

# City of Orem Tentative Budget Fiscal Year 2025-2026



Proposed \$177,414,649



*Orem, Utah*

# Budget Calendar Review

- January 10-11 – Council Retreat to determine goals and areas of focus
- March 25 - Work Session - Revenue & Compensation
- April 8 - Work Session - Fleet & IT changes
- April 22 - Work Session – Operational & Capital Items
- May 13 - Present Tentative Budget



# Budget Highlights

- Projected FY 2025-2026 revenues increased \$17,289,954 over FY 2024-2025 budgeted revenues, primarily due to sales taxes, property taxes, ambulance fees, water fees, water reclamation fees, and storm water fees.
- Funded the city's compensation program including step adjustments and merit increases for all other benefitted employees.
- Provides for funding of targeted market adjustments for specific positions based on a market analysis to be completed by the city's HR division.
- Funds projected health insurance increase of 18% (effective January 1, 2026).
- Fleet Replacement totaled \$2,869,350.
- Capital Projects totaled \$32,654,380.

# Budget Revenue Overview

Fiscal Year	FY '23 Adopted Budget	FY '24 Adopted Budget	FY '25 Adopted Budget	FY '26 Tentative Budget
Revenues	\$118,528,981	\$128,654,868	\$135,375,910	\$150,916,199
Transfers	\$21,042,882	\$22,859,993	\$24,706,785	\$26,198,450
Appropriation of Surplus	\$1,222,000	\$830,000	\$42,000	\$300,000
<b>Totals</b>	<b>\$140,793,863</b>	<b>\$152,344,861</b>	<b>\$160,124,695</b>	<b>\$177,414,649</b>

# Revenues by Major Fund

Fund	Revenues	Transfers In	Appropriation of Surplus	Total
General	\$70,406,512	\$8,110,904	\$0	\$78,517,416
Road	\$4,350,000	\$0	\$0	\$4,350,000
CARE Tax	\$3,350,000	\$0	\$0	\$3,350,000
Transportation Sales Tax	\$4,930,000	\$0	\$0	\$4,930,000
Development Fees	\$1,307,000	\$1,313,789	\$0	\$2,620,789
Debt Service	\$1,617,613	\$4,918,897	\$0	\$6,536,510
Water	\$21,491,036	\$1,167,323	\$0	\$22,658,359
Water Reclamation	\$24,820,864	\$16,000	\$0	\$24,836,864
Storm Water	\$6,897,893	\$141,000	\$0	\$7,038,893
Recreation	\$4,318,937	\$251,000	\$0	\$4,569,937
Solid Waste	\$5,470,000	\$0	\$0	\$5,470,000
Other Funds	\$1,956,344	\$10,279,537	\$300,000	\$12,535,881
<b>Total</b>	<b>\$150,916,199</b>	<b>\$26,198,450</b>	<b>\$300,000</b>	<b>\$177,414,649</b>

# General Fund Revenue Overview

Fiscal Year	FY '23 Actual	FY '24 Actual	FY '25 Estimated	FY '26 Proposed
Revenues	\$68,813,375	\$72,619,800	\$68,076,961	\$70,406,512
Transfers In (includes Admin Charge)	\$7,782,719	\$7,360,549	\$7,413,347	\$8,110,904
App. Surplus	\$0	\$0	\$0	\$0
Totals	<b>\$76,596,094</b>	<b>\$79,980,349</b>	<b>\$75,490,308</b>	<b>\$78,517,416</b>

# General Fund Sources of Revenue

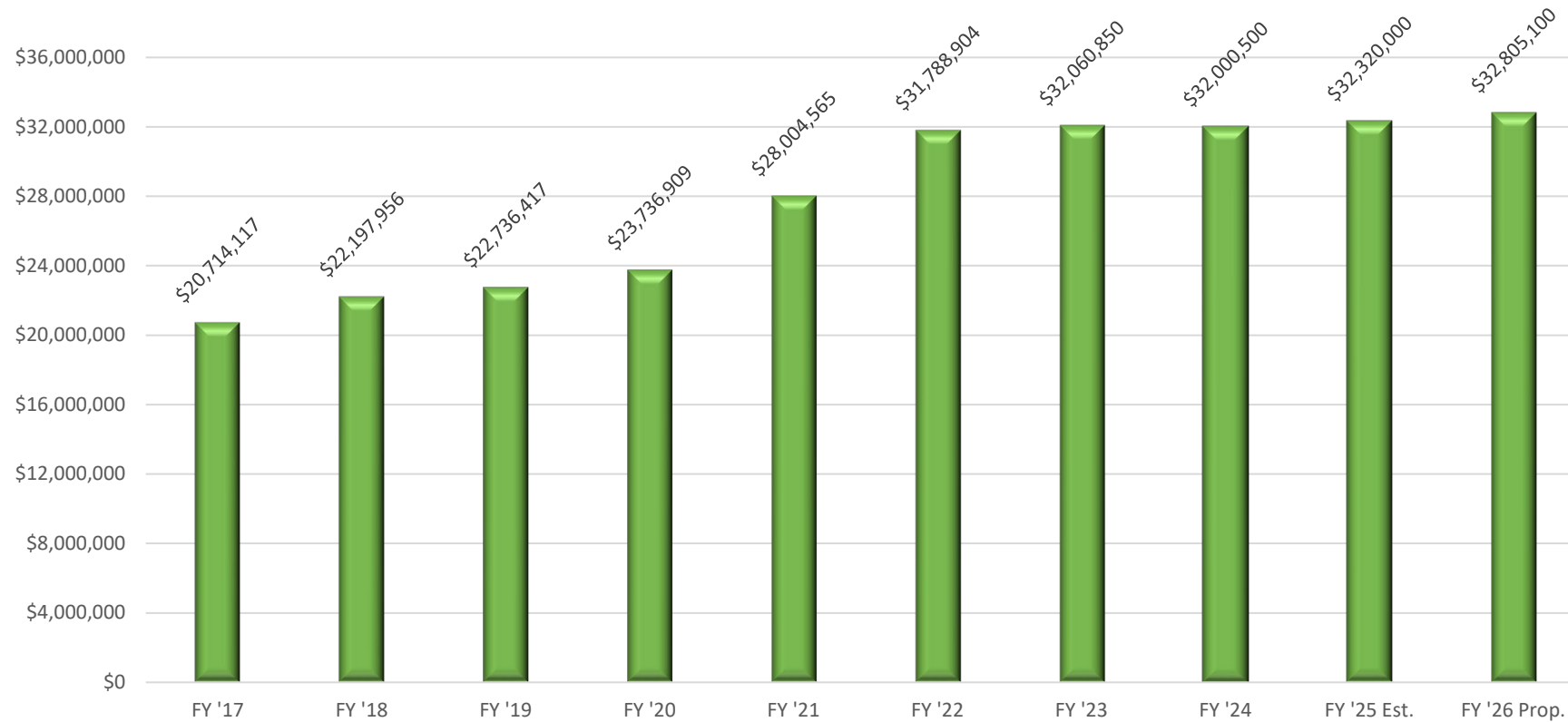
Source	Amount	FY '26	FY '25
Taxes (Property, Sales, Franchise, etc.)	\$50,136,773	63.85%	65.37%
Building/Business Charges	\$1,160,000	1.48%	1.45%
Grants	\$524,000	0.67%	0.98%
Charges for Services	\$15,312,778	19.50%	18.18%
Fines	\$1,434,400	1.83%	1.77%
Miscellaneous (Includes interest earnings)	\$5,873,477	7.48%	7.44%
Transfers In	\$4,075,988	5.19%	4.81%
Appropriation of Surplus	\$0	0.00%	0.00%
<b>Total</b>	<b>\$78,517,416</b>	<b>100.00%</b>	<b>100.00%</b>

# Sales Tax



FY '24 Actual	FY '25 Est.	FY '26 Proposed
\$32,000,500	\$32,320,000	\$32,805,100

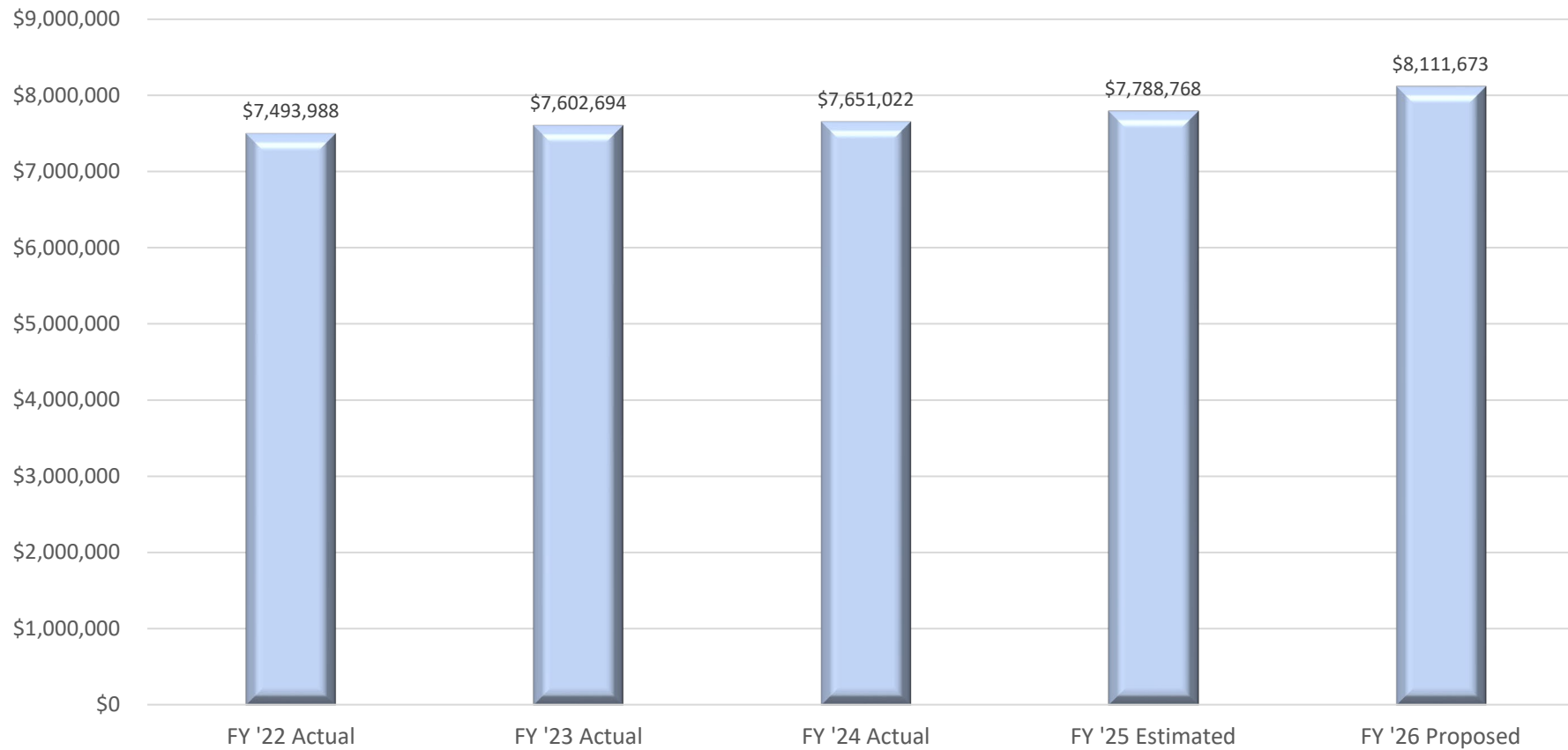
## Sales Tax



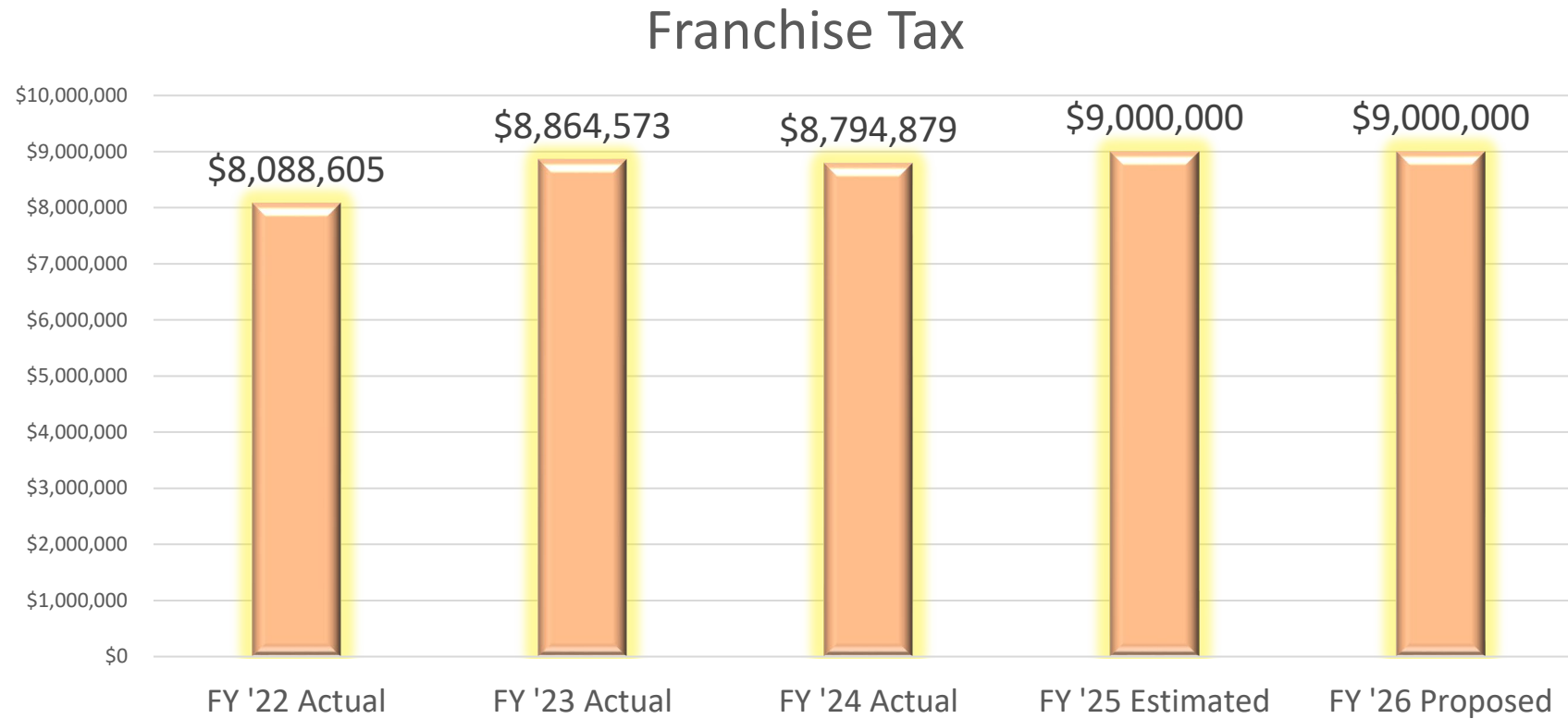


# Property Tax

## General Property Tax



# Franchise Tax



Stable Source

6% of Power, Gas,  
Water, Sewer

# Building and Business Services Charges

Fee Type	FY '23 Actual	FY '24 Actual	FY '25 Estimated	FY '26 Proposed
Business Licenses & Permits (General Fund)	\$1,014,458	\$1,046,451	\$1,040,000	\$1,050,000
Building Permits & Other Related Fees (Development Fees Fund)	\$1,200,883	\$1,343,711	\$1,576,000	\$1,307,000
<b>Total</b>	<b>\$2,215,341</b>	<b>\$2,390,162</b>	<b>\$2,616,000</b>	<b>\$2,357,000</b>

# Other General Fund Revenues

Other Revenue Type	FY '23 Actual	FY '24 Actual	FY '25 Estimated	FY '26 Proposed
Interest Earnings	\$3,607,215	\$5,117,315	\$3,704,000	\$3,552,000
Ambulance Fees	\$3,026,857	\$2,893,071	\$2,800,500	\$2,955,500
<b>Total</b>	<b>\$6,634,072</b>	<b>\$8,010,386</b>	<b>\$6,504,500</b>	<b>\$6,507,500</b>

# City-Wide Expenditures by Type

## Fiscal Year 2025-2026 Tentative Budget

Personnel	Operations	Capital	Total
\$66,733,567	\$75,157,352	\$35,523,730	\$177,414,649
37.6%	42.4%	20.0%	

## Fiscal Year 2024-2025 Adopted Budget

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

# Expenditures by Fund

Fund	Personnel	Operations	Capital	Total	Percent
General	\$49,371,948	\$26,920,018	\$2,225,450	\$78,517,416	44.3%
Road	\$1,291,025	\$1,068,033	\$1,990,942	\$4,350,000	2.4%
CARE Tax	\$0	\$3,350,000	\$0	\$3,350,000	1.9%
Transportation Sales Tax	\$15,986	\$255,016	\$4,658,998	\$4,930,000	2.7%
Development Fees	\$1,589,511	\$1,031,278	\$0	\$2,620,789	1.5%
Debt Service	\$0	\$6,536,510	\$0	\$6,536,510	3.7%
Water	\$2,886,050	\$14,430,562	\$5,341,747	\$22,658,359	12.8%
Water Reclamation	\$2,568,478	\$6,030,644	\$16,237,742	\$24,836,864	14.0%
Storm Water	\$1,319,709	\$2,485,210	\$3,233,974	\$7,038,893	3.9%
Recreation	\$2,609,323	\$1,815,614	\$145,000	\$4,569,937	2.6%
Solid Waste	\$0	\$4,992,339	\$477,661	\$5,470,000	3.1%
Other Funds	\$5,081,537	\$6,242,128	\$1,212,216	\$12,535,881	7.1%
<b>Total</b>	<b>\$66,733,567</b>	<b>\$75,157,352</b>	<b>\$35,523,730</b>	<b>\$177,414,649</b>	<b>100.0%</b>

# General Fund Additions for FY '26

Item	Explanation	Expense
Police – AI Report Software	Purchase new third-party AI reporting solution	\$92,000
Police – Rifle Replacement	Purchase new patrol rifles	\$20,000
Library – Admin Area Remodel	Funds for the admin area remodel	<u>\$90,000</u>
GRAND TOTAL		\$202,000

# General Fund Additions for FY '26

## Personnel

Item	Explanation	Expense
Fire – Firefighter/Paramedic (3)	Vineyard expansion	\$204,000
Fire – Training Facility Division Chief	Manages new fire training facility	\$136,014
Fire – Deputy Fire Marshal	Provides expanded oversight of ops	\$111,171
PW – GIS Technician	Provides better response time and greater coverage	\$82,796
PW – Technician	Addition due to new Heritage Park	<u>\$79,296</u>
GRAND TOTAL		\$613,277



# Fleet Replacements

Vehicle Type	FY '25 Adopted Budget	FY '26 Tentative Budget
Fire Apparatus / Vehicles	\$701,000	\$165,750
Police Vehicles	\$908,000	\$693,000
Pickups/SUV	\$345,000	\$394,600
Large Trucks/Vehicles	\$990,000	\$1,230,000
Backhoes/Loaders	\$136,000	\$136,000
Other Vehicles/Equipment	\$395,500	\$250,000
<b>Total</b>	<b>\$3,475,500</b>	<b>\$2,869,350</b>

- General Fund - 23 Vehicles \$1,032,350
- Enterprise & Road Funds - 30 Vehicles \$1,837,000



# 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
Memorial Trailhead	\$0	\$500,000
Sidewalk Projects	<u>\$0</u>	<u>\$775,000</u>
<b>GRAND TOTAL</b>	<b>\$1,055,378</b>	<b>\$4,500,000</b>

# Debt Service Fund

Revenues	FY '24 Actual	FY '25 Est. Actual	FY '26 Proposed
Revenues	\$2,281,912	\$2,282,663	\$1,617,613
Transfers In	<u>\$4,044,827</u>	<u>\$4,677,775</u>	<u>\$4,918,897</u>
Totals	\$6,326,739	\$7,050,438	\$6,536,510

Expenditures	FY '24 Actual	FY '25 Est. Actual	FY '26 Proposed
Principal	\$1,050,000	\$1,080,000	\$730,000
Interest	\$1,231,913	\$1,854,663	\$1,619,613
Utopia, Siemens Lease, etc.	<u>\$4,044,826</u>	<u>\$4,115,775</u>	<u>\$4,186,897</u>
Totals	\$6,326,739	\$7,050,438	\$6,536,510

# Internal Service Funds

Fund	Personnel	Operations	Capital	Total
Fleet Maintenance	\$699,222	\$420,778	\$0	\$1,120,000
Self Insurance	\$231,218	\$2,283,782	\$50,000	\$2,565,000
Information Technology	\$2,653,143	\$1,481,394	\$30,000	\$4,164,537
Facilities Maintenance	\$1,044,412	\$1,144,794	\$10,794	\$2,200,000
Purchasing & Warehousing	<u>\$346,547</u>	<u>\$183,453</u>	<u>\$0</u>	<u>\$530,000</u>
Total	\$4,974,542	\$5,514,201	\$90,794	\$10,579,537

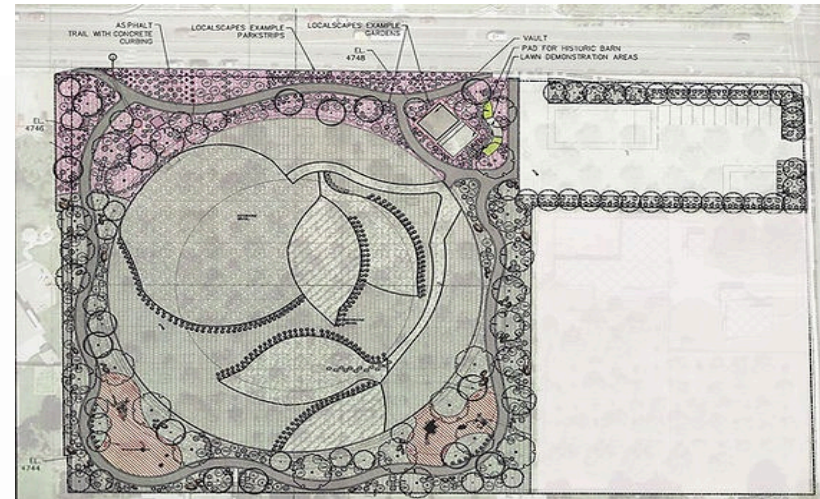
# Water Fund Summary

Fiscal Year	FY '24 Actual	FY '25 Est. Actual	FY '26 Proposed
Revenues	\$22,302,228	\$19,511,197	\$22,658,359

Personnel \$2,886,050  
 Operations \$14,430,562  
 Capital \$5,341,747

New Fees for Jordanelle  
 Water & Deer Creek.

Jordanelle Water is proposed  
 to be \$2.91/mo. & Deer Creek  
 \$0.86/mo. on a  $\frac{3}{4}$ " meter  
 (AWWA multiplier used for  
 other meter sizes).



Heritage Park Water Storage Tank

The water base rate on a  $\frac{3}{4}$ " meter is proposed to increase to \$21.81 from \$21.17 (3.0% increase) and the Tier 1 usage rate is proposed to increase to \$0.91 from \$0.88 (3.4% increase) for FY 2025-2026.

Base rates for other meter sizes and usage rates for other tiers are also proposed to increase for FY 2025-2026.



# Comparison Water Fees—Selected Cities

West Jordan	\$118.21
South Jordan	\$113.07
Sandy	\$96.52
Ogden	\$95.82
Pleasant Grove	\$95.50
West Valley	\$93.81
American Fork	\$92.52
AVERAGE CITY	\$80.24
Provo	\$65.42
Lehi	\$59.12
Layton	\$58.85
Orem	\$54.80
Spanish Fork	\$52.11
Springville	\$47.41

\* See budget document for additional cities.

# Water Reclamation Summary

Fiscal Year	FY '24 Actual	FY '25 Est. Actual	FY '26 Proposed
Revenues	\$14,817,932	\$15,544,058	\$24,836,864

Personnel \$2,568,478

Operations \$6,030,644

Capital \$16,237,742



The sewer base rate is proposed to increase to \$21.82 from \$16.98 (28.5% increase) and the sewer volume charge is proposed to increase to \$2.73 from \$2.68 (1.9% increase) for FY 2025-2026.

# Comparison Sewer Fees—Selected Cities

Provo	\$73.49
American Fork	\$64.91
Pleasant Grove	\$63.15
Spanish Fork	\$59.55
Lehi	\$49.60
West Jordan	\$48.55
AVERAGE CITY	\$47.69
West Valley	\$47.38
Orem	\$46.39
Springville	\$41.39
Ogden	\$40.17
South Jordan	\$33.00
Layton	\$31.86
Sandy	\$20.64

\* See budget document for additional cities.



# Storm Water Summary

Fiscal Year	FY '24 Actual	FY '25 Est. Actual	FY '26 Proposed
Revenues	\$6,806,644	\$6,364,585	\$7,038,893

Personnel \$1,319,709

Operations \$2,485,210

Capital \$3,233,974

A 6.0% increase to the per ESU rate is recommended. This is an increase to the ESU to \$9.00 from \$8.49 per month.

# Comparison Storm Water Fees—Selected Cities

Pleasant Grove	\$23.05
Spanish Fork	\$12.62
Provo	\$10.75
American Fork	\$10.50
Ogden	\$10.01
AVERAGE CITY	\$9.60
South Jordan	\$9.02
Orem	\$9.00
Springville	\$7.76
Layton	\$7.60
West Jordan	\$6.78
Sandy	\$6.00
West Valley	\$6.00
Lehi	\$5.75

\* See budget document for additional cities

# Recreation Fund Summary

Fiscal Year	FY '24 Actual	FY '25 Est. Actual	FY '26 Proposed
Revenues	\$3,833,773	\$4,556,200	\$4,569,937

Personnel \$2,609,323

Operations \$1,815,614

Capital \$145,000



Annual memberships and daily admissions at the fitness center continue to grow (2.4% budgeted increase). Indoor Classes revenues are budgeted to grow by 54%.



# Solid Waste Fund

Fiscal Year	FY '24 Actual	FY '25 Est. Actual	FY '26 Proposed
Revenues	\$5,297,136	\$5,457,000	\$5,470,000

Operations \$4,992,339

Capital \$477,661 (My Hometown Projects)



# Solid Waste Rates

	First Can	Second Can	Recycle	Green Waste
FY '26 - Proposed	<b>\$13.55</b>	<b>\$12.55</b>	<b>\$4.85</b>	<b>\$7.10</b>
FY '25	\$13.55	\$12.55	\$4.85	\$7.10
% Change	0.0%	0.0%	0.0%	0.0%

Combined First can and recycling rate \$18.40 (No change, a 0.0% increase)

Any changes in rates are pass-through costs due to our service contract with Waste Management of Utah. While our service contract costs are going to increase, it is proposed that the City not increase rates for Fiscal Year 2025-2026.

# Comparison Solid Waste Fee—Selected Cities

Provo	\$26.85
Springville	\$26.20
Ogden	\$25.53
West Jordan	\$22.21
Spanish Fork	\$21.50
Pleasant Grove	\$21.43
Layton	\$21.15
AVERAGE CITY	\$20.82
American Fork	\$19.85
Orem	\$18.40
Sandy	\$18.26
West Valley	\$17.50
South Jordan	\$16.89
Lehi	\$14.94

\* See budget document for additional cities

# Comparison Total Utilities—Selected Cities

Pleasant Grove	\$213.08
West Jordan	\$205.34
American Fork	\$196.98
Provo	\$185.16
South Jordan	\$180.41
Ogden	\$179.94
West Valley	\$172.76
AVERAGE CITY	\$165.64
Spanish Fork	\$152.92
Sandy	\$148.35
Lehi	\$135.75
Springville	\$128.77
Orem	\$128.59
Layton	\$125.32

\* See budget document for additional cities – Table assumes a historical 4.9% average utility increase.

# Questions