

NORTH OGDEN CITY BUDGET RETREAT

February 20, 2014

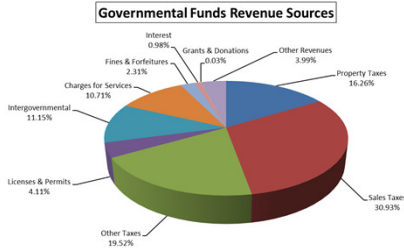
Agenda

- Welcome and overview
- Financial Trends
- Revenue Projections
- Impacts on this years budget
 - Salaries
 - Other notable expenditure items (retirement, health insurance, etc.)
 - Capital Facilities
 - Public Works Facility funding
 - Capital Projects
 - Other issues
- Mayor and Council input and questions

Financial Trends



Revenue Sources



Revenue Projections FY 2014-2015

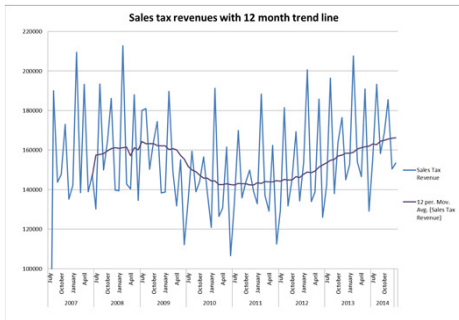
“During the coming year, Utah will experience moderate growth. Nationally, growth levels are expected to continue improving. However, the state economy will not outperform the U.S. to the degree that it did following the Great Recession.”

— 2014 Utah Economic Outlook prepared by the Utah Economic Council

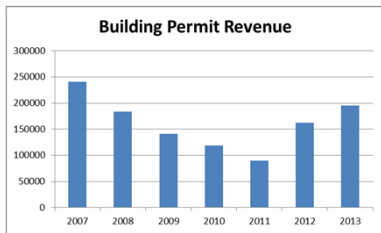
Revenue Projections

- Sales tax revenue is still increasing but the rate of growth has slowed.
 - The previous 2 fiscal years sales tax revenue increased by around 6%
 - This fiscal year the rate of increase is down around 4.25%
- In the past couple of years we have budgeted sales tax revenues very conservatively. For example this year, we budgeted for sales tax revenues to be \$1,825,000. However, we are projecting the actual revenue to come in around \$2,035,000.

Sales Tax Trends



Building Permits



Property Tax

- Average home value in North Ogden (per US Census Bureau) is \$207,600
- The amount of property tax North Ogden receives from this is \$188.74

Other Revenues

- The total of remaining revenues will remain approximately the same
- The estimated total revenues are projected to increase about \$310,000
- ½ of any projected increase in revenue over last years budgeted revenue will be transferred to the Capital Projects Fund – or \$165,000

Fee Schedule

- Questions and discussion on Fee Schedule

Salaries

- Discussion on salaries/employee compensation committee's report - Ron

Expenditure impacts on this year's Budget

- Retirement
 - Increasing 6.25%
 - With salaries as they are now, impact on general fund is roughly \$25,000, on enterprise funds it is about \$5,000.
- Motor Pool Funding
 - Continue on path to fully fund Motor Pool. Still around \$240,000 short in fully funding. For this year, we will add 1/2 of that amount to the funding. Of which about \$85,000 will come from the General Fund.
- Health Insurance
 - No figures yet, generally start with a 10% increase. If employees are currently on the HDHP and choose to go to the traditional health plan, it represents an increase of \$1,850 to the city.
- Impact Fee Analysis
 - The City needs to update its Public Facilities Plan and Impact Fees. The study needs to be certified by an outside source. \$25,000 - \$50,000
- Utility charges to other funds
 - 2 ways it can be handled
 - Charge those funds for the services they use as any other customer
 - If they are not charged then it is considered a transfer from the Utility Funds to other funds and a notice has to be sent out to the other utility customers knowing the amount of "transfer" and a public hearing needs to be held in regard to the matter.
 - Staff will determine how much this amounts to and have it ready for the tentative budget.
- Police 2 Factor Identification Equipment
 - Required to be in place by September 2014
 - Initial cost to City is \$9,500

General Fund

- Fund Balance is projected to be around 16% of General Fund revenues or about \$945,000.
- City has guideline that General Fund Balance will not be less than 10% of General Fund Revenue (This amounts to approximately \$600,000 currently). This can be written into a financial policy as discussed at the work session in February.

Other issues

- A new enterprise fund for the Aquatic Center
- Street lighting fund – Installing new street lights costs about \$2,250. For LED lights it costs about \$1,000 more. Switching out current street lights (sodium based) to LED costs about \$1,350 per light (112 need to be changed).
 - Proposal is to create a street lighting utility fund where all revenue would go to install new street lights and change current lights to LED
 - If a \$1 fee was added to resident's utility bills it would generate approximately \$5,400 per month or \$64,800 annually to install and replace street lights.

Capital Facilities

- Discussion of 2006 Capital Facilities Plan - Ron

Public Works Facility Funding

- Discussions of funding completion of Public Works Facility

Capital Equipment & Projects

- Capital Fund fund balance – projected ending balance for FY 2014 - \$505,423
- Transfer from General Fund of ½ projected increase in revenue for FY 2015 - \$165,000
- Amount available to be spent - \$670,423
- Capital Projects Fund Requests

1 New Snowplow Truck - Streets	\$180,515
1 Park Restroom (Oaklawn) Renovation - RAMP Grant Match	\$94,390
Roof for museum	\$7,000
Re-asphalt Oaklawn Park bottom area & road	\$25,000
Street Improvements (In addition to Class C Road Projects)	\$500,000
Total	\$806,905

Capital Equipment & Projects (cont.)

- Water Fund fund balance – projected FY2014 ending spendable balance (keeping 1/2 annual expenditure reserved for emergencies) - \$1,826,844
- Water Fund Capital Equipment & Project requests

Replace Vehicle	\$36,000
Finish Well # 3	\$100,000
Lakeview Heights Well House Reconstruction and Pump Line	\$250,000
Drill Test Well	\$100,000
Upgrade Monitoring System	\$33,100
Total	\$519,100

Capital Equipment & Projects (cont.)

- Sewer Fund fund balance – projected FY2014 ending spendable balance - \$899,908
- Sewer Fund Capital Equipment & Project requests

Set \$ aside toward new Sewer truck to be purchased in 2017-2018	\$50,000
Refining	\$250,000
Manhole rehabilitation	\$50,000
Total	\$350,000

Capital Equipment & Projects (cont.)

- Storm Water Fund fund balance – projected FY2014 ending spendable balance - \$1,278,384
- Storm Water Capital Equipment & Project requests

Deeweze Mower	\$36,000.00
Sleepy Hollow Ditch	\$65,000.00
Jen Bowden Manhole	\$20,000.00
2550 North Inlet Piping	\$56,000.00
600 East Piping	\$185,000.00
Total	\$362,000.00

Motor Pool Requests

- Motor Pool Fund fund balance – projected 2014 ending balance - \$955,677
- Motor Pool Equipment Requests
 - Streets

65-ton iron worker for fabrication projects	\$16,600
1-Snowplow trucks	\$180,515
2-Snowplow trucks to replace grader	\$194,578
Repurpose 79065 for Mechanic Service (bed only)	\$45,684
Replace Vehicle	\$35,677
Total	\$473,054
 - Parks

2 ton, diesel, 4-door, Dually with 11 foot snow plow	\$68,000
1 ton, diesel, 4-door, Dually with 8 foot snow plow	\$50,000
Wells Cargo enclosed 16 foot trailer	\$12,000
3 riding mowers to replace current ones	\$60,000
Total	\$190,000

Motor Pool Requests

- Police Motor Pool Fund – projected 2014 ending balance is \$133,140
- Police Motor Pool requests

1 Marked Patrol Vehicle - 2014 Chevy Silverado 1500 Crew Cab	\$33,882.00
2 Unmarked Patrol Vehicle - 2014 Chevy Silverado 1500 Crew Cab	\$61,254.00
1 Unmarked Patrol Vehicle - 2014 Chevy Silverado 1500 Crew Cab	\$30,814.00
Total	\$125,950.00

• Mayor & City Council comments
