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**NORTH OGDEN CITY  
MEMORANDUM**

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**TO:** MAYOR AND CITY COUNCIL  
**FROM:** BRYAN STEELE, FINANCE DIRECTOR  
**SUBJECT:** F/Y 2012-2013 TENTATIVE BUDGET  
**DATE:** 5/17/2012

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The Tentative Budget uses the same format as has been used in prior years. The majority of the numbers in the Tentative Budget are a continuation of the budget as was presented in the Budget Retreats held earlier this year. Because a majority of the time has been spent on understanding and tuning the numbers, there has not been enough time to evaluate a different way to present it. Staff will be working on improving the readability and transparency of the budget in future years. However, there are some items the staff will be working on between the Tentative Budget and Final Budget which will be different include creating new line items for more clarity.

**The attached Tentative Budget reflects the following highlights:**

- There is no projected increase in property taxes
- There is no cost of living adjustment (COLA) or merit increases
- Elimination of the City's 3% stand-alone contribution into employee's 401k account. The City will continue to match up to 3% of an employee's contribution into their 401k account.
- State retirement percentage increases: 2.27% (up to 16.04%) for non public safety employees and 4.93% (up to 31.06%) of the police officer's salaries.
- Budgeted 10% increases for health and dental insurance premiums
- Appropriating \$166,794 of the unrestricted fund balance in the general fund. We project this will take the Fund Balance at the end of the year to \$846,112.08 or approximately 15% of General Fund revenues.
- Staff has been looking at the part time employee salary budgets to make sure they are close to what they have been in past years. Therefore some of the salary line items in Community Services, Recreation, Parks and Aquatic Center will be different to what they were budgeted for last year.
- Equipment purchases in the general fund include tablets for the council, a new scanning and archiving system and a new utility vehicle (for parks).

- The Water Fund will be using \$1,217,789 from the fund balance. Most of it is due to Capital Projects which include developing a new well and fixing the Ben Lomond corrosion issue. The retained earnings balance is expected to be approximately \$826,787
- The Sewer Fund will be using \$377,598 from retained earnings leaving the balance at year end at \$1,361,970.
- The Storm Sewer Fund will be using \$327,633 from retained earnings leaving a balance of \$917,151 at year end.
- The Solid Waste Fund will contribute to its retained earnings.
- The Motor Pool is not being fully funded due to a large Fund Balance in the Fund. We anticipate using \$399,553 leaving a Fund Balance of \$646,050 at the end of the Fiscal Year. The Police Motor Pool Fund is using \$60,988 of its Fund Balance to leave a balance of \$113,706. The Police Motor pool will be purchasing 2 new vehicles this year.