

# Budget Workshop

Feb 12, 2019

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# Agenda

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1. Budget calendar
2. Five-year history and outlook
3. Key compensation issues
4. Council member priorities

# Calendar

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Date	Event
Year-round	Receive citizen input through focus groups, surveys, community meetings, public comment, social media and other electronic correspondence, and personal conversations.
January	Begin developing short and long-term forecasts
February	Budget workshop with elected officials for their priorities
	Develop preliminary revenue estimates
	Finalize internal service and administrative cost studies
February – March	Review department budget requests
	Review and update fee schedule
March	Finalize revenue forecasts
	Finalize compensation plan
	Review and balance Mayor's tentative budget
March - April	Prepare and publish Mayor's tentative budget
April 16 <sup>th</sup>	Present Mayor's tentative budget
April – June	Review and discuss Mayor's tentative budget
May -June	Public budget hearing
June	Adopt final budget

## General Fund – Historical Overview

	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget
Revenues	\$ 50,895,662	\$ 51,820,078	\$ 52,866,180	\$ 54,503,287	\$ 55,218,667
Expenses	\$ 50,895,662	\$ 51,820,078	\$ 52,866,180	\$ 54,503,287	\$ 55,218,667
Total	\$ -	\$ -	\$ -	\$ -	\$ -
Dollar Change	\$ 1,517,077	\$ 924,416	\$ 1,046,102	\$ 1,637,107	\$ 715,380
Percent Change	3.07%	1.82%	2.02%	3.10%	1.31%

## General Fund – Historical Overview

	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget	5-Year Average
Revenues	\$ 50,895,662	\$ 51,820,078	\$ 52,866,180	\$ 54,503,287	\$ 55,218,667	\$ 53,060,775
Expenses	\$ 50,895,662	\$ 51,820,078	\$ 52,866,180	\$ 54,503,287	\$ 55,218,667	\$ 53,060,775
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dollar Change	\$ 1,517,077	\$ 924,416	\$ 1,046,102	\$ 1,637,107	\$ 715,380	\$ 1,168,016
Percent Change	3.07%	1.82%	2.02%	3.10%	1.31%	2.26%

### General Fund – Historical Overview

	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget	5-Year Average	2020 Estimated
Revenues	\$ 50,895,662	\$ 51,820,078	\$ 52,866,180	\$ 54,503,287	\$ 55,218,667	\$ 53,060,775	\$ 56,225,177
Expenses	\$ 50,895,662	\$ 51,820,078	\$ 52,866,180	\$ 54,503,287	\$ 55,218,667	\$ 53,060,775	\$ 52,996,720
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,228,457
Dollar Change	\$ 1,517,077	\$ 924,416	\$ 1,046,102	\$ 1,637,107	\$ 715,380	\$ 1,168,016	\$ 1,006,510
Percent Change	3.07%	1.82%	2.02%	3.10%	1.31%	2.26%	1.82%

## General Fund – Historical Overview

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Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,228,457
Dollar Change	\$ 1,517,077	\$ 924,416	\$ 1,046,102	\$ 1,637,107	\$ 715,380	\$ 1,168,016	\$ 1,006,510
Percent Change	3.07%	1.82%	2.02%	3.10%	1.31%	2.26%	1.82%

- \$1,006,510 of this is revenue growth.
- \$2,000,000 is a reduction in the transfer to Capital Projects
- Remaining balance was appropriated to one-time items in FY 2019

### General Fund – Historical Overview

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Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,228,457
Dollar Change	\$ 1,517,077	\$ 924,416	\$ 1,046,102	\$ 1,637,107	\$ 715,380	\$ 1,168,016	\$ 1,006,510
Percent Change	3.07%	1.82%	2.02%	3.10%	1.31%	2.26%	1.82%

We generally allocate at least \$500,000 to one-time items.



# One-time Revenue Estimates

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1.	General revenue for capital projects	\$1,902,000
2.	Restricted Revenues	
	▪ Park Impact Fees	\$1,150,000
	▪ Trail Impact Fees	42,000
	▪ Fire Impact Fees	215,000
	▪ Road Funds	710,000
	▪ Transportation Sales Tax (UCA 59-12-2219)	2,015,000

# Compensation Plan Key Issues

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**1. Pay Periods:** There are 26.2 pay periods in FY 2020 compared to 26.0 pay periods in FY 2019. This is an anticipated cost increase of \$300,000.

**2. Pay Plan**

- Fiscal year-to-date turnover and other savings equates to a 1.4% savings over the current year's personnel budget. Additional turnover savings may occur.
- Estimate to fund the police and fire step and grade pay plan is \$580,000.
- Salary survey data and market review suggest the need for a 2% cost of living to all pay ranges, an additional 2% market adjustment to positions in bands 2 and 3 and an additional 1% market adjustment to positions in band 4.

# Compensation Plan Continued

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## **3. Health Plan**

- The City's health insurance provider is PEHP. The FY 2020 renewal is expected to be 7% - 8%, which equates to a \$385,000 - \$440,000 premium increase.
- The SCOPE Clinic provider is Onsite Care. We anticipate 3.5% increase to clinic costs in FY 2020, which equates to a \$17,000 increase.

## **4. Retirement Plan**

- The Utah Retirement System is proposing a rate increase to Tier 1 and Tier 2 Fire rates equating to an increase of about \$205,000. This may be mitigated by proposed legislation.
- In the last year, several cities have begun offering 401k contributions and/or matches for Tier 2 employees to help recruit and retain employees. Additionally, the Utah Legislature is considering legislation to increase the Tier 2 retirement benefit.
- Retirement plan consultant to advise regarding 401k and 457 plans

# Summary

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1. About \$3.2M in available ongoing revenue
  - Allocate a portion of this to one-time items
2. Approximately \$1.9M of one-time, general revenue for capital projects
3. About \$4.1M of restricted revenue for capital projects
4. To maintain service levels and a quality workforce, the compensation plan will likely require a large portion of the available ongoing revenue