

# City of Orem Final Budget Fiscal Year 2022-2023



Proposed \$140,619,863



Orem, Utah

# Budget Calendar Review

- January 7-8 – Council Retreat to determine goals and areas of focus
- March 8 - Work Session-Revenue & Compensation
- March 22 - Work Session-Operational, Fleet, & IT changes
- April 12 - Work Session – Capital Items
- May 10 - Presented Tentative Budget
- June 14 – Adopt FY 2022-2023 Budget



# Budget Highlights

- Projected revenues increased \$8,390,788 over FY 2022 budgeted revenues, primarily due to sales tax revenues.
- Funded the city's compensation program including step adjustments and up to a 3% merit increase for all other benefitted employees.
- Funded market adjustments for employees based on a market analysis completed by the city's HR division.
- Health Insurance increase at 10%
- Fleet Replacement totaled \$2,261,000
- Capital Projects totaled \$20,029,663

# Budget Revenue Overview

Fiscal Year	FY '20 Adopted Budget	FY '21 Adopted Budget	FY '22 Adopted Budget	FY '23 Tentative Budget
Revenues	\$104,937,223	\$101,461,808	\$109,964,193	\$118,354,981
Transfers	\$19,035,937	\$19,903,323	\$20,126,750	\$21,042,882
Appropriation of Surplus	\$2,053,350	\$3,961,417	\$1,047,917	\$1,222,000
<b>Totals</b>	<b>\$126,026,510</b>	<b>\$125,326,548</b>	<b>\$131,138,860</b>	<b>\$140,619,863</b>

# Revenues by Major Fund

Fund	Revenues	Transfers In	Appropriation of Surplus	Total
General	\$61,469,037	\$6,982,273	\$0	\$68,451,310
Road	\$3,415,000	\$0	\$500,000	\$3,915,000
CARE	\$2,910,000	\$0	\$0	\$2,910,000
Transport Sales Tax	\$2,767,000	\$0	\$0	\$2,767,000
Debt Service	\$2,285,476	\$4,263,943	\$0	\$6,522,419
Capital Projects	\$275,000	\$200,000	\$0	\$475,000
Water	\$16,528,045	\$1,114,666	\$0	\$17,642,711
Water Reclamation	\$13,447,094	\$16,000	\$520,000	\$13,983,094
Storm Water	\$5,318,695	\$141,000	\$0	\$5,459,695
Recreation	\$3,288,240	\$67,000	\$0	\$3,355,240
Solid Waste	\$4,672,500	\$0	\$0	\$4,672,500
Misc	\$1,978,894	\$8,258,000	\$202,000	\$10,438,894
<b>Total</b>	<b>\$118,354,981</b>	<b>\$21,042,882</b>	<b>\$1,222,000</b>	<b>\$140,619,863</b>

# General Fund Revenue Overview

Fiscal Year	FY '20 Actual	FY '21 Actual	FY '22 Estimated	FY '23 Proposed
Revenues	\$54,617,160	\$54,617,160	\$56,249,316	\$61,469,037
Transfers In	\$6,627,560	\$6,627,560	\$6,780,182	\$6,982,273
App. Surplus	\$0	\$0	\$0	\$0
Totals	<b>\$61,244,720</b>	<b>\$61,244,720</b>	<b>\$63,029,498</b>	<b>\$68,451,310</b>

# General Fund Sources of Revenue

Source	Amount	FY '23	FY '22
Taxes	\$46,159,768	67.43%	65.30%
Building/Business Charges	\$2,379,000	3.48%	3.84%
Grants	\$801,500	1.17%	1.11%
Charges for Services	\$12,847,437	18.77%	19.91%
Fines	\$1,216,100	1.78%	1.69%
Misc	\$1,413,183	2.06%	2.08%
Transfers	\$3,634,322	5.31%	6.06%
Appropriation of Surplus	\$0	0.00%	0.00%
<b>Total</b>	<b>\$68,451,310</b>	<b>100.00%</b>	<b>100.00%</b>

# Sales Tax

FY '21	FY '22	FY '23
\$28,004,566	\$29,405,146	\$31,001,000

## Sales Tax



# Building and Business Services Charges

Fee Type	FY '20	FY '21	FY '22 Estimated	FY '23 Budget
Business Licenses & Permits	\$788,743	\$1,003,432	\$1,007,000	\$965,000
Building Permits & Other Related Fees	\$1,536,317	\$1,757,429	\$1,414,000	\$1,414,000
<b>Total</b>	<b>\$2,325,060</b>	<b>\$2,760,861</b>	<b>\$2,421,000</b>	<b>\$2,379,000</b>

# City-Wide Expenditures by Type

Personnel	Operations	Capital	Total
\$58,762,705	\$61,827,495	\$20,029,663	\$140,619,863
41.8%	44.0%	14.2%	

# Expenditures by Fund

Fund	Personnel	Operations	Capital	Total	Percent
General	\$46,517,768	\$20,405,782	\$1,527,760	\$68,451,310	48.6%
Road	\$105,000	\$772,955	\$3,037,045	\$3,915,000	2.8%
CARE Tax	\$0	\$1,476,750	\$1,433,250	\$2,910,000	2.1%
Transportation Sales Tax	\$15,986	\$256,655	\$2,494,359	\$2,767,000	2.0%
Debt Service	\$0	\$6,522,419	\$0	\$6,522,419	4.6%
Water	\$2,770,794	\$13,312,939	\$1,558,978	\$17,642,711	12.5%
Water Reclamation	\$2,562,730	\$5,355,831	\$6,064,533	\$13,983,094	9.9%
Storm Water	\$1,185,170	\$2,367,966	\$1,906,559	\$5,459,695	3.9%
Recreation	\$1,632,314	\$1,555,926	\$167,000	\$3,355,240	2.5%
Solid Waste	\$0	\$4,416,345	\$256,155	\$4,672,500	3.3%
IT	\$1,691,306	\$1,128,030	\$0	\$2,819,336	2.0%
Other Funds	\$2,281,637	\$4,255,897	\$1,584,024	\$8,121,558	5.8%
<b>Total</b>	<b>\$58,762,705</b>	<b>\$61,827,495</b>	<b>\$20,029,663</b>	<b>\$140,619,863</b>	<b>100.0%</b>

# General Fund Additions for FY '23

## One-Time

Item	Explanation	Expense
Fire – Extrication Tools	Replace existing tools	\$12,500
Fire – Equipment for New Firefighters (3)	Additional equipment needs due to hiring three new firefighters	\$25,000
DS – New Vehicle	New Capital Projects Manager needs a vehicle	\$30,000

## Ongoing

Item	Explanation	Expense
Finance – Capital Budgeting SW	Provides single source for capital budget items	\$16,000
Fire – Extrication Tools R&M	Maintenance funds for extrication tools	\$2,500
Police – SWAT Equipment	Additional equipment needs	\$15,000
Police – Handgun Sinking Fund	Add annual funding for future replacements	\$15,000
Police – Software Maint. Funds	Ongoing funds needed for all of dept SW needs	\$35,750

# General Fund Additions for FY '23

## Personnel

Item	Explanation	Expense
Justice Court – FT Court Clerk	Convert two variable hour court clerk positions to one FT position	\$32,700
Fire – Additional Firefighters (3)	Provide support for current staff and planning ahead for Vineyard fire station	\$223,131
Police – Evidence Custodian/Tech	Provides additional coverage capabilities for current personnel – Convert from variable hour employee	\$14,907
PW – Cemetery Technician	Add new technician to cemetery staff as workload has become difficult to maintain with current staffing level	\$77,519

# Fleet Replacements

Vehicle Type	FY '22 Adopted Budget	FY '23 Tentative Budget
Fire Apparatus	\$237,000	\$240,000
Police Vehicles	\$442,500	\$667,000
Pickups	\$116,500	\$242,000
Large Trucks/Vehicles	\$733,000	\$913,000
Backhoes	\$77,000	\$77,000
Other Vehicles/Equipment	\$114,000	\$122,000
<b>Total</b>	<b>\$1,720,000</b>	<b>\$2,261,000</b>

- General Fund - 21 Vehicles \$1,049,000
- Enterprise & Road Funds - 21 Vehicles \$1,212,000



# Streets Capital Projects

Item	B & C Road Fund	Transportation Sales Tax Fund
Crack Seal Project	\$400,000	\$0
Slurry Seal Project	\$575,000	\$0
Street Overlay / Reconstruct	\$300,000	\$1,490,000
Micro-surface Project	\$500,000	\$0
Street Striping	\$250,000	\$0
Signal & Street Lighting Maintenance/Project	\$700,000	\$0
Sidewalk Projects	\$0	\$775,000

# Water Fund Summary

Fiscal Year	FY '21 Actual	FY '22 Est. Actual	FY '23 Proposed
Revenues	\$21,874,873	\$17,491,733	\$17,642,711

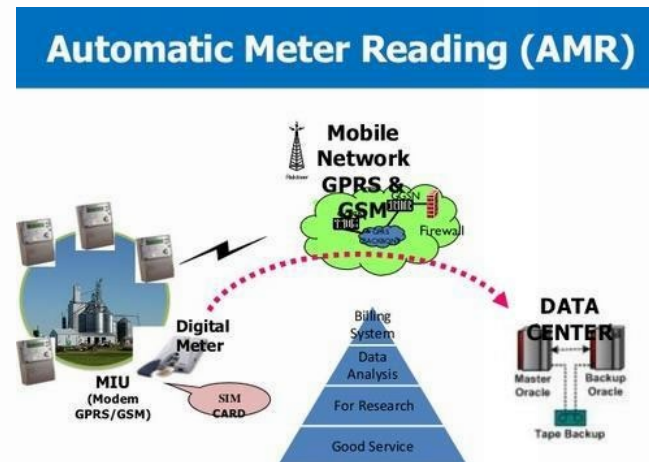
Personnel \$2,770,794

Operations \$13,312,939

Capital \$1,558,978

The water base rate on a  $\frac{3}{4}$ " meter is proposed to increase to \$20.30 from \$20.20 (0.5% increase) and the Tier 1 usage rate is proposed to increase to \$0.84 from \$0.83 (1.2% increase) for FY 2022-2023.

Base rates for other meter sizes and usage rates for other tiers are also proposed to increase for FY 2022-2023.





# Water Reclamation Summary

Fiscal Year	FY '21 Actual	FY '22 Est. Actual	FY '23 Proposed
Revenues	\$13,364,307	\$13,448,194	\$13,983,094

Personnel \$2,562,730

Operations \$5,355,831

Capital \$6,064,533



The sewer base rate is proposed to increase to \$12.39 from \$12.33 (0.5% increase) and the sewer volume charge is proposed to increase to \$2.56 from \$2.53 (1.2% increase) for FY 2022-2023.



# Storm Water Summary

Fiscal Year	FY '21 Actual	FY '22 Est. Actual	FY '23 Proposed
Revenues	\$5,746,130	\$5,357,195	\$5,459,695

Personnel \$1,185,170

Operations \$2,367,966

Capital \$1,906,559

A 2.6% increase to the base rate in line with the master plan is recommended. This is an increase to the ESU to \$8.00 from \$7.80 per month.



# Recreation Fund Summary

Fiscal Year	FY '21 Actual	FY '22 Est. Actual	FY '23 Proposed
Revenues	\$1,413,272	\$2,732,340	\$3,355,240

Personnel \$1,632,314

Operations \$1,555,926

Capital \$167,000



Removed Club Swim Team Coach, staff, and supplies totaling approximately \$174,000.



# Solid Waste Fund

Fiscal Year	FY '21 Actual	FY '22 Est. Actual	FY '23 Proposed
Revenues	\$4,366,856	\$4,478,000	\$4,672,500

Operations \$4,416,345

Capital \$256,155 (Take Pride Projects)



# Comparison Total Utilities—Selected Cities

West Jordan	\$177.60
American Fork	\$171.83
Pleasant Grove	\$160.53
Provo	\$153.68
Ogden	\$151.31
South Jordan	\$138.57
AVERAGE CITY	\$136.15
Spanish Fork	\$127.81
West Valley	\$124.69
Sandy	\$122.69
Lehi	\$112.43
Layton	\$109.37
Orem	\$107.77
Springville	\$107.21

\* See budget document for additional cities

# Questions

# Redevelopment Agency Final Budget

Fiscal Year 2022-2023



# Redevelopment Agency

RDA Revenues	FY '20 Actual	FY '21 Actual	FY '22 Estimated	FY '23 Budget
All Available	\$2,895,221	\$3,376,539	\$2,032,045	\$1,874,909

Expenditures Description	FY '22 Estimated	FY '23 Budget
University Place CDA Incentive	\$1,181,947	\$1,170,000
Future Projects - CDA	\$0	\$65,000
Contributions to Other Funds - CDA	\$62,208	\$65,000
Project Area Totals	<u>\$860,879</u>	<u>\$574,909</u>
Total RDA Expenditures	\$2,105,034	\$1,874,909

# Questions

# Special Service Lighting District of the City of Orem Final Budget

Fiscal Year 2022-2023



# Street Lighting Revenues

	FY '20 Actual	FY '21 Actual	FY '22 Estimate	FY '23 Budget
Street Light Fees	\$842,266	\$882,972	\$890,000	\$955,000
Interest Earnings	\$41,979	\$11,108	\$10,000	\$6,000
Miscellaneous	\$57,668	\$162,974	\$50,000	\$50,000
Contributions	<u>\$790,000</u>	<u>\$15,000</u>	<u>\$15,000</u>	<u>\$15,000</u>
Total	\$1,731,913	\$1,072,054	\$965,000	\$1,141,000

# Street Lighting Expenses

Description	Personnel	Operations	Capital	Total
Operating Budget	\$164,097	\$271,377	\$277,139	\$712,613
Power	\$0	\$140,000	\$0	\$140,000
Energy Savings Lease	\$0	\$288,387	\$0	\$288,387
Total	\$164,097	\$699,764	\$277,139	\$1,141,000



**STREET LIGHTING FUND**

**FEES & CHARGES**

The City has moved into maintaining a mature street lighting system. The fees listed in the table below will cover ongoing system operations and maintenance with a small capital budget. The City has adopted the new ELU structure which bills each residence, business, and institution one ELU of \$2.53 per month. As of this fiscal year, all residential neighborhoods are now billed the new ELU rate.

*STREET LIGHTING FEE*

Fee Description	Proposed Fee
Street Lighting Fee (cost per month):	
All Neighborhoods	\$2.53
All businesses, apartments, institutional accounts (schools, churches, nonprofits, etc.) *	\$2.53

\* Businesses will pay their annual street lighting fee upon issuance or renewal of their business license.  
(12 Months x \$2.53 = \$30.36)

# Questions