

# North Ogden City Budget Retreat

2013-2014 Fiscal Year Budget

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## Outline for today's retreat

- Employee Compensation Committee report
- Financial Trends - Ron
- Current Conditions for FY2013
- Revenue Projections for FY2014
- Salaries & Benefits
- Capital Projects
- Mayor and Council goals and objectives discussion

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### Goals for today's budget retreat

- Not presenting a tentative budget
  - Tentative budget will be presented at a later date
- Broad picture of items
  - Revenues
  - Expenditures
  - Capital Items
  - 5 year plan
- How much money is available for capital facilities?
- Receive feedback from the Mayor and Council of goals and vision for North Ogden City
  - So please ask questions and provide input

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Report from the  
Employee Compensation Committee  
presented by  
Thayne Shaffer, Committee Member

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# Financial Trends

Presented by Ron  
(handout will be given out at the meeting)

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**Current Conditions**  
Where we started at the beginning of this Fiscal Year

**Fund Balances –**

- **General Fund** – started at 18% of General Fund Budgeted revenues or \$936,555
- **Capital Projects Fund** – started at \$715,283
- **RDA Fund** – Cash Balance started at \$777,321. There are payables due to General Fund and Water & Sewer Funds of \$738,525. Would like to pay off the payables since there is enough cash in the fund. (Will discuss impact of that later in the retreat).
- **Water Fund** - \$2,710,945
- **Sewer Fund** - \$1,953,762
- **Storm Water Fund** - \$1,648,991
- **Solid Waste Fund** - \$1,016,654

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**Financial Outlook for  
Current Budget Year**

- Overall revenues are remaining steady or increasing slightly
- Sales Tax Revenue is up about 6% from last year (up about \$57,000 as of December 2012)
- Building fees are coming in higher than expected. About 25% more than where we were last year.

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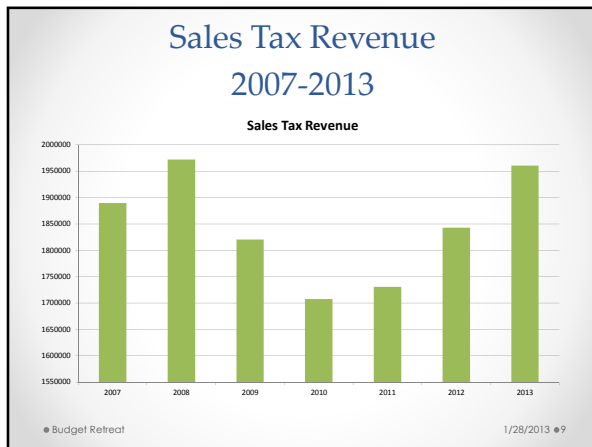
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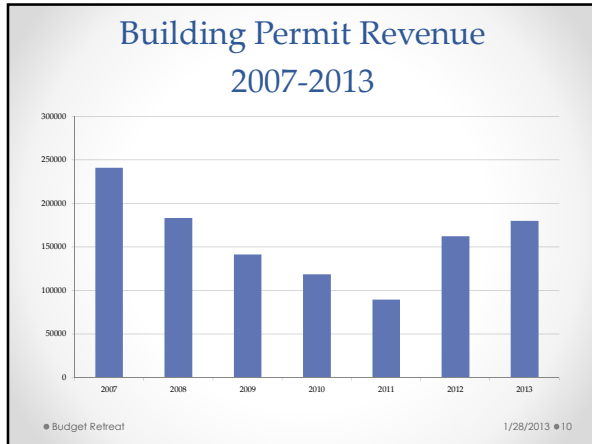
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### Financial Outlook for Current Year Budget (continued)

- Because of conservative budgeting, we expect revenues to come in higher than expenditures and may allow the City to transfer funds in excess of the 18% rule to the capital projects fund
- We expect the fund balance of the Capital Projects fund to be approximately 1.3 million.

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### What can we expect next year? Some quotes from the January 3, 2013 USA today article "State, Local Finances Brighten"

- "The worst of (the recession-related problems) are behind us" says Don Boyd, senior fellow at the Rockefeller Institute of Government, which studies state fiscal issues.
- "The fiscal headwinds will be blowing hard in 2013," says Moody's chief economist, Mark Zandi, "but it isn't too much different from 2012".

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Quotes from the 2012 Economic Report to the Governor

- Utah is coming out of the recession more rapidly than the U.S., as has been the case with every downturn since World War II. Job growth in Utah will be twice the nation's, but will stabilize just above the long term average. Utah's employment growth during 2012, 3.3%, was just above its long-term average, 3.1%, and more than twice the national rate, 1.4%.
- Housing and construction will play a leading role in the strengthening recovery.
- Rising consumer spending will drive the retail expansion, while increasing business will drive the need for administrative support.

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What does this mean for North Ogden City?  
Revenue projection for 2013-2014

- We will budget conservatively on sales tax revenues and building related fees. However, with most residents avoiding the full effect of the fiscal cliff, impact on economy related revenues may not be affected as much as they could have been. It is hard to tell how much the payroll tax will have on the economy at this point.
- Property Tax Revenues will be similar to this year with a small increase for growth.
- Other revenues will be budgeted conservatively as well.
- Expenditures will be budgeted to meet revenue projections.
- General Fund Revenues will be close or a little above this year's budget of 5.7 million dollars.

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Fee Discussion

- Review of Fee Schedule

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### Expenditure Changes

- State Retirement contribution increasing
  - Public Employees – 1.25%
  - Public Safety Employees – .52%
  - Total \$ increase will be approximately \$24,000 (\$19,000 from General Fund and \$5,000 to Enterprise Funds).
- Central Weber County Sewer District rates are increasing 5% - \$47,000
- Proposed change in health insurance options
  - Ron will be presenting proposal later
- Municipal Election expenses
- Safety signage - \$10,000
- Increase in IT support hours \$12,000
- Replacing registers on water meters – older registers are failing - \$27,700
- Adding back in funding for Motor Pool fund - \$450,000 increase in General Fund
- Aquatic Center Bond refinancing discussion

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### Salaries & Benefits

- Continued discussion on Employee Compensation Committee report (if needed)
- For each 1% of salary increase, expenditures increase \$35,000 overall. (\$30,000 in General Fund, \$5,000 in Enterprise Funds)
- Report on Health Insurance options for next fiscal year – Ron
- Contracting Park maintenance

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### Capital Equipment/Project lists

- Administration
  - North Ogden City website and app design - \$20,000
  - Virtualization of servers - \$20,000
    - Saves money over time by not having to buy hardware whenever a new server is needed
- Finance
  - Purchase of new Financial Software
    - Purchase outright for \$40,000
    - Other option is an arrangement where we would increase our service level for 5 years by \$4,000/year.
  - Purchase of new server for Financial software - \$3,000
    - With virtualization of servers this would not be needed
- Emergency Preparedness
  - AEDs - \$9,000 to purchase outright or \$3,600 per year to lease from a company who will maintain the equipment.

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**Capital Equipment/Project lists**

- Community Services
  - Update to the General Plan - \$75,000
  - Tablets for Planning Commission - \$2,500
- Inspections
  - Scanner for new plotter - \$8,000
- Buildings
  - Paint the interior of the Administration Building - \$10,000
  - Move the Council Chambers downstairs and move the offices downstairs to main level - \$50,000
- Police
  - 3 new vehicles - \$96,000 for all 3 + \$12,000 for equipment
  - 2 Ballistic shields - \$5,000
  - 3 new laptops - \$8,800
    - (per IT support, there are 14 laptops in total that are due to be replaced \$30,100 total and there are 11 Desktops that are due to be replaced for \$7,700)

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**Capital Equipment/Project lists**

- Community Services
  - 4 new vehicles totaling \$153,500
  - Cherry Days fireworks - \$25,000
- Parks
  - Mower clean out station - \$10,000
  - Polaris Ranger with sprayer - \$11,000
  - Tilt trailer - \$3,500
  - Wi-Fi Hotspots for City Parks - \$14,000
  - Wadman Park Fence - \$5,052
  - Cherry Way trail fence - \$10,000 to complete the project or \$5,000 to do 2<sup>nd</sup> of 3 installments.
  - Guard rail between Orton Park & Orton Park subdivision
  - Storage shed for equipment currently at Public Works - \$20,000
- Recreation
  - 4-wheeler - \$6,500
- Aquatic Center
  - Night lighting - \$20,000
  - Chaise Lounges - \$7,000
  - Mounds for the pool - \$5,000

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**Capital Equipment/Project lists**

- Public Works – General requests
  - Repeater for abandoned tower at North Ogden City park, 17 radios and accessories - \$19,000
  - Fit all Public Works vehicles with engine heaters - \$25,000
- Streets
  - Street lights - \$4,500 for 2 (sodium lights). For LED lights it will be about \$2,000 more.
  - Installation of disconnect boxes for street lights - \$200 per box - \$2,000 total for Fiscal Year
  - Sidewalks in front of Shupe and Trimble houses on 2650 North just to the west of North Ogden Elementary - \$21,000
  - Extension of 100 West connecting Elberta Drive to 3100 North - ?? or making temporary cul-de-sac permanent ??
  - New server \$3,000 (if we decide on virtualization of servers this would not be needed)
  - New flatbed truck - \$60,000

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**Capital Equipment/Project lists**

- Community Services – RAMP Tax Projects
  - Replacement of trail around Green Acres Park
    - Most of it paid through a RAMP grant
    - Monetary match will be approx. \$10,000
  - Material for ball fields
    - Most of it paid through a RAMP grant
    - Monetary match will be approx. \$12,000
  - Future RAMP Projects discussion
- Class C Projects
  - \$437,000 and include following projects
    - Green Acres Milling & Overlay - \$185,000
    - Ben Lomond Estates Pavement Overlay-\$150,000
    - Crack Seal - \$52,000
    - Street Repairs - \$50,000

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**Capital Equipment/Project lists**

- Water Fund
  - Construct Well #4 (carryover project)- \$400,000
  - Lomond View Drive waterline loop - \$108,000
  - 3700 North waterline between 500 and 600 East - \$105,600
  - Upgrade Scada Monitoring System - \$22,500
  - Repair security fencing - \$6,000
  - New truck - \$34,200
- Sewer Fund
  - Sewer Relining – Project Area for next year is 400 E to 700 E on 2650 N to 2750 N - \$250,000
  - Top hats (sewer line connection reinforcements) - \$10,000
- Storm Water Fund
  - Hall Tree Storm Drain Outfall - \$215,000
  - Quail Ponds Storm Drain Piping - \$38,000
  - Centennial Park Storm Drain - \$1,800
  - 928 East & 3200 North Storm Drain Overflow - \$18,500

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**Review of 5 year plan**

- Will hand out during meeting
- Also discussion of replacement of capital facilities – Major buildings
  - Police Station
  - Administration Building
  - Recreation Center
  - Aquatic Center
  - Roads
  - Water
  - Sewer
  - Storm Water

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**Discussion of funding depreciation**

Below is a list of the items which are depreciated with their useful life next to them.

- Buildings – 50 years
- Water Distribution System – 50 years
- Sewer Collection System – 50 years
- Equipment and Machinery – 3 to 10 years
- Streets – 20 years
- Infrastructure and other improvements – 10 to 30 years
- Wells and other structures – 5 to 10 years
- Vehicles - 4 to 10 years

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**Funding available for the Public Works Facility**

- **Capital Projects fund** – As mentioned earlier we anticipate having a balance of around **1.3 million** at the end of this fiscal year
  - Can be used for any capital project
- **Enterprise funds**
  - As mentioned the operating cash flow should be enough to cover yearly depreciation
  - Determine available cash in the future doing a cash flow analysis
    - Assume operating revenue is increased to match increases in operating expenditures
    - Takes into consideration future capital projects
    - After taking into consideration the future capital projects, cash reserve should be at the minimum 50% of operating expenditures, maximum of full year of operating expenditures

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**Funding available for the Public Works Facility**

- After doing the cash flow analysis, I have determined that the available funds in the enterprise funds are:
  - Water Fund - \$43,695
  - Sewer Fund - \$182,061
  - Solid Waste Fund - \$1,000,000
  - Storm Water Fund - \$0 (mostly due to the \$1,200,000 North Ogden Canal project in 2017)
  - **Total available in enterprise funds - \$1,225,776**
  - **Total amount available in Capital Projects & Enterprise Funds - \$2.5 million dollars**

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Discussion of  
Mayor and Council  
Goals

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