



City of Orem Tentative Budget Fiscal Year 2024-2025

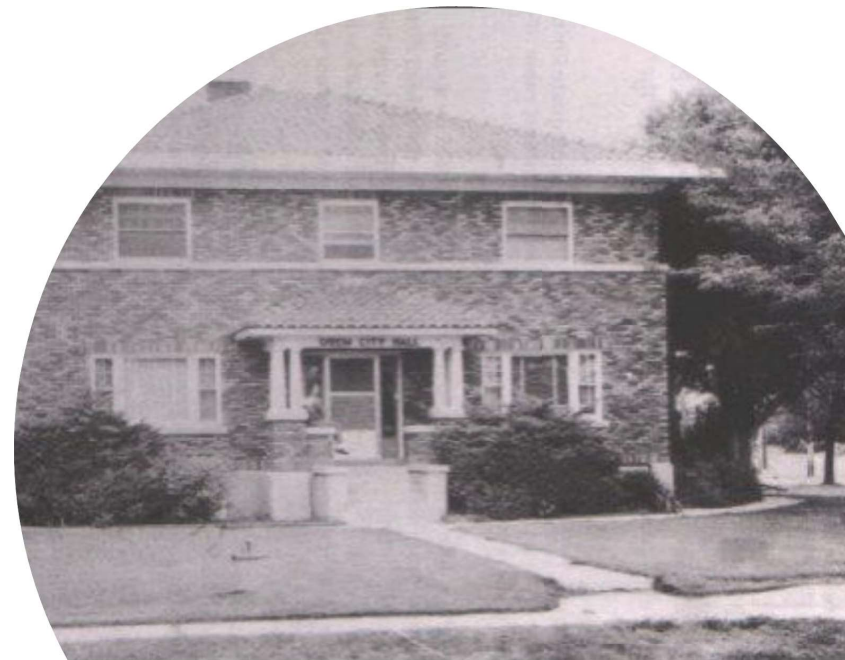


Proposed \$160,124,695



Budget Calendar Review

- January 5-6 – Council Retreat to determine goals and areas of focus
- March 12 - Work Session-Revenue & Compensation
- March 26 - Work Session-Operational, Fleet, & IT changes
- April 23 - Work Session – Capital Items
- May 14 - Present Tentative Budget



Budget Highlights

- Projected FY 2024-2025 revenues increased \$7,779,834 over FY 2023-2024 budgeted revenues, primarily due to franchise taxes, ambulance fees, water user fees, water reclamation user fees, and interest earnings revenues.
- Funded the city's compensation program including step adjustments and merit increases for all other benefitted employees.
- Funded market adjustments for employees based on a market analysis completed by the city's HR division.
- No health Insurance increase.
- Fleet Replacement totaled \$3,475,500.
- Capital Projects totaled \$17,139,261.



Budget Revenue Overview

Fiscal Year	FY '22 Adopted Budget	FY '23 Adopted Budget	FY '24 Adopted Budget	FY '25 Tentative Budget
Revenues	\$109,964,193	\$118,528,981	\$128,654,868	\$135,375,910
Transfers	\$20,126,750	\$21,042,882	\$22,859,993	\$24,706,785
Appropriation of Surplus	\$1,047,917	\$1,222,000	\$830,000	\$42,000
Totals	\$131,138,860	\$140,793,863	\$152,344,861	\$160,124,695

Revenues by Major Fund

Fund	Revenues	Transfers In	Appropriation of Surplus	Total
General	\$67,652,961	\$7,314,347	\$0	\$74,967,308
Road	\$4,000,000	\$0	\$0	\$4,000,000
CARE Tax	\$3,300,000	\$0	\$0	\$3,300,000
Transportation Sales Tax	\$4,425,000	\$0	\$0	\$4,425,000
Development Fees	\$1,376,000	\$1,401,663	\$0	\$2,777,663
Debt Service	\$2,282,663	\$4,767,775	\$0	\$7,050,438
Water	\$18,706,573	\$939,000	\$0	\$19,645,573
Water Reclamation	\$15,632,864	\$16,000	\$0	\$15,648,864
Storm Water	\$6,351,002	\$141,000	\$0	\$6,492,002
Recreation	\$4,369,200	\$187,000	\$0	\$4,556,200
Solid Waste	\$5,457,000	\$0	\$0	\$5,457,000
Other Funds	\$1,822,647	\$9,940,000	\$42,000	\$11,804,647
Total	\$135,375,910	\$24,706,785	\$42,000	\$160,124,695



General Fund Revenue Overview

Fiscal Year	FY '22 Actual	FY '23 Actual	FY '24 Estimated	FY '25 Proposed
Revenues	\$62,855,070	\$68,813,375	\$66,709,656	\$67,536,711
Transfers In <small>(includes Admin Charge)</small>	\$7,556,747	\$7,782,719	\$7,441,944	\$7,430,597
App. Surplus	\$0	\$0	\$0	\$0
Totals	\$70,411,817	\$76,596,094	\$74,151,600	\$74,967,308

General Fund Sources of Revenue

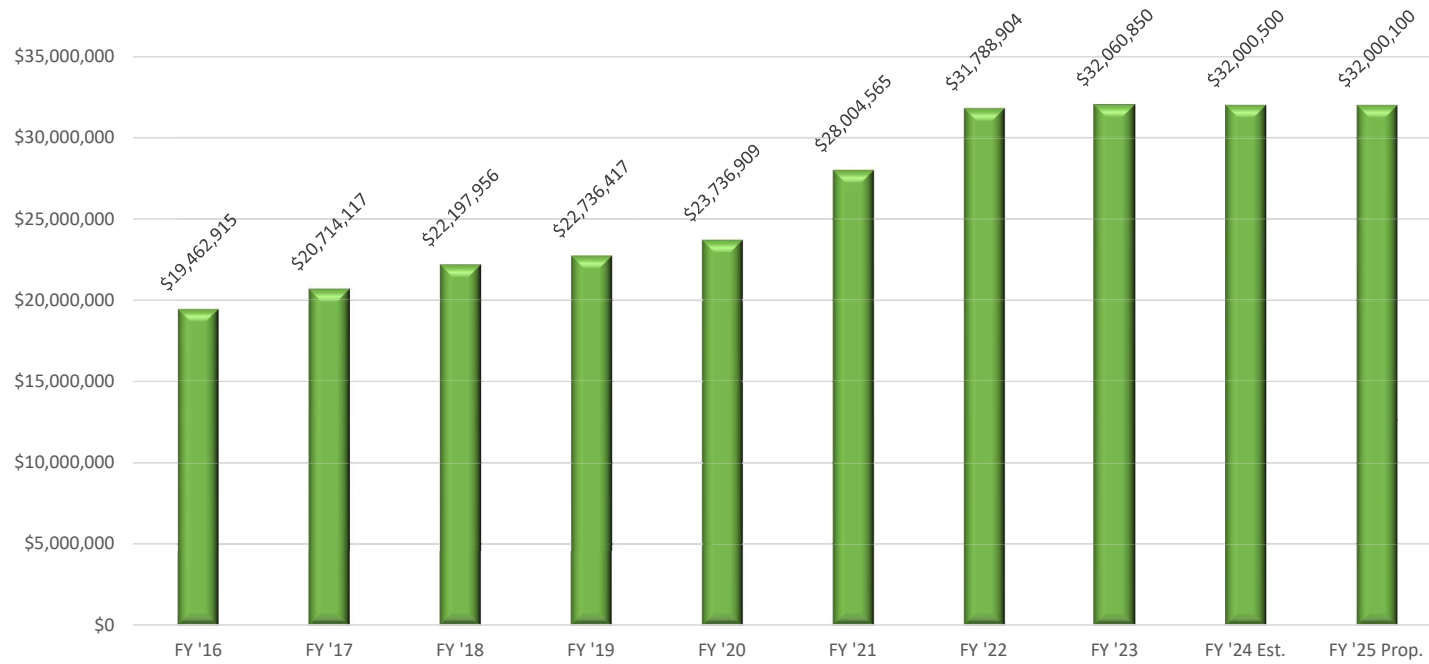
Source	Amount	FY '25	FY '24
Taxes (Property, Sales, Franchise, etc.)	\$49,008,868	65.37%	68.47%
Building/Business Charges	\$1,085,000	1.45%	1.47%
Grants	\$734,500	0.98%	1.00%
Charges for Services	\$13,626,730	18.18%	17.39%
Fines	\$1,329,100	1.77%	1.67%
Miscellaneous (Includes interest earnings)	\$5,577,623	7.44%	5.25%
Transfers In	\$3,605,487	4.81%	4.76%
Appropriation of Surplus	\$0	0.00%	0.00%
Total	\$74,967,308	100.00%	100.00%

Sales Tax



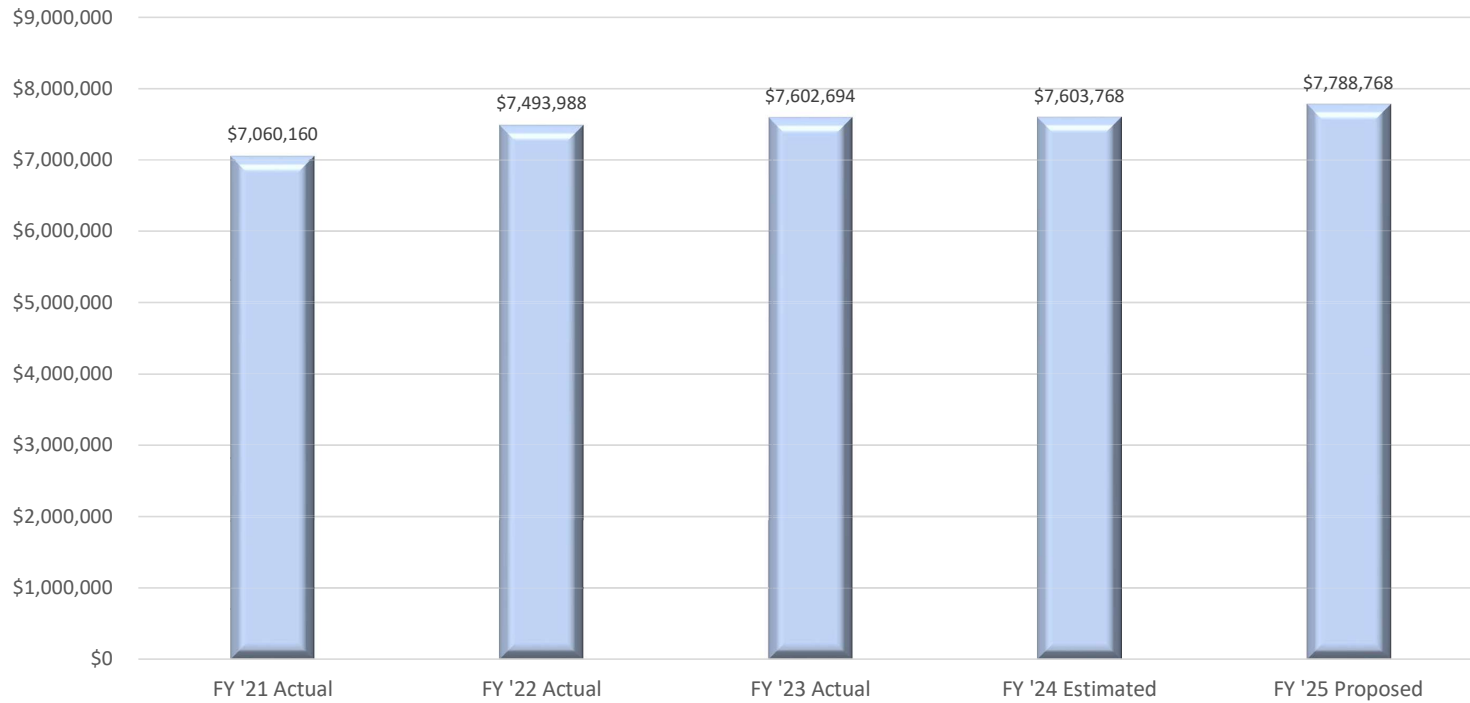
FY '23 Actual	FY '24 Est.	FY '25 Proposed
\$32,060,850	\$32,000,500	\$32,000,100

Sales Tax

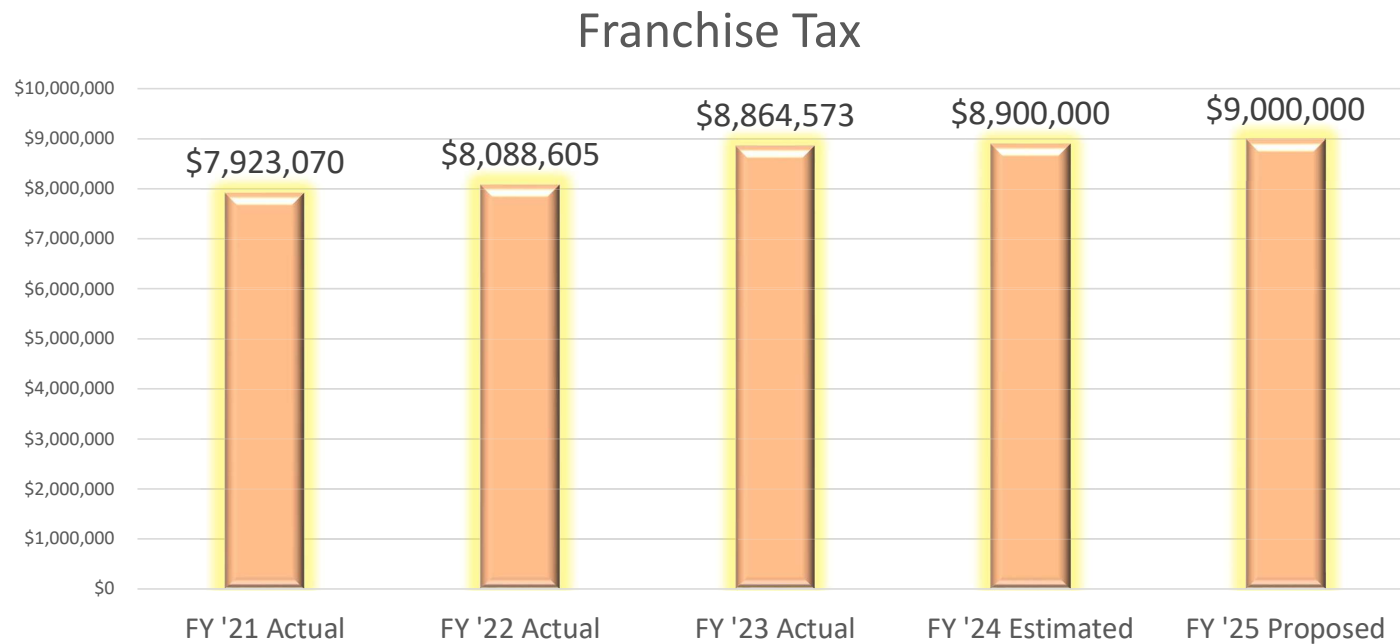


Property Tax

General Property Tax



Franchise Tax



Stable Source

6% of Power, Gas,
Water, Sewer



Building and Business Services Charges

Fee Type	FY '22 Actual	FY '23 Actual	FY '24 Estimated	FY '25 Proposed
Business Licenses & Permits (General Fund)	\$1,128,845	\$1,014,458	\$965,000	\$975,000
Building Permits & Other Related Fees (Development Fees Fund)	\$2,041,274	\$1,200,883	\$1,409,000	\$1,376,000
Total	\$3,170,119	\$2,215,341	\$2,374,000	\$2,351,000



Other General Fund Revenues

Other Revenue Type	FY '22 Actual	FY '23 Actual	FY '24 Estimated	FY '25 Proposed
Interest Earnings	\$427,454	\$3,607,215	\$3,983,500	\$3,704,000
Ambulance Fees	\$2,669,245	\$3,026,857	\$2,700,500	\$2,800,500
Total	\$3,096,699	\$6,634,072	\$6,684,000	\$6,504,500



City-Wide Expenditures by Type

Fiscal Year 2024-2025 Tentative Budget

Personnel	Operations	Capital	Total
\$63,726,954	\$71,415,243	\$24,982,498	\$160,124,695
39.8%	44.6%	15.6%	

Fiscal Year 2023-2024 Adopted Budget

Personnel	Operations	Capital	Total
\$61,046,746	\$69,529,679	\$21,768,436	\$152,344,861
40.1%	45.6%	14.3%	

Expenditures by Fund

Fund	Personnel	Operations	Capital	Total	Percent
General	\$46,743,611	\$25,742,077	\$2,481,620	\$74,967,308	46.8%
Road	\$1,292,756	\$925,380	\$1,781,864	\$4,000,000	2.5%
CARE Tax	\$0	\$1,673,625	\$1,626,375	\$3,300,000	2.1%
Transportation Sales Tax	\$15,986	\$200,875	\$4,208,139	\$4,425,000	2.8%
Development Fees	\$1,807,549	\$970,114	\$0	\$2,777,663	1.7%
Debt Service	\$0	\$7,050,438	\$0	\$7,050,438	4.4%
Water	\$3,090,191	\$13,723,416	\$2,831,966	\$19,645,573	12.3%
Water Reclamation	\$2,559,149	\$5,701,262	\$7,388,453	\$15,648,864	9.8%
Storm Water	\$1,303,145	\$2,262,745	\$2,926,112	\$6,492,002	4.1%
Recreation	\$2,020,067	\$2,319,133	\$217,000	\$4,556,200	2.8%
Solid Waste	\$0	\$4,980,359	\$476,641	\$5,457,000	3.4%
Other Funds	\$4,894,500	\$5,865,819	\$1,044,328	\$11,804,647	7.3%
Total	\$63,726,954	\$71,415,243	\$24,982,498	\$160,124,695	100.0%

General Fund Additions for FY '25

Item	Explanation	Expense
Fire – Station FF&E	Dedicated budget for FF&E replacement	\$51,000
Fire – Software	Increased cost of software being currently used	\$29,000
Fire – EMPG Grant	Reallocate grant to provide addtl resources	\$28,000
Fire – Uniforms	Increased cost for current uniform maintenance	\$19,900
Fire – Carcinogen Removal	Therapy for after event carcinogen removal-trial	\$18,000
Fire – Fitness Memberships	Funding for personnel to stay within service area	\$18,000
Police – Patrol Rifles	Funding for rifle replacement	\$20,000
Police – SWAT Supplies	Funding for increased medical supplies	\$10,000
Police – SWAT Armor	Funds to obtain new ballistic armor	\$8,000



General Fund Additions for FY '25

Item	Explanation	Expense
Finance – Budgeting Software	Purchase new third-party budgeting solution	\$46,700
MS – Employee Engagement	Dedicated funding for store & recognition items	\$50,000
MS – Community Outreach	Additional funds for newsletter and outreach	\$40,000
MS – Shred & Digitization	Shred unneeded paper & digitize records	\$30,000
MS – Software	Software to develop a Citywide dashboard	\$15,000
Rec – Event Equipment	Items such as a trailer, chairs, tables, etc.	<u>\$35,000</u>
GRAND TOTAL		\$418,600



General Fund Additions for FY '25

Personnel

Item	Explanation	Expense
Police – Officer	Detective focused specifically on domestic violence	\$97,140
Rec – Section Manager Promotions	Promotions for Senior Center & City Events personnel	\$14,204
Rec – Coordinators Step Program	Move recreation coordinators into a step program structure	<u>\$42,000</u>
GRAND TOTAL		\$153,344

Fleet Replacements

Vehicle Type	FY '24 Adopted Budget	FY '25 Tentative Budget
Fire Apparatus / Vehicles	\$300,000	\$701,000
Police Vehicles	\$742,000	\$908,000
Pickups/SUV	\$201,000	\$345,000
Large Trucks/Vehicles	\$1,318,000	\$990,000
Backhoes/Loaders	\$84,000	\$136,000
Other Vehicles/Equipment	\$294,000	\$395,500
Total	\$2,939,000	\$3,475,500

- General Fund - 37 Vehicles \$1,985,500
- Enterprise & Road Funds - 27 Vehicles \$1,490,000





Streets Capital Projects

Project	B & C Road Fund	Transportation Sales Tax Fund
Crack Seal Project	\$0	\$375,000
Slurry Seal Project	\$0	\$600,000
Street Overlay / Reconstruct	\$610,378	\$1,250,000
Micro-surface Project	\$0	\$500,000
Street Striping	\$220,000	\$0
Signal Projects	\$225,000	\$0
Lakeview Parkway Project	\$0	\$500,000
Sidewalk Projects	<u>\$0</u>	<u>\$775,000</u>
GRAND TOTAL	\$1,055,378	\$4,000,000

Debt Service Fund

Revenues	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
Revenues	\$2,285,476	\$2,281,613	\$2,282,663
Transfers In	<u>\$4,236,943</u>	<u>\$4,045,127</u>	<u>\$4,677,775</u>
Totals	\$6,522,419	\$6,326,740	\$7,050,438

Expenditures	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
Principal	\$1,278,000	\$1,050,000	\$1,080,000
Interest	\$1,264,335	\$1,230,863	\$1,854,663
Utopia, Siemens Lease, etc.	<u>\$3,980,084</u>	<u>\$4,045,877</u>	<u>\$4,115,775</u>
Totals	\$6,522,419	\$6,326,740	\$7,050,438





Internal Service Funds

Fund	Personnel	Operations	Capital	Total
Fleet Maintenance	\$698,549	\$369,801	\$16,650	\$1,085,000
Self Insurance	\$226,840	\$2,238,160	\$50,000	\$2,515,000
Information Technology	\$2,163,716	\$1,266,484	\$30,000	\$3,460,200
Facilities Maintenance	\$1,416,474	\$993,526	\$0	\$2,410,000
Purchasing & Warehousing	<u>\$284,350</u>	<u>\$170,500</u>	<u>\$15,150</u>	<u>\$470,000</u>
Total	\$4,789,929	\$5,038,471	\$111,800	\$9,940,200

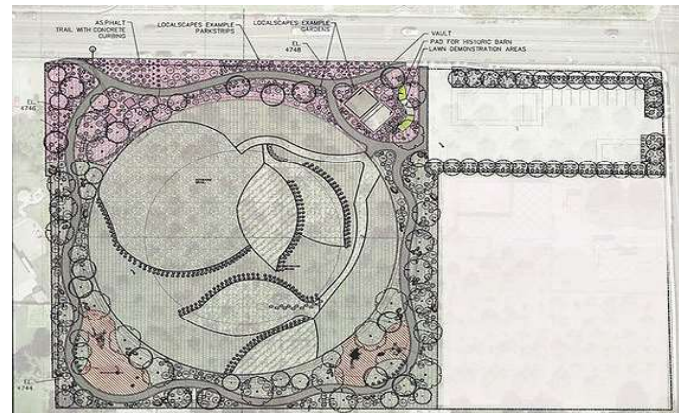
Water Fund Summary

Fiscal Year	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
Revenues	\$22,256,206	\$20,803,868	\$19,645,573

Personnel \$3,090,191

Operations \$13,723,416

Capital \$2,831,966



Heritage Park Water Storage Tank

The water base rate on a ¾" meter is proposed to increase to \$21.17 from \$20.45 (3.5% increase) and the Tier 1 usage rate is proposed to increase to \$0.88 from \$0.85 (3.5% increase) for FY 2024-2025.

Base rates for other meter sizes and usage rates for other tiers are also proposed to increase for FY 2024-2025.



Comparison Water Fees—Selected Cities

West Jordan	\$115.25
Sandy	\$107.07
Ogden	\$99.81
Pleasant Grove	\$93.99
South Jordan	\$92.31
American Fork	\$92.04
West Valley	\$87.80
AVERAGE CITY	\$78.80
Layton	\$65.59
Provo	\$64.47
Lehi	\$57.92
Spanish Fork	\$49.78
Orem	\$49.55
Springville	\$48.80

* See budget document for additional cities



Water Reclamation Summary

Fiscal Year	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
Revenues	\$13,776,907	\$13,687,733	\$15,648,864

Personnel \$2,559,149

Operations \$5,701,262



The sewer base rate is proposed to increase to \$16.98 from \$12.48 (36.1% increase) and the sewer volume charge is proposed to increase to \$2.68 from \$2.59 (3.5% increase) for FY 2024-2025.

Capital \$7,388,453





Comparison Water Rec. Fees—Selected Cities

Provo	\$71.34
Spanish Fork	\$60.12
American Fork	\$48.15
West Jordan	\$44.17
AVERAGE CITY	\$41.40
Orem	\$41.10
Springville	\$40.03
Lehi	\$39.68
Pleasant Grove	\$39.47
Ogden	\$38.94
South Jordan	\$33.00
West Valley	\$30.74
Layton	\$29.45
Sandy	\$21.99

* See budget document for additional cities



Storm Water Summary

Fiscal Year	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
Revenues	\$6,619,077	\$6,046,979	\$6,492,002

Personnel \$1,303,145

Operations \$2,262,745

Capital \$2,926,112

A 2.8% increase to the base rate is recommended. This is an increase to the ESU to \$8.43 from \$8.20 per month.



Comparison Storm Water Fees—Selected Cities

Pleasant Grove	\$22.35
Spanish Fork	\$12.62
Provo	\$10.75
Ogden	\$9.70
AVERAGE CITY	\$9.22
South Jordan	\$8.51
American Fork	\$8.50
Orem	\$8.43
Layton	\$7.60
Springville	\$7.50
West Jordan	\$6.34
Sandy	\$6.00
West Valley	\$6.00
Lehi	\$5.50

* See budget document for additional cities

Recreation Fund Summary

Fiscal Year	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
Revenues	\$3,873,139	\$3,995,704	\$4,556,200

Personnel \$2,020,067

Operations \$2,319,133

Capital \$217,000



Annual memberships and daily admissions at the fitness center continue to grow (6% budgeted increase). Hillcrest Park amenities have added class, rental and concessions revenues of approximately \$315,000.



Solid Waste Fund

Fiscal Year	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
Revenues	\$5,004,244	\$5,234,000	\$5,457,000

Operations \$4,980,359

Capital \$476,641 (Take Pride Projects)





Solid Waste Rates

	First Can	Second Can	Recycle	Green Waste
FY '25 - Proposed	\$13.55	\$12.55	\$4.85	\$7.10
FY '24	\$12.95	\$11.95	\$4.65	\$7.10
% Change	4.2%	5.0%	4.3%	0.0%

Combined First can and recycling rate \$18.40 (Up from \$17.60, a 4.5% increase)

The changes in rates are pass-through costs due to our service contract with Waste Management of Utah.

Comparison Solid Waste Fee—Selected Cities

Provo	\$26.85
Springville	\$26.00
Ogden	\$24.71
Spanish Fork	\$21.50
Layton	\$21.15
Pleasant Grove	\$20.81
West Jordan	\$20.76
AVERAGE CITY	\$20.01
Orem	\$18.40
American Fork	\$16.64
West Valley	\$16.50
South Jordan	\$16.46
Sandy	\$15.95
Lehi	\$14.43

* See budget document for additional cities

Comparison Total Utilities—Selected Cities

West Jordan	\$186.52
Pleasant Grove	\$176.62
Provo	\$173.41
Ogden	\$173.16
American Fork	\$165.33
Sandy	\$151.01
South Jordan	\$150.28
AVERAGE CITY	\$149.42
Spanish Fork	\$144.02
West Valley	\$141.04
Layton	\$123.79
Springville	\$122.33
Lehi	\$117.53
Orem	\$117.48

* See budget document for additional cities

Questions

Redevelopment Agency Tentative Budget

Fiscal Year 2024-2025





Redevelopment Agency

RDA Revenues	FY '22 Actual	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
All Available	\$2,038,999	\$1,652,565	\$1,681,824	\$1,390,000

Expenditures Description	FY '24 Est. Actual	FY '25 Proposed
University Place CDA Incentive	\$1,183,526	\$1,192,500
Future Projects - CDA	\$65,751	\$66,250
Contributions to Other Funds - CDA	\$65,751	\$66,250
Project Area Totals	<u>\$320,300</u>	<u>\$65,000</u>
Total RDA Expenditures	\$1,635,328	\$1,390,000

Questions

Special Service Lighting District of the City of Orem Tentative Budget

Fiscal Year 2024-2025



Street Lighting Revenues

	FY '22 Actual	FY '23 Actual	FY '24 Est. Actual	FY '25 Proposed
Street Light Fees	\$923,922	\$964,735	\$1,055,000	\$1,185,000
Interest Earnings	\$9,108	\$48,410	\$40,000	\$25,000
Miscellaneous	\$130,114	\$17,303	\$53,500	\$53,500
Contributions	\$15,000	\$15,000	\$15,000	\$15,000
App. Of Surplus	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,078,144	\$1,045,448	\$1,163,500	\$1,278,500

Street Lighting Expenses

Description	Personnel	Operations	Capital	Total
Operating Budget	\$182,837	\$343,229	\$163,800	\$689,866
Holiday Lights	\$0	\$200,000	\$0	\$200,000
Power	\$0	\$100,000	\$0	\$100,000
Energy Savings Lease	<u>\$0</u>	<u>\$288,634</u>	<u>\$0</u>	<u>\$288,634</u>
Total	\$182,837	\$931,863	\$163,800	\$1,278,500

Street Lighting Rates

	All Neighborhoods (Monthly ELU Rate)	All Businesses* (Monthly ELU Rate)
FY '25 - Proposed	\$3.16	\$3.16
FY '24	\$2.61	\$2.61
% Change	21.1%	21.1%

* Includes all businesses, apartments, institutional accounts (schools, churches, nonprofits, etc.)

Businesses will pay their annual street lighting fee upon issuance or renewal of their business license (12 months x \$3.16 = \$37.92).

Questions