,500
% Change from Prior Year	-4%	-18%	-14%	-11%	0%	0%	0%
Other Revenue	1,675,430	4,549,097	327,014	333,062	274,084	288,052	285,021
% Change from Prior Year	-21%	172%	-93%	2%	-18%	5%	-1%
Interfund Transfers & Charges	2,136,591	2,232,406	1,974,588	1,976,934	1,950,855	1,982,218	1,913,802
% Change from Prior Year	-2%	4%	-12%	0%	-1%	2%	-3%
TOTAL REVENUES	\$ 11,485,313	\$ 14,857,079	\$ 10,164,283	\$ 10,066,418	\$ 9,995,860	\$ 9,807,063	\$ 9,875,382
\$ Change from Prior Year	\$ (1,935,974)	\$ 3,371,765	\$ (4,692,796)	\$ (97,865)	\$ (70,558)	\$ (188,797)	\$ 68,318
% Change from Prior Year	-14%	29%	-32%	-1%	-1%	-2%	1%

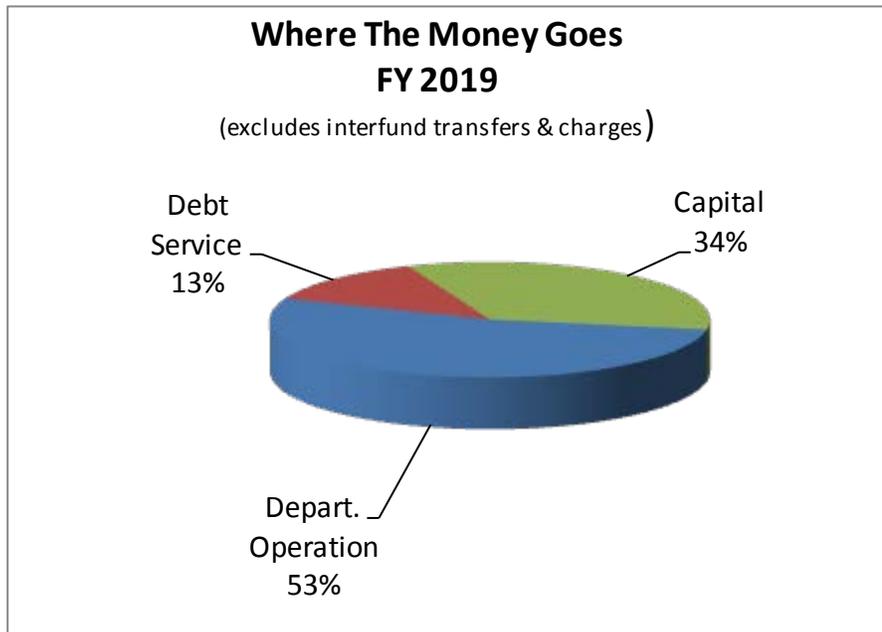
BUDGET SUMMARIES – REQUIREMENTS BY MAJOR OBJECT

Government-Wide: Requirements by Fund							
Funds	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Governmental Funds							
10 General	\$ 4,153,271	\$ 4,396,760	\$ 4,290,439	\$ 4,364,755	\$ 4,432,833	\$ 4,543,763	\$ 4,601,031
12 Recreation	50,977	61,514	64,883	65,514	65,514	65,514	65,514
53 Parks Capital Projects	108,666	83,274	20,000	20,000	20,000	20,000	20,000
54 Fire Capital Projects	-	-	-	-	-	-	-
55 Capital Projects	386,465	1,219,335	516,332	505,297	482,075	494,169	638,491
57 Capital Facilities	-	-	-	-	-	-	-
65 Debt Service	591,700	601,311	594,500	591,809	474,108	162,542	117,185
66 Special Improvement	82,328	82,329	81,820	81,841	80,615	67,718	-
70 Redevelopment Agency	264,712	912,918	2,054,063	577,850	594,672	611,998	611,998
Total Governmental Funds	\$ 5,638,120	\$ 7,357,441	\$ 7,622,037	\$ 6,207,066	\$ 6,149,817	\$ 5,965,704	\$ 6,054,218
Enterprise Funds							
49 Refuse	467,510	533,000	528,436	556,046	578,876	603,015	628,565
50 Culinary Water	2,193,974	6,822,572	1,796,851	1,597,548	1,618,001	1,645,623	1,673,541
51 Sanitary Sewer	1,000,085	2,102,791	1,228,881	1,250,941	1,261,769	1,278,362	1,310,258
52 Storm Water	303,000	913,491	518,269	521,458	524,515	528,008	528,699
Total Enterprise Funds	\$ 3,964,568	\$ 10,371,854	\$ 4,072,438	\$ 3,925,994	\$ 3,983,162	\$ 4,055,008	\$ 4,141,063
TOTAL REQUIREMENTS	\$ 9,602,688	\$ 17,729,295	\$ 11,694,475	\$ 10,133,060	\$ 10,132,978	\$ 10,020,711	\$ 10,195,281

BUDGET SUMMARIES – REQUIREMENTS BY MAJOR OBJECT

Government-Wide: Requirements by Major Object

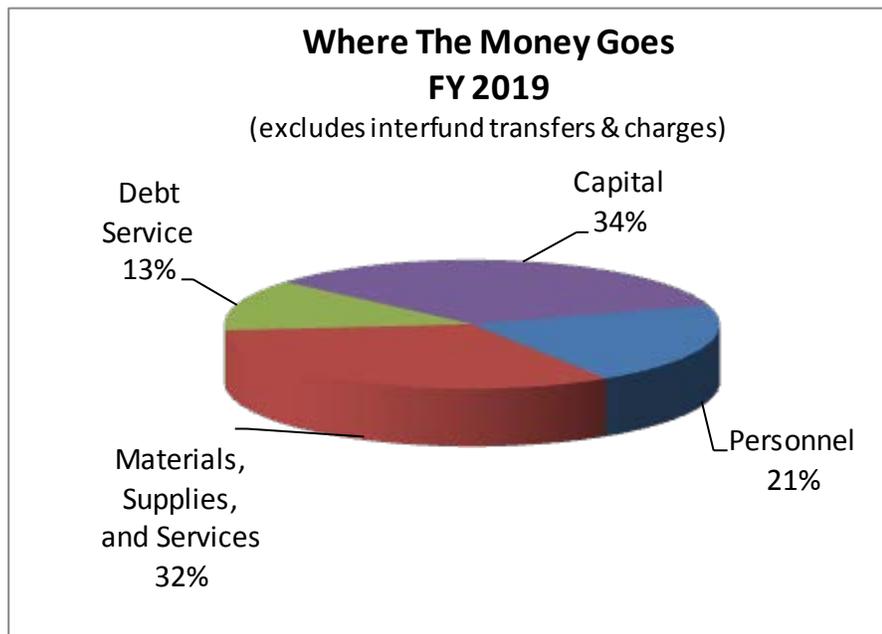
Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Departmental Operations	\$ 4,479,508	\$ 4,980,751	\$ 5,161,390	\$ 5,314,522	\$ 5,428,431	\$ 5,588,006	\$ 5,731,063
% Change from Prior Year	2%	11%	4%	3%	2%	3%	3%
Capital	1,996,653	9,120,925	3,285,663	1,556,892	1,595,010	1,603,008	1,735,386
% Change from Prior Year	-46%	357%	-64%	-53%	2%	1%	8%
Debt Service	975,274	1,266,105	1,257,402	1,269,025	1,143,151	831,171	800,435
% Change from Prior Year	9%	30%	-1%	1%	-10%	-27%	-4%
Interfund Transfers & Charges	2,151,252	2,361,514	1,974,486	1,976,311	1,949,262	1,980,545	1,909,516
% Change from Prior Year	-2%	10%	-16%	0%	-1%	2%	-4%
TOTAL REQUIREMENTS	\$ 9,602,688	\$ 17,729,295	\$ 11,678,942	\$ 10,116,751	\$10,115,853	\$10,002,730	\$10,176,400
\$ Change from Prior Year	\$ (3,397,343)	\$ 8,126,607	\$ (6,050,353)	\$ (1,562,191)	\$ (898)	\$ (113,123)	\$ 173,671
% Change from Prior Year	-26%	85%	-34%	-13%	0%	-1%	2%



BUDGET SUMMARIES – REQUIREMENTS BY MAJOR OBJECT

Government-Wide: Requirements by Major Object

Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Personnel	\$ 1,725,061	\$ 1,871,992	\$ 2,004,896	\$ 2,071,603	\$ 2,127,992	\$ 2,188,851	\$ 2,251,735
% Change from Prior Year	5%	9%	7%	3%	3%	3%	3%
Materials, Supplies, & Services	2,754,447	3,108,759	3,156,494	3,242,919	3,300,440	3,399,155	3,479,328
% Change from Prior Year	1%	13%	2%	3%	2%	3%	2%
Debt Service	975,274	1,266,105	1,257,402	1,269,025	1,143,151	831,171	800,435
% Change from Prior Year	9%	30%	-1%	1%	-10%	-27%	-4%
Capital	1,996,653	9,120,925	3,285,663	1,556,892	1,595,010	1,603,008	1,735,386
% Change from Prior Year	-46%	357%	-64%	-53%	2%	1%	8%
Interfund Transfers & Charges	2,151,252	2,361,514	1,974,486	1,976,311	1,949,262	1,980,545	1,909,516
% Change from Prior Year	-2%	10%	-16%	0%	-1%	2%	-4%
TOTAL REQUIREMENTS	\$ 9,602,688	\$ 17,729,295	\$ 11,678,942	\$ 10,116,751	\$10,115,853	\$10,002,730	\$10,176,400
\$ Change from Prior Year	\$ (3,397,343)	\$ 8,126,607	\$ (6,050,353)	\$ (1,562,191)	\$ (898)	\$ (113,123)	\$ 173,671
% Change from Prior Year	-26%	85%	-34%	-13%	0%	-1%	2%



Fund Summaries

BUDGET SUMMARIES – GENERAL FUND

General Fund 10: Resources & Requirements

Resources	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Tax	\$ 2,381,744	\$ 2,422,544	\$ 2,483,181	\$ 2,525,375	\$ 2,568,632	\$ 2,612,983	\$ 2,658,457
Licenses & Permits	184,584	151,300	130,500	115,500	115,500	115,500	115,500
Intergovernmental	454,004	410,735	442,050	445,378	448,746	452,157	455,611
Fines & forfeitures	133,966	187,000	156,140	160,141	152,000	152,000	152,000
Other	106,931	119,000	160,462	166,746	108,429	112,151	113,914
Interfund Contributions & Transfers	877,873	906,181	918,106	937,201	956,718	976,666	992,011
TOTAL REVENUES	\$ 4,139,102	\$ 4,196,760	\$ 4,290,439	\$ 4,350,341	\$ 4,350,026	\$ 4,421,457	\$ 4,487,494
<i>\$ Change from Prior Period</i>	\$ 114,276	\$ 57,658	\$ 93,679	\$ 59,902	\$ (315)	\$ 71,431	\$ 66,037
<i>% Change from Prior Period</i>	3%	1%	2%	1%	0%	2%	1%
Requirements							
Mayor & City Council	\$ 35,510	\$ 37,767	38,223	\$ 39,834	\$ 38,650	\$ 40,270	\$ 39,095
Justice Court	142,520	148,622	159,260	167,435	171,855	176,407	181,096
Administration	324,367	340,700	302,800	317,869	313,378	331,885	330,647
Treasurer/HR	206,672	225,890	348,325	363,075	368,152	378,105	388,442
Recorder	79,672	91,490	-	-	-	-	-
Leisure Services	83,223	88,482	89,492	92,074	94,734	97,474	100,297
Non-Departmental	105,508	125,294	142,101	145,031	148,065	151,207	154,462
Interfund Charges & Transfers	969,543	869,515	603,563	579,459	584,295	589,194	560,414
Buildings	116,193	132,832	139,955	132,780	134,438	136,131	137,859
Public Safety - Police	755,666	811,085	826,260	842,785	859,641	876,834	894,371
Public Safety - Fire	219,868	256,443	325,563	336,807	335,711	344,896	354,372
Inspections, Planning, & Zoning	126,481	127,390	130,234	133,773	137,419	141,175	145,045
Animal Control	51,169	55,806	55,410	57,425	59,518	61,694	63,955
Public Works	669,875	750,935	817,294	840,220	863,851	888,209	913,316
Streets	98,281	133,634	113,634	114,707	115,801	116,917	118,055
Parks	168,723	200,875	198,325	201,481	207,326	213,365	219,605
TOTAL REQUIREMENTS	\$ 4,153,271	\$ 4,396,760	4,290,439	\$ 4,364,755	\$ 4,432,833	\$ 4,543,763	\$ 4,601,031
<i>\$ Change from Prior Period</i>	\$ 113,835	\$ 243,489	\$ (106,321)	\$ 74,316	\$ 68,078	\$ 110,930	\$ 57,268
<i>% Change from Prior Period</i>	3%	6%	-2%	2%	2%	3%	1%

REVENUE PROJECTIONS

General Fund revenues in 2019 are projected to increase by 2 percent or \$93,679 reaching \$4,290,439 compared to the 2018 adjusted budget.

TAX revenue in 2019 is projected to increase by 3 percent or \$60,637 reaching \$2,483,181.

Property Tax receipts for general governmental activities in 2019 are expected to increase by 3 percent or \$15,982 reaching \$581,072. Said increase is largely attributed to new growth.

Sales & Franchise Tax receipts are estimated to reach \$1,790,109 in 2019 up 2.6 percent or \$44,655 compared to 2018 adjusted budget. Sales and franchise taxes are expected to represent

BUDGET SUMMARIES – GENERAL FUND

74 percent of General Fund *tax* revenue and 54 percent of *total* General Fund revenues in 2019 (excluding interfund transfers & charges).

The 2019 budget anticipates revenue generated from **Sales Tax** receipts at \$1,097,313 up by 3 percent or \$31,961 compared to 2018. The bulk of sales tax collections are from the City's share of statewide point of sale and population pool. Future sales tax projections estimate a conservative 3 percent annual growth through 2023.

Franchise Tax receipts in 2019 are projected to increase by 2% or \$12,694 compared to 2018. 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 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 2019 are expected to decrease by 14 or \$20,800 when compared to 2018. Said decrease is largely attributed to a reduction of building permit and planning fee revenue. Licenses & Permits represent 4 percent or \$130,500.

INTERGOVERNMENTAL of \$442,050 represents 13 percent of total revenue in 2019, excluding interfund transfers & charges. Intergovernmental revenue receipts are expected to increase by 8 percent or \$31,315. Said increase is attributed to anticipated trends in restricted road collections.

Court FINES & FOREFIETURES, representing 4 percent or \$156,140 of General Fund revenue, are projected to decrease by \$35,000 in 2019. Increased court fines expected to be recognized 2018 are not expected to be on ongoing trend.

OTHER

Other receipts are estimated to reach \$160,462 in 2019, up 35 percent or \$41,462 from the 2018

BUDGET SUMMARIES – GENERAL FUND

adjusted budget. Said increase is largely attributed to public facility rentals. Other revenue represents 5 percent of total General Fund revenue sources in 2019, excluding interfund contributions & transfers.

INTERFUND CONTRIBUTIONS & TRANSFERS

Interfund Contributions & Transfers are estimated at \$918,106 increasing by 1 percent from the prior year. Interfund contributions & transfers include internal sales and purchase of goods, services, or movement of assets between funds, with or without equivalent consideration.

The great interfund transfers and charges included in the General Fund is the charging of utility funds their share labor and overhead for the operations and management of utility and special revenue programs.

General Fund: Requirements by Major Object

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	1,709,201	1,855,492	1,988,096	2,054,803	2,111,192	2,172,051	2,234,935
Professional/Contract Services	1,017,826	1,080,497	1,100,744	1,130,784	1,152,368	1,178,831	1,197,208
Materials, Supplies, & Services	456,701	591,256	598,036	599,709	584,978	603,686	608,474
Interfund Transfers & Charges	969,543	869,515	603,563	579,459	584,295	589,194	560,414
TOTAL REQUIREMENTS	\$ 4,153,271	\$ 4,396,760	\$ 4,290,439	\$ 4,364,755	\$ 4,432,833	\$ 4,543,763	4,601,031

EXPENDITURE PROJECTIONS

General Fund expenditures are expected to decrease by \$106,321 in 2019. Said decrease is attributed to a reduction in interfund transfers from the General Fund to the Capital Projects Fund.

The greatest increases are anticipated in the following departments: Public Works \$66,359 and Fire/EMS \$69,120. Increased reported in the Finance Department are largely a result of reorganizing the Administration, Recorder, and former Treasurer/HR/Utility Billing Departments.

Major budget issues impacting the General Fund are detailed below. Also refer to the Operating Budgets for more departmental information.

BUDGET SUMMARIES – GENERAL FUND

GENERAL FUND MAJOR BUDGET ISSUES & PRIORITIES

1. FIRE AND EMERGENCY MEDICAL SERVICES (EMS)

Legislative Policy Statement/Goal:

- **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 Washington Terrace City Fire Department serves as a fully functioning volunteer fire and EMS service provider.

From its inception in 1952, the City has operated as a

volunteer department relying on a dedicated staff willing to fill shift requirements. Since its inception, calls for service have increased from 3 calls per week, to over 1000 call per year, requiring the department operate as a full time Fire and EMS service provider not a volunteer department as in the past.



With the steadily increasing demand on the employee's time, the escalating staffing requirements by the department, the minimal availability of volunteers to fill open shifts, and the rising call volume on our volunteer employees, it increasingly difficult to fill vacant staffing positions.

As a result of the critical need to provide continuous service, the City is considering options to move away from a volunteer staffing model to a part time/full time staffing model that would encourage more consistent availability of fire and EMS personnel. This structural shift will significantly change the way we compensate employees and will impact the budget in significant ways.

BUDGET SUMMARIES – GENERAL FUND

3. 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 of other benchmark communities.

The City's ability to recruit and retain competent well-trained employees is a critical component in maintaining required service necessary to operate effectively as a city. At times, certain sectors of the economy may put pressure on local governments to evaluate pay structure in an effort to maintain sufficient staff members with the required licensing necessary to provide basic city services.

Over the past few years there has been and continues to be significant pressure on the recruitment and retention capacity of the Public Works Department. With the growing construction sector of the economy growing and the need for skilled labor expanding, there is increasing burden on the Public Works Department to retain and recruit personnel in an ever-shrinking pool of qualified applicants.

As a result of the diminished pool of qualified applicants and the near zero unemployment rate, the tentative budget proposes the option to raise the compensation rate for Public Works employees to within 5% of the comparative average rather than the historical 10% of the average compensation range.

This adjustment in the pay plan will allow for greater leverage and financial incentive to maintain the critical employees that are required to operate our systems. In the end it is anticipated that this adjustment will help resolve recruitment and retention challenges.

BUDGET SUMMARIES – GENERAL FUND

Budgeted Personnel costs for 2019 of \$1,946,000 are estimated to increase by 1 percent or \$55,000 when compared to the 2018. Of Said increase \$53,000 is attributed to salaries, wages, and benefits; salaries and wages \$42,000 and benefits \$10,000.

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

Health coverage offered by PEHP has a July 1, 2018, renewal rate *increase* of 3.8% for traditional medical plans and 9.4% for HAS plans; dental renewal rates are expected to *decrease* by 2%. 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' Division A retirement system (including employer pickup election) will experience a rate *increase* of 3.6% or a total employer contribution rate of 19.66%.

Plan Projections

Future projections for Personnel requirements include 3 percent annual increases through 2023. Staffing levels beginning in 2019 are project to remain unchanged through 2023. Of said increases, salaries and wages are projected to increase by 3 percent annually and total benefit requirements are estimated to increase by 3 percent annually through 2023.

BUDGET SUMMARIES –GENERAL FUND

4. LAW ENFORCEMENT SERVICES

Legislative Policy Statement/Goal:

- **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.



Law enforcement services continue to be evaluated to determine appropriate and sustainable service levels. Outsourced law enforcement services represent the largest General Fund department expenditure at \$826,000 in 2019, down \$4,825 from the 2018 original budget and up \$15,175 from the 2018 adjusted budget. The budget plan beyond 2019 anticipates up to 2% annual increases.

There is some uncertainty regarding the future pricing of the Sheriff contract because of the wide spread challenges associated with officer recruitment, retention, the lack of qualified applicants, and an overall fluctuation of population, calls for service and future radio equipment requirements.

As a result of a Weber County Sheriff reduction in fleet, a moderate reduction in the employee benefit plan, and an increased level of participation from Weber School District; there is a moderate decrease to our general fund for law enforcement services. At this point in time the contribution calculation formula for contract cities will remain at 50% population and 50% calls for service.

Cautionary note: In budget year 2020 there will be a significant one-time requirement for the replacement of all vehicle mounted and personnel radios. It is not clear at this time the budgetary impact of this mandate; however, it is anticipated to be a significant amount.

BUDGET SUMMARIES –RECREATION FUND

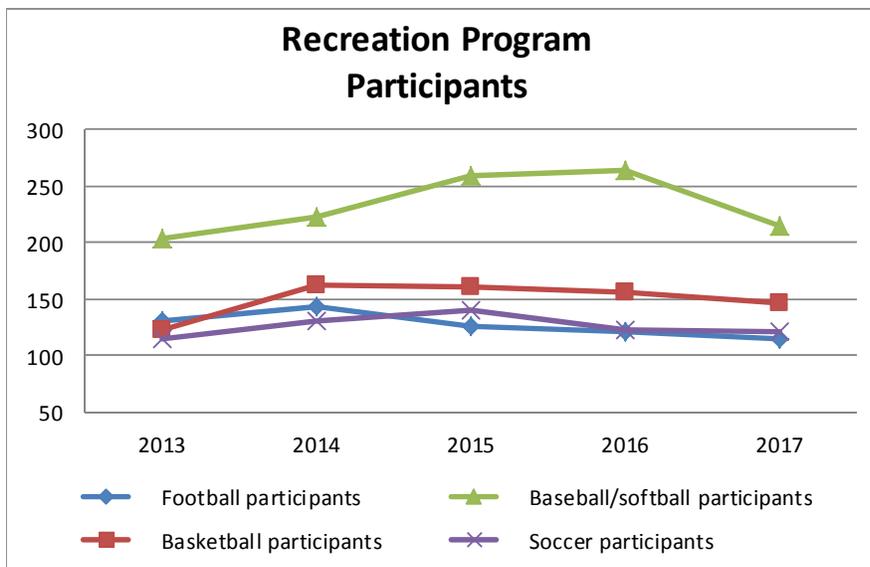
We are cautiously optimistic that Sheriff Contract pricing for law enforcement services will remain relatively moderate.

The **Recreation Fund** activities are managed by the Leisure Services Department. Total Fund resources are expected to increase by 5 percent or \$3,369 in 2019 due to grant funding for equipment needs.

The newest sponsored recreation programs offered in 2015 included volleyball for children grades 3rd through 9th. No new program offerings are anticipated for 2019.



Football program participation decreased from 123 in 2012 to 115 participants in 2017. Participation levels declined from 143 in 2014 to 125 in 2015 as a result of reducing team sizes to make program more effective and meaningful for participants.



Basketball participation has steadily increased from 120 in 2012 to 146 in 2017. Since 2012, the program has grown by 22 percent or 26 participants.

Baseball/softball participation has shown the greatest growth since 2012. The program has

grown from 153 participants in 2012 to 214 in 2017-- growing 40 percent or by 61 participants.

Soccer participation levels reached their peak in 2015 at 140 participants. Participation levels in 2017 were 121.

BUDGET SUMMARIES –RECREATION FUND

Recreation Fund 12: Resources

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	45,820	46,350	45,719	46,350	46,350	46,350	46,350
Interfund Transfers & Charges	14,227	15,164	19,164	19,164	19,164	19,164	19,164
Total Resources	\$ 60,047	\$ 61,514	\$ 64,883	\$ 65,514	\$ 65,514	\$ 65,514	\$ 65,514
<i>\$ change from prior period</i>	\$ 3,054	\$ 1,467	\$ 3,369	\$ 631	\$ -	\$ -	\$ -
<i>% change from prior period</i>	5%	2%	5%	1%	0%	0%	0%

Recreation Fund 12: Major Program Resources

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Basketball	5,838	7,200	7,200	7,200	7,200	7,200	7,200
Baseball/Softball	9,119	11,482	13,482	13,482	13,482	13,482	13,482
Football	14,352	16,032	18,032	18,032	18,032	18,032	18,032
Soccer	4,909	5,400	5,400	5,400	5,400	5,400	5,400
Volleyball	1,084	1,800	1,169	1,800	1,800	1,800	1,800
Terrace Days	24,745	19,100	19,100	19,100	19,100	19,100	19,100
Other	-	500	500	500	500	500	500
Total Resources	\$ 60,047	\$ 61,514	\$ 64,883	\$ 65,514	\$ 65,514	\$ 65,514	\$ 65,514
<i>\$ change from prior period</i>	\$ 3,054	\$ 1,467	\$ 3,369	\$ 631	\$ -	\$ -	\$ -
<i>% change from prior period</i>	5%	2%	5%	1%	0%	0%	0%

BUDGET SUMMARIES –RECREATION FUND

Recreation Fund 12: Requirements

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Services	50,977	61,514	64,883	65,514	65,514	65,514	65,514
Total Requirements	\$ 50,977	\$ 61,514	\$ 64,883	\$ 65,514	\$ 65,514	\$ 65,514	\$ 65,514
<i>\$ change from prior period</i>	\$ (8,196)	\$ 10,537	\$ 3,369	\$ 631	\$ -	\$ -	\$ -
<i>% change from prior period</i>	-14%	21%	5%	1%	0%	0%	0%
Ending Fund Balance	10,735						

Recreation Fund 12: Major Program Requirements

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Basketball	5,745	7,200	7,200	7,200	7,200	7,200	7,200
Baseball/Softball	9,012	11,482	13,482	13,482	13,482	13,482	13,482
Football	14,608	16,032	18,032	18,032	18,032	18,032	18,032
Soccer	2,588	5,400	5,400	5,400	5,400	5,400	5,400
Volleyball	818	1,800	1,169	1,800	1,800	1,800	1,800
Terrace Days	18,206	19,100	19,100	19,100	19,100	19,100	19,100
Other	-	500	500	500	500	500	500
Total Requirements	\$ 50,977	\$ 61,514	\$ 64,883	\$ 65,514	\$ 65,514	\$ 65,514	\$ 65,514
<i>\$ change from prior period</i>	\$ (8,196)	\$ 10,537	\$ 3,369	\$ 631	\$ -	\$ -	\$ -
<i>% change from prior period</i>	-14%	21%	5%	1%	0%	0%	0%

BUDGET SUMMARIES – REFUSE ENTERPRISE FUND

Refuse Enterprise Fund 49: Resources

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	477,751	505,354	512,147	539,443	561,953	585,771	611,196
Other Revenue	11,386	12,300	12,440	12,639	12,840	13,039	13,038
Interfund Transfers & Charges	3,700	3,737	3,849	3,964	4,083	4,205	4,331
Total Resources	\$ 492,836	\$ 521,391	\$ 528,436	\$ 556,046	\$ 578,876	\$ 603,015	\$ 628,565
<i>\$ change from prior period</i>	\$ 1,238	\$ 28,555	\$ 7,045	\$ 27,610	\$ 22,830	\$ 24,139	\$ 25,550
<i>% change from prior period</i>	0%	6%	1%	5%	4%	4%	4%

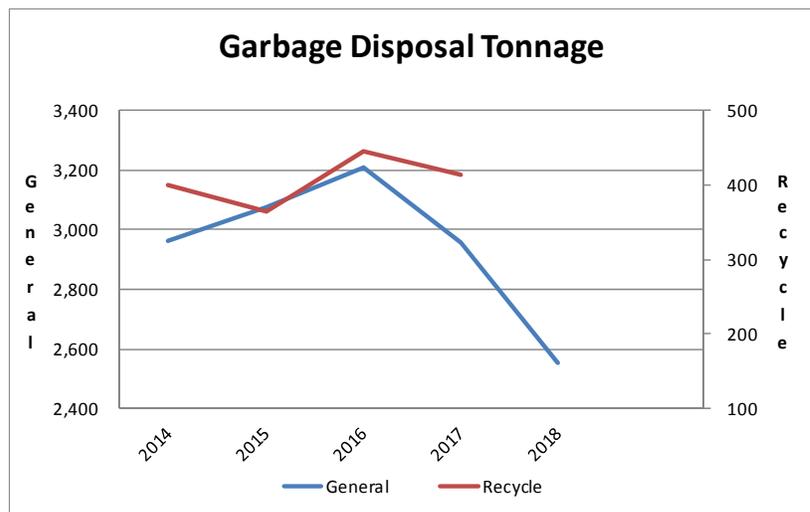
Refuse Enterprise Fund 49: Requirements

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Services	377,213	428,132	425,364	451,073	472,231	494,671	518,494
Interfund Transfers & Charges	90,296	104,869	103,072	104,973	106,645	108,344	110,071
Total Requirements	\$ 467,510	\$ 533,000	\$ 528,436	\$ 556,046	\$ 578,876	\$ 603,015	\$ 628,565
<i>\$ change from prior period</i>	\$ 8,970	\$ 65,491	\$ (4,564)	\$ 27,610	\$ 22,830	\$ 24,139	\$ 25,550
<i>% change from prior period</i>	2%	14%	-1%	5%	4%	4%	4%

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 2,900 general refuse containers and 2,420 recycle containers. The number of containers in the system continues to remain relatively flat.

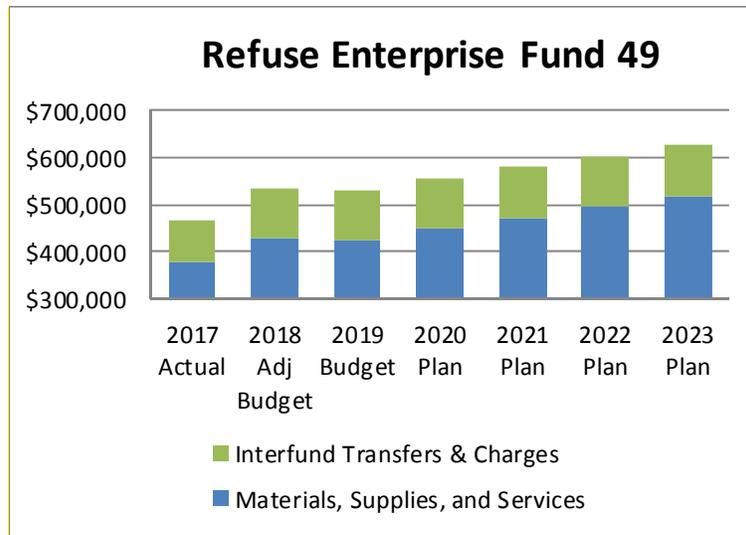
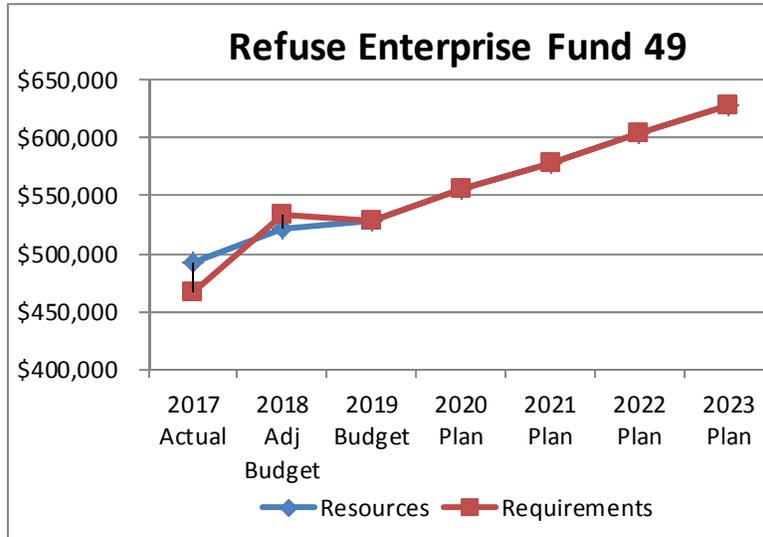
Collection and disposal services are outsourced to Republic Services.

Total Fund resources are expected to increase by 1 percent or \$7K in 2019, then increase by 4-5 percent annually through 2023.



Service requirement, however, are expected to decrease by 1 percent in 2019 then by 4-5 percent annually thereafter.

BUDGET SUMMARIES – REFUSE ENTERPRISE FUND



BUDGET SUMMARIES – REFUSE ENTERPRISE FUND

REFUSE

MAJOR BUDGET ISSUES & PRIORITIES

5. 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.

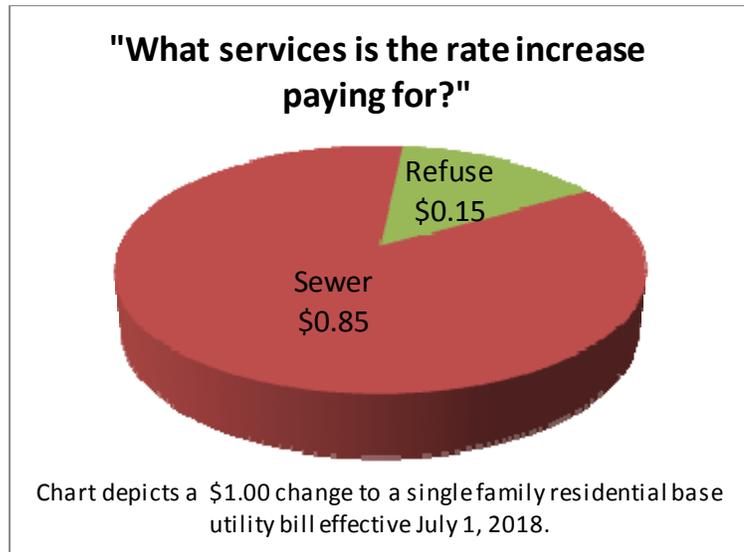
The City is committed to setting fees and rates at levels which fully cover the total direct and indirect costs of operating utility service. The fee and rate structures are reviewed at least annually to ensure that they remain appropriate and equitable based on factors such as, but not limited to: inflation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

As a result, beginning July 1, 2018, utility rates for sewer and refuse services will increase monthly by \$1.00 bringing the base minimum bill for a single family residential user to \$60.75.

BUDGET SUMMARIES – REFUSE ENTERPRISE FUND

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	18.70	18.70	-	5.10	5.10	-
Sewer	18.45	19.30	0.85	5.03	5.03	-
Refuse	14.60	14.75	0.15			-
Storm	8.00	8.00	-			-
Minimum Bill	\$ 59.75	\$ 60.75	\$ 1.00	\$ 10.13	\$ 10.13	\$ -
Late Fees	15.00	15.00	-			

Table 8 – Single family residential utility rate structure effective July 1, 2018.



REFUSE AND RECYCLING

Waste Collection

Fortunately, mainstream waste hauling has seen some settling as a result of our ability to negotiate an extension on our solid waste contract with Republic Service. This contract renewal will be for a term of 5 years with anticipated moderate increases annually and is expected to be in the best interest of the City.

Budget projections will be formalized when contract agreements have been made.



BUDGET SUMMARIES – REFUSE ENTERPRISE FUND

Waste Disposal

One area of the solid waste service that we are keeping an eye on is the increasing cost for “tipping fees” at the transfer station and associated transportation cost increases to haul the waste to a land fill. Tipping fees are expected to rise over the next several years in order to respond to rising transportation costs, increased capital improvement and operational costs at the Weber County Transfer Station.

For 2019, general waste disposal fees are expected to increase from \$36.90 to \$40.30 per ton or by 9.2 percent. The cost to dispose of recycle material will also increase from \$36.80 to \$40.20 per ton. Budgeted disposal costs in 2019 are expected to increase to \$147,000 an increase of 8 percent or \$10,884.



Recycling

Recycling will continue to be an area that requires ongoing observation as the off-shore markets continue to ebb and flow in regards to the value of recyclable materials. We have seen and will continue to see volatility in the recycling market as China regulates the content of recyclable materials. This fluctuation will continue; however, staff is working with local vendors to cap the processing of recyclable materials to not exceed the cost of disposing of mainstream waste. Left unchecked the cost to continue in our recycling program would cost significantly more than our main stream waste costs and would become unsustainable.

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 2,900 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.

Culinary Water Enterprise Fund 50: Resources

Major Object	2017	2018	Adj	2019	2020	2021	2022	2023
	Actual	Budget		Budget	Plan	Plan	Plan	Plan
Charges for Services	1,166,828	1,135,421		1,153,610	1,176,176	1,198,889	1,225,866	1,260,630
Other Revenue	1,251,843	4,175,150		61,938	61,567	61,185	60,790	60,384
Intergovernmental	46,577	43,000		277,503	50,000	50,000	50,000	50,000
Interfund Transfers & Charges	121,989	303,677		303,800	309,804	307,927	308,966	302,525
Total Resources	\$ 2,587,237	\$ 5,657,248		\$ 1,796,852	\$ 1,597,547	\$ 1,618,001	\$ 1,645,622	\$ 1,673,539
<i>\$ change from prior period</i>	<i>\$ 1,152,901</i>	<i>\$ 3,070,011</i>		<i>\$ (3,860,396)</i>	<i>\$ (199,304)</i>	<i>\$ 20,453</i>	<i>\$ 27,621</i>	<i>\$ 27,917</i>
<i>% change from prior period</i>	<i>80%</i>	<i>119%</i>		<i>-68%</i>	<i>-11%</i>	<i>1%</i>	<i>2%</i>	<i>2%</i>

Culinary Water Enterprise Fund 50: Requirements

Major Object	2017	2018	Adj	2019	2020	2021	2022	2023
	Actual	Budget		Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Service	270,177	303,999		313,620	330,862	349,357	369,091	390,461
Capital	1,298,877	5,610,290		583,399	350,594	350,000	350,290	350,000
Debt Service	230,274	510,471		509,034	518,503	514,145	514,641	514,243
Interfund Transfers & Charges	394,646	397,812		390,797	397,589	404,500	411,601	418,837
Total Requirements	\$ 2,193,974	\$ 6,822,572		\$ 1,796,851	\$ 1,597,548	\$ 1,618,001	\$ 1,645,623	\$ 1,673,541
<i>\$ change from prior period</i>	<i>\$ 640,735</i>	<i>\$ 4,628,598</i>		<i>\$ (5,025,720)</i>	<i>\$ (199,303)</i>	<i>\$ 20,453</i>	<i>\$ 27,621</i>	<i>\$ 27,919</i>
<i>% change from prior period</i>	<i>41%</i>	<i>211%</i>		<i>-74%</i>	<i>-11%</i>	<i>1%</i>	<i>2%</i>	<i>2%</i>

CULINARY WATER MAJOR BUDGET ISSUES & PRIORITIES

2. OTIS II / Capital Improvement

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.
- **Fiscal Responsibility**
Diligently manage public funds and resources.

BUDGET SUMMARIES – WATER ENTERPRISE FUND

The public utility systems are the backbone and core components of what makes the city function. The structural integrity and up keep of these systems are the mainstay of creating and maintaining a sustainable community. This emphasis on system integrity is a key component to the cities success and has been a nexus for several successful projects.

One such project was the multiyear OTIS (Original Terrace Infrastructure System) project that began in 2001 and significantly improved the reliability of utility services and roadway infrastructure in certain areas of the city. The improved reliability and system integrity has made Washington Terrace City a safer place to live, has reduced maintenance costs in the OTIS project area, and will continue to serve the city into the future.

Looking ahead it is clear that more OTIS work will be required in order to update significant areas of the city to current construction standards. The reliability and structural integrity of some portions of our system are deteriorating in a way that will require a broad-based project in order to improve the needed system reliability. OTIS II, grants, and careful planning will be part of the strategy to making the necessary improvements. OTIS II will be a broad-based project that will use the finance capacity set forth in the OTIS project. In essence the bonding capacity that was secured in 2001 for the OTIS project and the associated tax increase will be maintained in order to secure current tax rates that will generate the revenue needed to fund long-term financing.

In addition to long term financing, staff will continue to secure grant funding and creatively plan for future projects that will support the critical need for capital improvements.

5. 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**

BUDGET SUMMARIES – WATER ENTERPRISE FUND

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 cities within the region.

As a result, beginning July 1, 2018, utility rates for sewer and refuse services will increase monthly by \$1.00 bringing the base minimum bill for a single family residential user to \$60.75.

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	18.70	18.70	-	5.10	5.10	-
Sewer	18.45	19.30	0.85	5.03	5.03	-
Refuse	14.60	14.75	0.15			-
Storm	8.00	8.00	-			-
Minimum Bill	\$ 59.75	\$ 60.75	\$ 1.00	\$ 10.13	\$ 10.13	\$ -
Late Fees	15.00	15.00	-			

Table 8 – Single family residential utility rate structure effective July 1, 2018.

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 2018 and 2023. 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.

Significant Capital Projects

The following significant (projects > \$200,000) capital projects have been identified as funding priorities for the fiscal years 2018-2023 tentative budget plan.

A. 500 West Waterline (CW5) \$500,000 – The Project scope includes a new 10” supply and distribution line. Funding period 2017 – 2022.

B. Rehabilitate Water Storage Tank #1 (CW6) \$416,000 – The Project scope includes the rehabilitation of tank #1 located on 500 West.
Funding period 2017 - 2019.

C. Water Line Looping for Zone B (CW37) \$225,000 – The Project scope includes installing 10” PVC pipe for looping at 5350 S. from 300 W. to 5600 S & Ridgeline.
Funding period 2018-2019.

D. Water Line Looping for Zone A (CW40) \$200,000 – The Project scope includes looping of 12” & 8” supply line for zone A at 5700 S. East of Adams Avenue.
Funding period 2019-2020.

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	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Charges for Services	1,137,448	1,097,351	1,158,021	1,180,130	1,191,419	1,207,554	1,235,818
Other Revenue	77,356	100,147	69,173	69,110	68,631	69,072	72,685
Interfund Transfers & Charges	1,653	1,670	1,687	1,704	1,721	1,738	1,755
Total Resources	\$ 1,216,457	\$ 1,387,168	\$ 1,228,881	\$ 1,250,943	\$ 1,261,770	\$ 1,278,364	\$ 1,310,258
<i>\$ change from prior period</i>	\$ 62,367	\$ 170,711	\$ (158,287)	\$ 22,062	\$ 10,827	\$ 16,593	\$ 31,894
<i>% change from prior period</i>	5%	14%	-11%	2%	1%	1%	2%

Sanitary Sewer Enterprise Fund 51: Requirements

Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
Materials, Supplies, and Services	553,901	577,786	587,651	598,631	609,493	620,709	632,504
Capital	35,890	1,027,585	150,470	150,000	150,000	150,000	165,000
Debt Service	128,839	130,625	129,662	133,114	130,485	131,232	131,663
Interfund Transfers & Charges	281,455	366,795	361,098	369,197	371,792	376,422	381,091
Total Requirements	\$ 1,000,085	\$ 2,102,791	\$ 1,228,881	\$ 1,250,941	\$ 1,261,769	\$ 1,278,362	\$ 1,310,258
<i>\$ change from prior period</i>	\$ 22,852	\$ 1,102,706	\$ (873,910)	\$ 22,060	\$ 10,828	\$ 16,593	\$ 31,896
<i>% change from prior period</i>	2%	110%	-42%	2%	1%	1%	2%

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

SANITARY SEWER MAJOR BUDGET ISSUES & PRIORITIES

2. OTIS II / Capital Improvement

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.
- **Fiscal Responsibility**
Diligently manage public funds and resources.

The public utility systems are the backbone and core components of what makes the city function. The structural integrity and up keep of these systems are the mainstay of creating and maintaining a sustainable community. This emphasis on system integrity is a key component to the cities success and has been a nexus for several successful projects.

One such project was the multiyear OTIS (Original Terrace Infrastructure System) project that began in 2001 and significantly improved the reliability of utility services and roadway infrastructure in certain areas of the city. The improved reliability and system integrity has made Washington Terrace City a safer place to live, has reduced maintenance costs in the OTIS project area, and will continue to serve the city into the future.

Looking ahead it is clear that more OTIS work will be required in order to update significant areas of the city to current construction standards. The reliability and structural integrity of some portions of our system are deteriorating in a way that will require a broad-based project in order to improve the needed system reliability. OTIS II, grants, and careful planning will be part of the strategy to making the necessary improvements. OTIS II will be a broad-based project that will use the finance capacity set forth in the OTIS project. In essence the bonding capacity that was secured in 2001 for the OTIS project and the associated tax increase will be maintained in order to secure current tax rates that will generate the revenue needed to fund long-term financing.

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

In addition to long term financing, staff will continue to secure grant funding and creatively plan for future projects that will support the critical need for capital improvements.

5. 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 cities within the region.

As a result, beginning July 1, 2018, utility rates for sewer and refuse services will increase monthly by \$1.00 bringing the base minimum bill for a single family residential user to \$60.75.

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

Service	Single Family Residential					
	Base (\$/4,000 gal.)			Overage (\$/1,000 gal.)		
	Current	New	Change	Current	New	Change
Water	18.70	18.70	-	5.10	5.10	-
Sewer	18.45	19.30	0.85	5.03	5.03	-
Refuse	14.60	14.75	0.15			-
Storm	8.00	8.00	-			-
Minimum Bill	\$ 59.75	\$ 60.75	\$ 1.00	\$ 10.13	\$ 10.13	\$ -
Late Fees	15.00	15.00	-			

Table 8 – Single family residential utility rate structure effective July 1, 2018.

The proposed increases are necessary to continue to fund the ongoing operations & maintenance cost of refuse and recycling services and sanitary sewer capital infrastructure.

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

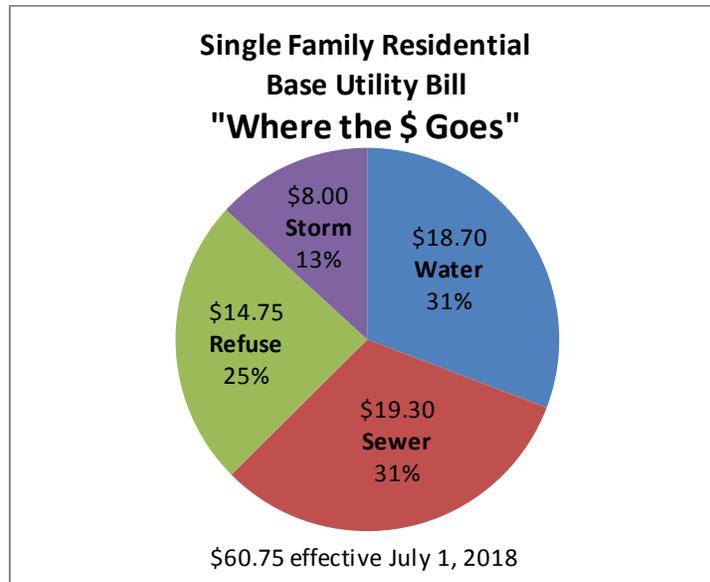


Figure 5 (above) – Illustrates a minimum single family residential base utility bill effective July 1, 2018.

BUDGET SUMMARIES – SEWER ENTERPRISE FUND



Figure 6 (above) – Illustrates “What services is the rate increase paying for?” effective July 1, 2018.

SEWER SERVICES

Capital

The 2019-2023 budget plan anticipates capital infrastructure contribution levels to grow from approximately \$92,000 to \$120,000 annually to further address the Capital Facility Plans recently updated by the City engineer.

The City’s ability to fund sewer capital infrastructure has been limited. Historically, additional resources collected through user fees have been used to offset rising operating costs, particularly those attributed to CWSID, rather than capital needs.

The 2019 tentative budget anticipates minimal increases to operating costs that are expected to be absorbed with existing resources. This presents a unique opportunity to raise the current low funding levels of sewer capital infrastructure to further the projects outlined in the plans.

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

BUDGET SUMMARIES – SEWER ENTERPRISE FUND

average by 33 percent annually. Recently these annual increases have been significantly reduced averaging 1-2 percent annual increases between 2015 and 2019.

Future increases are estimated at 5 percent or \$10,000 annually through 2023. However, greater treatment compliance standards are impending and 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 2019, the budget is estimated at \$512,880 or a 1.5% increase. CWSID represents 56% of total sewer operating requirements.

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 2023.

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 2018-2023:

E. Lining Existing Sewer (SS23) \$285,000 – The Project scope includes a trenchless repair of 10” & 8” sewer main with cured in place pipe at 5000 South from Washington Blvd. to 300 West & 400 West to 500 West.

Funding period 2019-2022.

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	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	418,442	454,000	469,537	471,885	474,244	476,615	478,998
Other Revenue	27,759	18,000	18,000	18,000	18,000	18,000	18,000
Interfund Transfers & Charges	28,131	30,196	30,732	31,574	32,271	33,393	31,701
Total Resources	\$ 474,332	\$ 502,196	\$ 518,269	\$ 521,458	\$ 524,515	\$ 528,008	\$ 528,699
<i>\$ change from prior period</i>	<i>\$ 35,180</i>	<i>\$ 27,864</i>	<i>\$ 16,073</i>	<i>\$ 3,190</i>	<i>\$ 3,057</i>	<i>\$ 3,492</i>	<i>\$ 691</i>
<i>% change from prior period</i>	<i>8%</i>	<i>6%</i>	<i>3%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>0%</i>

Storm Water Enterprise Fund 52: Requirements

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Services	24,918	60,107	61,511	61,662	61,814	61,968	62,123
Capital	31,746	542,552	135,157	130,951	130,906	129,357	125,722
Debt Service	64,408	65,394	64,870	66,903	65,332	65,614	65,091
Interfund Transfers & Charges	181,928	245,438	256,731	261,942	266,463	271,069	275,762
Total Requirements	\$ 303,000	\$ 913,491	\$ 518,269	\$ 521,458	\$ 524,515	\$ 528,008	\$ 528,699
<i>\$ change from prior period</i>	<i>\$ 10,854</i>	<i>\$ 610,491</i>	<i>\$ (395,221)</i>	<i>\$ 3,189</i>	<i>\$ 3,057</i>	<i>\$ 3,493</i>	<i>\$ 691</i>
<i>% change from prior period</i>	<i>4%</i>	<i>201%</i>	<i>-43%</i>	<i>1%</i>	<i>1%</i>	<i>1%</i>	<i>0%</i>

BUDGET SUMMARIES – STORM WATER ENTERPRISE FUND

STORM WATER MAJOR BUDGET ISSUES & PRIORITIES

2. OTIS II / Capital Improvement

Legislative Policy Statement/Goal:

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- **Fiscal Responsibility**
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The public utility systems are the backbone and core components of what makes the city function. The structural integrity and up keep of these systems are the mainstay of creating and maintaining a sustainable community. This emphasis on system integrity is a key component to the cities success and has been a nexus for several successful projects.

One such project was the multiyear OTIS (Original Terrace Infrastructure System) project that began in 2001 and significantly improved the reliability of utility services and roadway infrastructure in certain areas of the city. The improved reliability and system integrity has made Washington Terrace City a safer place to live, has reduced maintenance costs in the OTIS project area, and will continue to serve the city into the future.

Looking ahead it is clear that more OTIS work will be required in order to update significant areas of the city to current construction standards. The reliability and structural integrity of some portions of our system are deteriorating in a way that will require a broad-based project in order to improve the needed system reliability. OTIS II, grants, and careful planning will be part of the strategy to making the necessary improvements. OTIS II will be a broad-based project that will use the finance capacity set forth in the OTIS project. In essence the bonding capacity that was secured in 2001 for the OTIS project and the associated tax increase will be maintained in order to secure current tax rates that will generate the revenue needed to fund long-term financing.

BUDGET SUMMARIES – STORM WATER ENTERPRISE FUND

In addition to long term financing, staff will continue to secure grant funding and creatively plan for future projects that will support the critical need for capital improvements.

5. UTILITY RATES

Legislative Policy Statement/Goal:

- **Infrastructure, Improvements, and Public Facilities**
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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 cities within the region.

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	18.70	18.70	-	5.10	5.10	-
Sewer	18.45	19.30	0.85	5.03	5.03	-
Refuse	14.60	14.75	0.15			-
Storm	8.00	8.00	-			-
Minimum Bil	\$ 59.75	\$ 60.75	\$ 1.00	\$ 10.13	\$ 10.13	\$ -
Late Fees	15.00	15.00	-			

Table 8 – Single family residential utility rate structure effective July 1, 2018.

BUDGET SUMMARIES – STORM WATER ENTERPRISE FUND

As a result, beginning July 1, 2018, utility rates for sewer and refuse services will increase monthly by \$1.00 bringing the base minimum bill for a single family residential user to \$60.75.

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 2017 and 2023.

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

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 2017-2023:

F. Intersection Drainage Improvements (SD21) \$215,000 – The Project scope includes intersection drainage improvements throughout the City.

Funding period 2017-2022.

G. Regional Detention Basin (SD6) \$395,000 – The Project scope includes the installation of a regional detention basin at or about 5200 South and 300 West. Funding period 2017 – 2022.

BUDGET SUMMARIES – PARKS CAPITAL PROJECTS FUND

Parks CIP Fund 53: Resources

Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020	Plan 2021	Plan 2022	Plan 2023	Plan
Interfund Transfers & Charges	31,642	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Intergovernmental	17,400	45,419	-	-	-	-	-	-
Other Revenue	10,956	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Resources	\$ 59,998	\$ 65,419	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<i>\$ change from prior period</i>	<i>\$ (242,970)</i>	<i>\$ 5,421</i>	<i>\$ (45,419)</i>	<i>\$ -</i>				
<i>% change from prior period</i>	<i>-80%</i>	<i>9%</i>	<i>-69%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>

Parks CIP Fund 53: Requirements

Major Object	2017 Actual	2018 Adj Budget	2019 Budget	2020	Plan 2021	Plan 2022	Plan 2023	Plan
Capital	108,666	83,274	20,000	20,000	20,000	20,000	20,000	20,000
Total Requirements	\$ 108,666	\$ 83,274	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<i>\$ change from prior period</i>	<i>\$ (101,259)</i>	<i>\$ (25,392)</i>	<i>\$ (63,274)</i>	<i>\$ -</i>				
<i>% change from prior period</i>	<i>-48%</i>	<i>-23%</i>	<i>-76%</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.

With no impending grant awarded projects identified in during the plan year, park parking lot improvements remain the largest capital requirement.



Image (above) Rohmer Park

BUDGET SUMMARIES – CAPITAL PROJECTS FUND

Capital Projects Fund 55: Resources

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Interfund Transfers & Charges	856,351	752,744	481,319	455,703	458,988	462,294	431,880
Other Revenue	178,499	119,500	-	-	-	10,000	2,000
Total Resources	\$ 1,034,850	\$ 872,244	\$ 481,319	\$ 455,703	\$ 458,988	\$ 472,294	\$ 433,880
<i>\$ change from prior period</i>	<i>\$ 139,313</i>	<i>\$ (162,606)</i>	<i>\$ (390,925)</i>	<i>\$ (25,616)</i>	<i>\$ 3,286</i>	<i>\$ 13,306</i>	<i>\$ (38,415)</i>
<i>% change from prior period</i>	<i>16%</i>	<i>-16%</i>	<i>-45%</i>	<i>-5%</i>	<i>1%</i>	<i>3%</i>	<i>-8%</i>

Capital Projects Fund 55: Requirements

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital outlay	279,092	1,083,983	384,368	370,721	394,144	387,625	509,827
Interfund Transfers & Charges	107,374	135,352	131,964	134,576	87,931	106,544	128,664
Total Requirements	\$ 386,465	\$ 1,219,335	\$ 516,332	\$ 505,297	\$ 482,075	\$ 494,169	\$ 638,491
<i>\$ change from prior period</i>	<i>\$ (640,589)</i>	<i>\$ 832,869</i>	<i>\$ (703,003)</i>	<i>\$ (11,035)</i>	<i>\$ (23,222)</i>	<i>\$ 12,094</i>	<i>\$ 144,321</i>
<i>% change from prior period</i>	<i>-62%</i>	<i>216%</i>	<i>-58%</i>	<i>-2%</i>	<i>-5%</i>	<i>3%</i>	<i>29%</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 \$257K - \$301K annually (2019-2023)
- Road Fleet & Equipment \$10K - \$40K annually (2019-2023)
- Road Reconstruction – 300 West STP Project \$60K (2018-2022) \$3.3M (2024)
- Capital Lease - Fire Ladder Truck \$47K annually (2016-2020)
- Building & IT Maintenance \$36.5K annually (2019), \$20K (2020, 2022-2023), \$40K (2021)
- General Govt. Fleet & Equipment \$20K - \$30K annually (2019-2023)
- Long-Term/Short-Term Debt Service Contributions – Sales Tax Revenue Bond Series 2013 and Public Works Facility - \$51K annually (2018-2023)



BUDGET SUMMARIES – DEBT SERVICE FUND

Debt Service Fund 65: Resources

Major Object	2017	2018	2019	2020	2021	Plan 2022	Plan	2023
	Actual	Adj Budget	Budget	Plan				Plan
Property Taxes	389,678	395,524	391,819	387,238	317,376	-	-	-
Interfund Transfers & Charges	201,025	204,037	200,931	202,821	154,982	160,792	115,435	
Total Resources	\$ 590,783	\$ 599,561	\$ 592,750	\$ 590,059	\$ 472,358	\$ 160,792	\$ 115,435	
<i>\$ change from prior period</i>	<i>\$ (1,807,691)</i>	<i>\$ 8,778</i>	<i>\$ (6,811)</i>	<i>\$ (2,691)</i>	<i>\$ (117,701)</i>	<i>\$ (311,566)</i>	<i>\$ (45,357)</i>	
<i>% change from prior period</i>	<i>-75%</i>	<i>1%</i>	<i>-1%</i>	<i>0%</i>	<i>-20%</i>	<i>-66%</i>	<i>-28%</i>	

Debt Service Fund 65: Requirements

Major Object	2017	2018	2019	2020	2021	Plan 2022	Plan	2023
	Actual	Adj Budget	Budget	Plan				Plan
Materials, Supplies, and Service	1,000	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Debt Service	551,753	559,615	553,836	550,505	433,189	119,684	89,438	
Interfund Transfers & Charges	38,947	39,946	38,914	39,554	39,169	41,108	25,997	
Other Requirements	-	-	-	-	-	-	-	-
Total Requirements	\$ 591,700	\$ 601,311	\$ 594,500	\$ 591,809	\$ 474,108	\$ 162,542	\$ 117,185	
<i>\$ change from prior period</i>	<i>\$ (1,807,419)</i>	<i>\$ 9,610</i>	<i>\$ (6,811)</i>	<i>\$ (2,691)</i>	<i>\$ (117,701)</i>	<i>\$ (311,566)</i>	<i>\$ (45,357)</i>	
<i>% change from prior period</i>	<i>-75%</i>	<i>2%</i>	<i>-1%</i>	<i>0%</i>	<i>-20%</i>	<i>-66%</i>	<i>-28%</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.

BUDGET SUMMARIES – SPECIAL IMPROVEMENT FUND

Special Improvement District Fund 66: Resources

Major Object	2017	2018	2019	Plan	2020	2021	2022	2023
	Actual	Adj Budget			Plan	Plan	Plan	Plan
Property Taxes	80,660	80,660	80,935	80,956	51,140	-	-	-
Total Resources	\$ 80,660	\$ 80,660	\$ 80,935	\$ 80,956	\$ 51,140	\$ -	\$ -	\$ -
<i>\$ change from prior period</i>	<i>\$ (6,054)</i>	<i>\$ 0</i>	<i>\$ 275</i>	<i>\$ 21</i>	<i>\$ (29,816)</i>	<i>\$ (51,140)</i>	<i>\$ -</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-7%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>-37%</i>	<i>-100%</i>	<i>#DIV/0!</i>	

Special Improvement District Fund 66: Requirements

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Materials, Supplies, and Services	918	919	135	135	135	135	-
Interfund Transfers & Charges	81,410	81,410	81,685	81,706	80,480	67,583	-
Total Requirements	\$ 82,328	\$ 82,329	\$ 81,820	\$ 81,841	\$ 80,615	\$ 67,718	\$ -
<i>\$ change from prior period</i>	<i>\$ 525</i>	<i>\$ 1</i>	<i>\$ (509)</i>	<i>\$ 21</i>	<i>\$ (1,226)</i>	<i>\$ (12,897)</i>	<i>\$ (67,718)</i>
<i>% change from prior period</i>	<i>1%</i>	<i>0%</i>	<i>-1%</i>	<i>0%</i>	<i>-1%</i>	<i>-16%</i>	<i>-100%</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 districted 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	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Intergovernmental	738,391	912,918	561,519	577,850	594,672	611,998	611,998
Other Revenue	10,620	-	-	-	-	-	-
Total Resources	\$ 749,011	\$ 912,918	\$ 561,519	\$ 577,850	\$ 594,672	\$ 611,998	\$ 611,998
<i>\$ change from prior period</i>	<i>\$ (1,387,587)</i>	<i>\$ 163,907</i>	<i>\$ (351,399)</i>	<i>\$ 16,331</i>	<i>\$ 16,822</i>	<i>\$ 17,326</i>	<i>\$ -</i>
<i>% change from prior period</i>	<i>-65%</i>	<i>22%</i>	<i>-38%</i>	<i>3%</i>	<i>3%</i>	<i>3%</i>	<i>0%</i>

Redevelopment Agency Fund 70: Requirements

Major Object	2017	2018	2019	2020	2021	2022	2023
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	15,860	16,500	16,800	16,800	16,800	16,800	16,800
Materials, Supplies, and Services	817	2,800	2,800	2,800	2,800	2,800	2,800
Capital outlay	242,383	773,241	2,012,269	534,626	549,960	565,736	564,837
Interfund Transfers & Charges	5,652	120,377	6,661	7,314	7,987	8,680	8,680
Total Requirements	\$ 264,712	\$ 912,918	\$ 2,038,530	\$ 561,540	\$ 577,546	\$ 594,016	\$ 593,117
<i>\$ change from prior period</i>	<i>\$ (1,637,650)</i>	<i>\$ 648,206</i>	<i>\$ 1,125,612</i>	<i>\$ (1,476,990)</i>	<i>\$ 16,006</i>	<i>\$ 16,470</i>	<i>\$ (899)</i>
<i>% change from prior period</i>	<i>-86%</i>	<i>245%</i>	<i>123%</i>	<i>-72%</i>	<i>3%</i>	<i>3%</i>	<i>0%</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

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.

BUDGET SUMMARIES – REDEVELOPMENT AGENCY FUND

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 up to \$500K and \$585K annually through 2023 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 2023. 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.

SUPPLEMENTAL

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.

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- 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.

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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.

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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

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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.

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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.

FINANCIAL POLICIES AND OBJECTIVES

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.

FINANCIAL POLICIES AND OBJECTIVES

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.

FINANCIAL POLICIES AND OBJECTIVES

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.

FINANCIAL POLICIES AND OBJECTIVES

- 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.

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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.

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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.

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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.

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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.

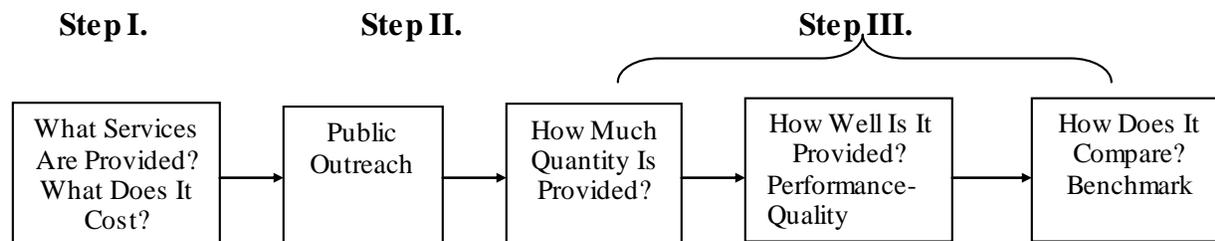


Figure 13. Program Analysis

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.

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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

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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

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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).

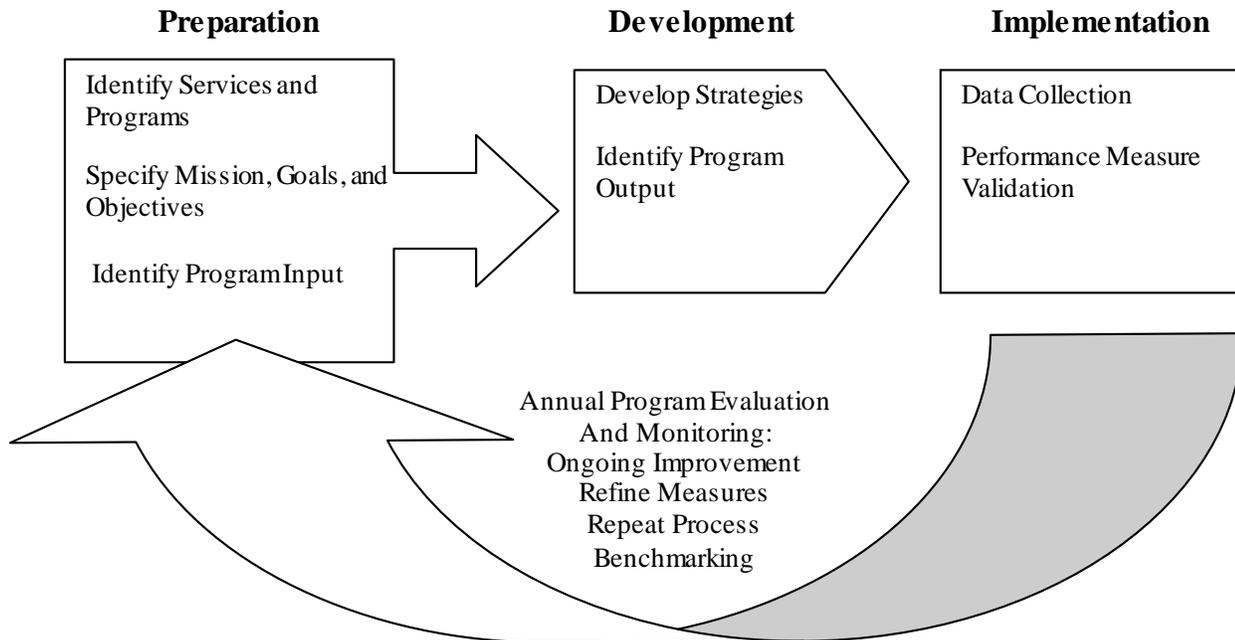
As we begin the process of developing and implementing performance measurement, the benefits of accountability, focus on results, and a better-defined relationship between resources and mission can be achieved. But it is equally important to recognize that performance measurement is only one of a number 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

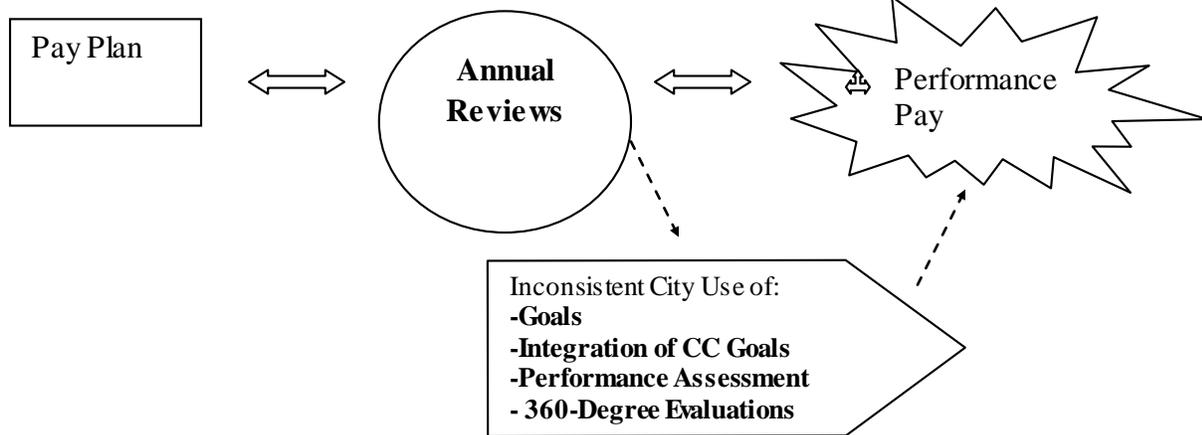
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analysis as with all other types of analytical tools. As with performance measures we will modify this tool as time passes or decide to use other cities for benchmarks.

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

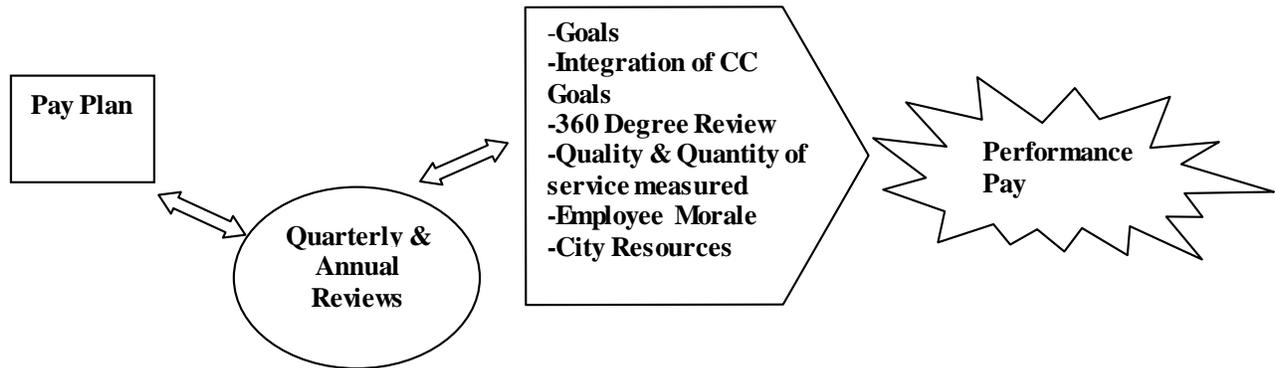
For most departments a requirement to incorporate goals and performance measures will not be difficult. For other departments this change may require a shift in philosophy for both the manager and the employee. It is important to remember that it is the responsibility of the manager to clearly communicate 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,

PERFORMANCE MEASUREMENT

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

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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

Capital Project Program

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.

Capital Requirements Summary

Fund	Capital #	Project Name	Total Capital Cost	2013 - 2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
70		SE Adams Avenue Road & Utility Reconstruction	5,271,799	4,975,329	-	-	-	-	-	-
70		CBD Redevelopment and Renewal Infrastructure Projects	425,343	76,384	16,680	231,294	25,240	25,245	25,250	25,250
70		SE Redevelopment and Renewal Infrastructure Projects	4,397,320	119,602	296,738	1,796,508	525,696	541,840	558,468	558,468
REDEVELOPMENT FUND SUB-TOTAL			\$ 10,094,462	\$ 5,171,315	\$ 313,418	\$ 2,027,802	\$ 550,936	\$ 567,085	\$ 583,718	\$ 583,718
55	RR9	450 West Road Reconstruction	344,064	344,064						
55	RM	City-wide Road Maintenance	3,014,443	981,134	436,744	257,868	260,721	264,144	267,625	301,163
55	RF	Road Capital Fleet & Equipment	729,307	149,255	298,259	10,000	10,000	10,000	10,000	10,000
55	BM	Buildings Capital O&M	313,390	83,110	76,890	26,500	10,000	30,000	10,000	10,000
55		Interfund Capital Transfers & Charges	1,120,495	288,089	135,352	131,964	134,576	87,931	106,544	128,664
55	NRF	Nonroad Capital Fleet & Equipment	1,326,366	752,523	172,708	20,000	20,000	20,000	30,000	20,000
55	IT	Information Technology	165,660	39,769	39,382	10,000	10,000	10,000	10,000	10,000
55	RR	300 West reconstruct	306,930	3,465	60,000	60,000	60,000	60,000	60,000	-
GENERAL GOV. CAPITAL PROJECTS FUND SUB-TOTAL			\$ 7,320,655	\$ 2,641,410	\$ 1,219,335	\$ 516,332	\$ 505,297	\$ 482,075	\$ 494,169	\$ 479,827
53	PK16	Little Rohmer Park restroom renovation	68,282	68,282						
53	PK15	Rohmer Park Improvements	80,290	23,516	56,774					
53	PK11	Civic Center Park Improvements	24,368	24,368						
53	PK10	Lion's Park Improvements	13,000	13,000						
53	PK7	Victory Park Improvements	283,482	283,482						
53	PK	Other park projects	118,000	21,500	21,500	15,000	15,000	15,000	15,000	15,000
PARKS FUND SUB-TOTAL			\$ 587,423	\$ 434,149	\$ 78,274	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
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	248,364	33,100	61,030	57,180	52,936	22,853	21,265	
52	SD	Interfund Capital Transfers & Charges	3,591	3,591						
52	SD6	3500 South & 100 East	395,069		102,932	57,977	58,015	88,053	88,092	
52	SD26	300 W between 5000 S and 4900 S Upsize Storm	35,000							35,000
52	SD	Capital projects	70,722							70,722
52	SD	Capital fleet & equipment	330,769	67,179	163,590	20,000	20,000	20,000	20,000	20,000
STORM WATER FUND SUB-TOTAL			\$ 1,298,516	\$ 103,871	\$ 542,552	\$ 135,157	\$ 130,951	\$ 130,906	\$ 129,357	\$ 125,722
51	SS8	4850 South replace existing 8" w/10" line	85,000		85,000					
51	SS9	300 W 4800 S to 4875 S Replace Sewer Line	100,000							100,000
51	SS16	3500 South	-							
51	SS5	500 West - 5000 to 4900 S sewer 10" line	37,000		37,000					
51	SS12	450 West replace existing 8" w/10" line	-							
51	SS17	4525 South and 500 West replace existing 12" line	344,707	4,923	339,784					
51	SS18	4525 South and 500 West replace existing 12" & 10"	64,316	1,732	62,584					
51	SS20	4575 South and 250 East line	135,000		75,000	60,000				
51	SS21	Repair line under railroad	39,000		29,000	10,000				
51	SS22	4750 South and 300 West line	80,000		70,000	10,000				
51	SS23	5000 S. Wash Blvd to 300 W and 400 W to 500 W	285,470			40,470	120,000	120,000	5,000	
51	SS24	275 W; 250 W, 500 W and Backyards Replace Exisit	150,000						115,000	35,000
51		Interfund Capital Transfers & Charges	-	-	-	-	-	-	-	-
51	SS	Capital fleet & equipment	637,535	158,318	329,217	30,000	30,000	30,000	30,000	30,000

Capital Requirements Summary

Fund	Capital #	Project Name	Total Capital Cost	2013 - 2017 Actual	2018 Adj Budget	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan
SANITARY SEWER FUND SUB-TOTAL			\$ 1,958,028	\$ 164,973	\$ 1,027,585	\$ 150,470	\$ 150,000	\$ 150,000	\$ 150,000	\$ 165,000
50	CW6,7	Rehabilitate storage tank #1	497,859		250,000	247,859				
50	CW5	Tank #1 Rehabilitation	500,000		164,978		88,134	238,000	8,888	
50	CW8,45,19,20	Tank #3 improvements	251,761	251,761						
50	CW14	300 W 4800 S to 4825 S	25,000						25,000	
50	CW30	300 West and 4800 S to 5000 South	125,000		28,598				96,402	
50	CW17	5050 South and 300 East construct 8" main for	65,000		65,000					
50	CW18	Construction new 1.0 reservoir	40,000				18,000	22,000		
50	CW37	Zone B looping	225,000		170,000	55,000				
50	CW39	Tank #1 on 500 W 10" line	155,000		25,000		130,000			
50	CW40	Adams Ave water main loop	200,000			175,540	24,460			
50	CW46	5050 South 150 West line replacement	100,121	121	100,000					
50	CW47	5150 South 150 East line replacement	100,000		100,000					
50	CW49	Line extension Ridgeline Dr. and 5350 South	-							
50	CW51	Southpointe Dr. business water laterals	50,000		35,000	15,000				
50	CW	Public Works Facility	5,177,500	1,134,515	4,042,985					
50	CW	Capital projects	390,000						130,000	260,000
50	CW	Capital fleet & equipment	2,004,845	926,116	628,729	90,000	90,000	90,000	90,000	90,000
CULINARY WATER FUND SUB-TOTAL			\$ 9,907,086	\$ 2,312,513	\$ 5,610,290	\$ 583,399	\$ 350,594	\$ 350,000	\$ 350,290	\$ 350,000
FUNDS TOTAL			\$ 31,166,170	\$ 10,828,231	\$ 8,791,454	\$ 3,428,160	\$ 1,702,778	\$ 1,695,066	\$ 1,722,534	\$ 1,719,267
UTILITY FUNDS TOTAL			\$ 13,163,630	\$ 2,581,357	\$ 7,180,427	\$ 869,026	\$ 631,545	\$ 630,906	\$ 629,647	\$ 640,722
GOVERNMENTAL FUNDS TOTAL			\$ 18,002,540	\$ 8,246,874	\$ 1,611,027	\$ 2,559,134	\$ 1,071,233	\$ 1,064,160	\$ 1,092,887	\$ 1,078,545

Fee Schedule

FEE SCHEDULE

Administration	FY 2016	FY 2017	FY 2018	FY 2019 Final
Candidate Filing Fee	25.00	25.00	25.00	25.00
City Zoning Maps				
11"x17"	1.00	1.00	1.00	1.00
17"x24"	4.00	4.00	4.00	4.00
Copies/reproduction	0.50	0.50	0.50	0.50
Credit Card/EFT Convenience Fee per transaction(1)	1.90	1.90	1.90	1.90
Return Check	27.00	27.00	27.00	27.00
GRAMA Records Request	\$0.50/page	\$0.50/page	\$0.50/page	\$0.50/page
Payroll deductions (non-city sponsored)	\$5 /deduction/ pay \$5 /deduction/ pay period \$5 /deduction/ pay period \$5 /deduction/ pay period			
Newsletter Advertisements				
3"x5" Business Card Size	60.00	60.00	60.00	60.00
1/3rd page	80.00	80.00	80.00	80.00
Insert (1)(a)	100.00	100.00	100.00	100.00

(1) Credit card convenience fee, 3% for transactions over \$300.

(1)(a) Plus applicable printing, folding, and mailing fees. Inserts available only for partner organizations that support directly or indirectly the City objectives as determined by the City Manager.

Animal Control				
Reclaim/Transport				
after hours impound	75.00	75.00	75.00	75.00
transportation	50.00	50.00	50.00	50.00
temp holding kennel	23.00	23.00	23.00	23.00
trapped animal transport	20.00	20.00	20.00	20.00
Trap Rental				
per week	15.00	15.00	15.00	15.00
Licensing				
altered	10.00	10.00	10.00	10.00
unaltered	25.00	25.00	25.00	25.00
senior citizen (over 65)				
altered	5.00	5.00	5.00	5.00
unaltered	10.00	10.00	10.00	10.00
duplicate tag	5.00	5.00	5.00	5.00
late fee	20.00	20.00	20.00	20.00
Microchipping	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	495.00	495.00
development review fee			200.00	200.00
conditional use permit	100.00	100.00	270.00	270.00
subdivision & engineer review	60.00/lot	60.00/lot	\$495 plus \$60 / lot	\$495 plus \$60 / lot
zoning amendment or rezone request	250.00	250.00	495.00	496.00
apartment complex	60.00/unit	60.00/unit	\$495 plus 40 / unit	\$495 plus 40 / unit
commercial engineering review	500.00	500.00	500.00	501.00
subdivision off-site improvmt inspection	Actual cost	Actual cost	Actual cost	Actual cost
board of adjustments request	250.00	250.00	300.00	300.00
excavation permit (bond or deposit*)	47.47	47.47	47.47	47.47
annexation fee	1,000.00	1,000.00	1,000.00	1,000.00
site plan fee			395.00	395.00

(3) Plus additional review costs in excess of minimum, if applicable.

FEE SCHEDULE

Impact Fees	FY 2016	FY 2017	FY 2018 Final	FY 2019 Final
Culinary Water Facilities (4)	1,618.00	1,618.00	1,618.00	1,618.00
Sanitary Sewer Facilities (4)	533.00	533.00	533.00	533.00
Storm Drain Facilities				
Residential lots - single family	535.53	535.53	535.53	535.53
Unique residential and commercial (per sq. ft.)	0.1210	0.1210	0.1210	0.1210
Park Facilities				
Residential single family (per ERU)	1,826.37	1,826.37	1,826.37	1,826.37
Residential multi-family (per ERU)	1,697.29	1,697.29	1,697.29	1,697.29
Public Safety Facilities - Police				
Residential (per residence)	26.62	26.62	26.62	26.62
Commerical (per sq. ft. of lot(s) developed)	0.00224	0.00224	0.00224	0.00224
Public Safety Facilities - Fire/EMS				
Residential (per residence)	46.70	46.70	46.70	46.70
Commerical (per sq. ft. of lot(s) developed)	0.00513	0.00513	0.00513	0.00513
Water Meter (5)				
3/4"	275.00	275.00	275.00	275.00
1"	300.00	300.00	300.00	300.00
1.5"	450.00	450.00	450.00	450.00
2"	600.00	600.00	600.00	600.00
3"	1,900.00	1,900.00	1,900.00	1,900.00
6"	4,300.00	4,300.00	4,300.00	4,300.00

(4) Fee reflects minimum service connection size. Fees change with connection size. Refer to approved impact fee schedule.

(5) Water meter fees reflect estimated cost, actual cost will be charged.

Facility Rentals				
Rohmer Park Pavilion (per time frame)	25.00	25.00	25.00	25.00
deposit (refundable)	50.00	50.00	50.00	50.00
Victory Park Pavilion (per time frame)			25.00	25.00
deposit (refundable)			50.00	50.00
Recreational Fun Pack (RFP)	na	na	na	na
deposit (refundable)	na	na	na	na
Civic-Senior Center				
first hour	45.00	na	na	70.00
each subsequent hour	45.00	na	na	10.00
kitchen	50.00	na	na	25.00
non-resident Fee	250.00	na	na	-
employee return fee				5.00
cleaning deposit (refundable)	250.00	na	na	250.00
Field Use				
per hour	2.00	2.00	2.00	2.00
contract agreement	100.00	100.00	100.00	200.00
deposit (refundable)	250.00	250.00	250.00	250.00

Liesure Services & Recreation (6)				
Youth Soccer	40.00	45.00	45.00	45.00
T-Ball	40.00	45.00	45.00	45.00
Coach Pitch	40.00	45.00	45.00	45.00
Youth Baseball	45.00	45.00	50.00	50.00
Youth Softball	45.00	45.00	50.00	50.00
Football Camp	20.00	25.00	25.00	-
Youth Tackle Football	100.00	110.00	110.00	135.00
Youth Basketball	40.00	45.00	45.00	45.00
Boys Basketball	45.00	45.00	50.00	50.00
Girls Basketball	45.00	45.00	50.00	50.00
Girls Volleyball	45.00	45.00	50.00	50.00
Kids Summer Camp	45.00	50.00	na	na
Special Events Regular Vendor	25.00	30.00	30.00	30.00
Special Events Food Vendor	45.00	45.00	50.00	50.00
Special Events Premium Vendor	45.00	45.00	50.00	50.00

(6) Estimated fees. May be subject to change, as necessary, during fiscal year.

FEE SCHEDULE

Business Licenses	FY 2016	FY 2017	FY 2018 Final	FY 2019 Final
Professional/Business Services				
Basic	100.00	100.00	100.00	100.00
Disproportionate	4.00	4.00	4.00	4.00
General Services				
Basic	100.00	100.00	100.00	100.00
Disproportionate	64.00	64.00	64.00	64.00
Contracted Services				
Basic	100.00	100.00	100.00	100.00
Disproportionate	40.00	40.00	40.00	40.00
Personal Services				
Basic	100.00	100.00	100.00	100.00
Disproportionate	4.00	4.00	4.00	4.00
Entertainment				
Basic	100.00	100.00	100.00	100.00
Disproportionate	201.00	201.00	201.00	201.00
Automotive				
Basic	100.00	100.00	100.00	100.00
Disproportionate	74.00	74.00	74.00	74.00
Sales				
Basic	100.00	100.00	100.00	100.00
Disproportionate	8.00	8.00	8.00	8.00
Convenience Stores				
Basic	100.00	100.00	100.00	100.00
Disproportionate	1,113.00	1,113.00	1,113.00	1,113.00
Family Services				
Basic	175.00	175.00	175.00	175.00
Disproportionate	32.00	32.00	32.00	32.00
Storage				
Basic	100.00	100.00	100.00	100.00
Disproportionate	64.00	64.00	64.00	64.00
Group Homes				
Basic	100.00	100.00	100.00	100.00
Disproportionate	275.00	275.00	275.00	275.00
Nursing Home / room				
Basic	175.00	175.00	175.00	175.00
Disproportionate	118.00	118.00	118.00	118.00
Hospital / room				
Basic	175.00	175.00	175.00	175.00
Disproportionate	11.00	11.00	11.00	11.00
Apartment / unit				
Basic	100.00	100.00	100.00	100.00
Disproportionate	111.00	111.00	111.00	111.00

FEE SCHEDULE

Utility Services (billed monthly)	FY 2016	FY 2017	FY 2018 Final	FY 2019 Final
Set-up Fee (Non-refundable)	40.00	40.00	40.00	40.00
Shut Off Deposit	100.00	100.00	100.00	100.00
Late Fee	15.00	15.00	15.00	15.00
Water Turn-On Fee	30.00	30.00	30.00	30.00
Weekend turn-on fee	60.00	60.00	60.00	60.00
Utility Billing History Report	3.00	3.00	3.00	-
Data Log Reproduction	5.00	5.00	5.00	-
Meter Check Fee	25.00	25.00	25.00	25.00
Meter rental deposit (7)	955.00	955.00	955.00	955.00
Meter Tampering Fee (8)				
Storm Drain (per ERU)	6.90	7.15	8.00	8.00
Temporary Disconnect	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 month the meter is 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)	17.80 / 4,000	18.20 / 4,000	18.70 / 4,000	18.70 / 4,000
Single-Family gallons over (\$/gallons)	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000
Duplex (\$/gallons)	35.60 / 8,000	36.40 / 8,000	37.40 / 8,000	37.40 / 8,000
Duplex gallons over (\$/gallons)	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000
Tri-Plex (\$/gallons)	53.40 / 12,000	54.60 / 12,000	56.10 / 12,000	56.10 / 12,000
Tri-Plex gallons over (\$/gallons)	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000	5.10 / 1,000
Residential Sewer				
Single-Family (\$/gallons)	17.56 / 4,000	18.10 / 4,000	18.45 / 4,000	19.30 / 4,000
Single-Family gallons over (\$/gallons)	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000
Duplex (\$/gallons)	35.10 / 8,000	36.20 / 8,000	36.90 / 8,000	38.40 / 8,000
Duplex gallons over (\$/gallons)	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000
Triplex (\$/gallons)	52.65 / 12,000	54.30 / 12,000	55.35 / 12,000	57.60 / 12,000
Triplex gallons over (\$/gallons)	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000	5.03 / 1,000
Refuse				
Refuse First & Recycle Cart	13.70	13.70	14.60	14.75
Refuse Second Cart	13.70	13.70	14.60	14.75
Second Recycle Cart	2.65	2.65	4.36	4.50
Commercial Water				
3/4" meter (\$/gallons)	20.00 / 4,000	20.50 / 4,000	21.05 / 4,000	21.05 / 4,000
3/4" meter gallons over (\$/gallons)	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
1" meter (\$/gallons)	37.50 / 7,500	38.40 / 7,500	39.40 / 7,500	39.40 / 7,500
1" meter gallons over (\$/gallons)	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
1 1/2" meter (\$/gallons)	75.00 / 15,000	76.75 / 15,000	78.80 / 15,000	78.80 / 15,000
1 1/2" meter gallons over (\$/gallons)	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
2" meter (\$/gallons)	112.50 / 22,500	115.10 / 22,500	118.20 / 22,500	118.20 / 22,500
2" meter gallons over (\$/gallons)	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
3" meter (\$/gallons)	187.50 / 37,500	191.80 / 37,500	197.00 / 37,500	197.00 / 37,500
3" meter gallons over (\$/gallons)	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
4" meter (\$/gallons)	375.00 / 75,000	383.60 / 75,000	394.05 / 75,000	394.05 / 75,000
4" meter gallons over (\$/gallons)	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000	5.71 / 1,000
6" meter (\$/gallons)	3,500 / 1,000,000	3,580 / 1,000,000	3,677.65 / 1,000,000	3,677.65 / 1,000,000
6" meter gallons over (\$/gallons)	4.01 / 1,000	4.01 / 1,000	4.01 / 1,000	4.01 / 1,000
Commercial Sewer				
3/4" meter (\$/gallons)	19.67 / 4,000	20.35 / 4,000	20.75 / 4,000	21.60 / 4,000
3/4" meter gallons over (\$/gallons)	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
1" meter (\$/gallons)	37.50 / 7,500	38.15 / 7,500	38.90 / 7,500	40.50 / 7,500
1" meter gallons over (\$/gallons)	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
1 1/2" meter (\$/gallons)	73.75 / 15,000	76.30 / 15,000	77.80 / 15,000	81.00 / 15,000
1 1/2" meter gallons over (\$/gallons)	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
2" meter (\$/gallons)	110.63 / 22,500	114.45 / 22,500	116.70 / 22,500	121.50 / 22,500
2" meter gallons over (\$/gallons)	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
3" meter (\$/gallons)	184.38 / 37,500	190.75 / 37,500	194.50 / 37,500	202.50 / 37,500
3" meter gallons over (\$/gallons)	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
4" meter (\$/gallons)	368.76 / 75,000	381.50 / 75,000	389 / 75,000	405.00 / 75,000
4" meter gallons over (\$/gallons)	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000	5.63 / 1,000
6" meter (\$/gallons)	3,441.76 / 1,000,000	3,560.25 / 1,000,000	3,656.30 / 1,000,000	3,807.00 / 1,000,000
6" meter gallons over (\$/gallons)	3.94 / 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. 18-05

**ADOPTING THE FINAL 2019 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 17TH day of April 2018, presented to the governing body with a tentative budget for fiscal year 2019 and a budget plan for fiscal years 2020-2023; and

WHEREAS, the governing body has reviewed the tentative budget for fiscal year 2019 and a budget plan for fiscal years 2020-2023 and the contents contained therein; and

WHEREAS, the governing body, during their regularly scheduled meetings, held a public hearing on Tuesday, May 15th, 2018, at City Hall to receive public input regarding the budget and its contents prior to its final adoption on June 19, 2018.

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:

AMEND THE FISCAL YEAR 2018 BUDGET

The fiscal year 2018 budget as presented and attached hereto is hereby adopted as the final amended budget.

ADOPT THE FISCAL YEAR 2019 BUDGET AND FEE SCHEDULE

The fiscal year 2019 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, 2018.

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 0.001543 and Certified Rate Revenue of \$601,072. The *interest and sinking fund/bond* Certified Property Tax Rate shall be set at the Auditor's Certified Tax Rate of 0.001006 and Certified Rate Revenue of \$391,820 required to satisfy the General Obligation Bond (voter approved in 2000) annual debt service requirements.

EFFECTIVE DATE. This Resolution shall take effect July 1, 2018.

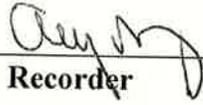
PASSED AND ADOPTED this 19st day of June 2018.

CITY OF WASHINGTON TERRACE



Mayor Mark C. Allen

Attest:



City Recorder

Roll Call Vote:

- Council Member Barker Ag
- Council Member Brown Ag
- Council Member Monsen Absent
- Council Member Weir Ag
- Council Member West Ag

Utah State Tax Commission - Property Tax Division Resolution Adopting Final Tax Rates and Budgets	Form PT-800 Rev. 02/15
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County: WEBER

Tax Year: 2018

It is hereby resolved that the governing body of:

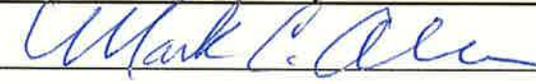
WASHINGTON TERRACE CITY

approves the following property tax rate(s) and revenue(s) for the year: **2018**

1. Fund/Budget Type	2. Revenue	3. Tax Rate
10 General Operations	601,072	0.001543
20 Interest and Sinking Fund/Bond	391,820	0.001006
190 Discharge of Judgement		
	\$992,892	0.002549

This resolution is adopted after proper notice and hearing in accordance with UCA 59-2-919 and shall be forwarded to the County Auditor and the Tax Commission in accordance with UCA 59-2-913 and 29-2-920.

Signature of Governing Chair

Signature:  Date: 6-19-18
 Title: MAYOR

**City of Washington Terrace
County of Weber, State of Utah**

RESOLUTION NO. 18-06

**A RESOLUTION FOR THE
WASHINGTON TERRACE COMMUNITY DEVELOPMENT AND
RENEWAL AGENCY (A.K.A. REDEVELOPMENT AGENCY) AMENDING
THE FISCAL YEAR 2018 BUDGET, ADOPTING THE FISCAL YEAR 2019
BUDGET, AND THE FISCAL YEAR 2020-2023 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 ensuring year; and

WHEREAS, the City Manager and Finance Director on the 17th day of April 2018, presented to the board an amended budget for fiscal year 2018, a tentative budget for fiscal year 2019, and a budget plan for fiscal years 2020 - 2023; and

WHEREAS, the governing body has reviewed and considered the amended budget for fiscal year 2018, tentative budget for fiscal year 2019, and budget plan for fiscal years 2020-2023 during a series of public meetings; and

WHEREAS, the governing body, during their regularly scheduled meetings, held public hearings on Tuesday, May 15, 2018 , at City Hall to receive public comment on amending the fiscal year 2018 budget, the tentative fiscal year 2019 budget, and the 2020 – 2023 budget plan prior to its final adoption on June 19, 2018.

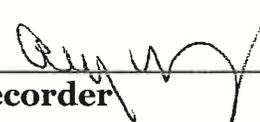
NOW, THEREFORE, BE IT RESOLVED by the Board of the Washington Terrace Redevelopment Agency, County of Weber, State of Utah that the fiscal year 2019 budget be adopted as presented and *attached*.

EFFECTIVE DATE. This Resolution shall take effect July 1, 2018, for the fiscal year ending June 30, 2019 and immediate for amending the fiscal year 2018 budget.

PASSED AND ADOPTED this 19th day of June 2018.

WASHINGTON TERRACE REDEVELOPMENT AGENCY


Chair Mark C. Allen

Attest:

City Recorder

Roll Call Vote
Council Member Barker Agg
Council Member Brown Agg
Council Member Monsen absent
Council Member Weir Agg
Council Member West Agg

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 at 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.