



CITY OF SARATOGA SPRINGS, UTAH

2014-2019
BUDGET





EXECUTIVE SUMMARY

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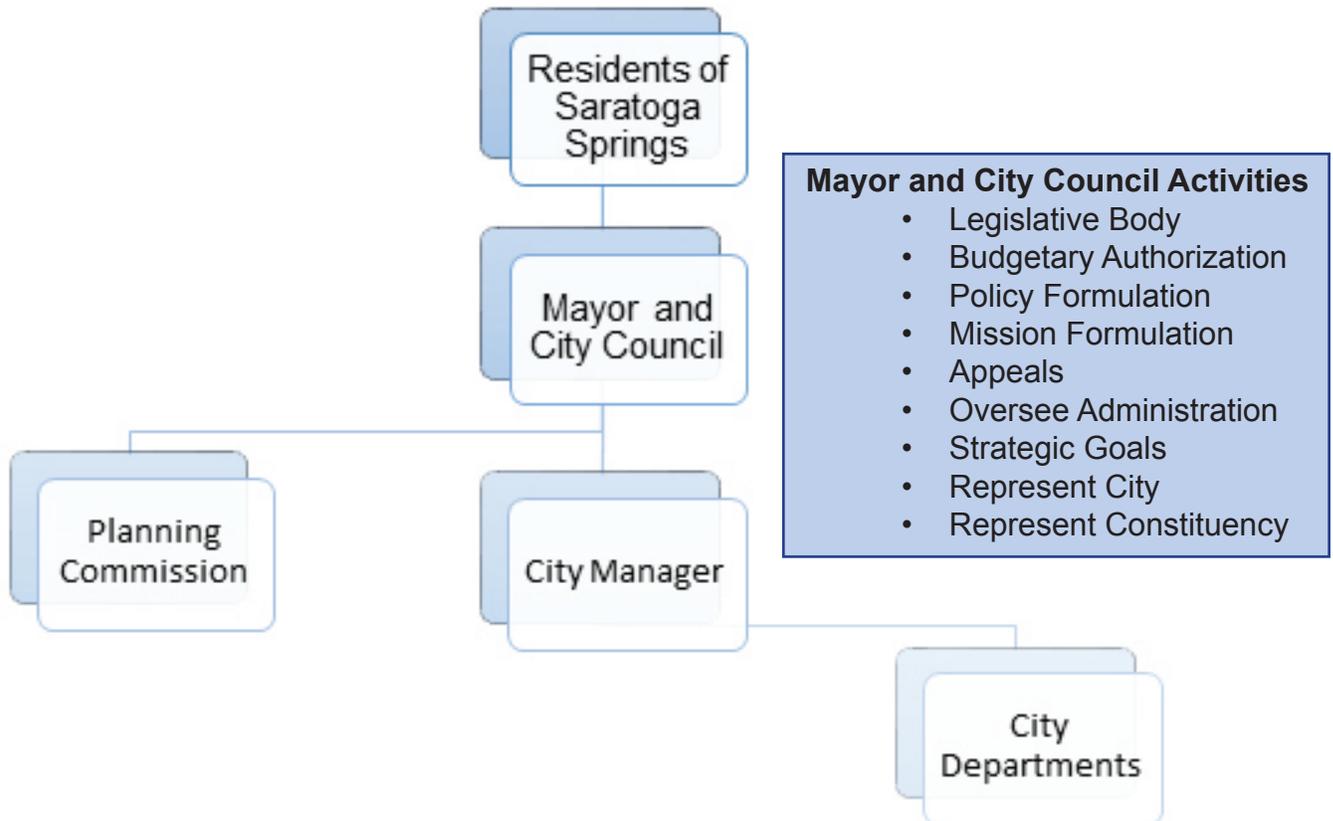
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City of Saratoga Springs, Utah

Organizational Chart FY2013





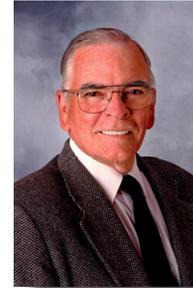
CITY OF SARATOGA SPRINGS
1307 N. Commerce Drive, Suite 200
Saratoga Springs, Utah 84045
801-766-9793

MAYOR AND CITY COUNCIL AS OF JULY 1, 2014



Mayor Jim Miller

Email: jmiller@saratogaspringscity.com
Term: 01/2014 - 01/2018



Council Member Bud Poduska

Email: bpoduska@saratogaspringscity.com
Term: 01/2012 - 01/2016



Council Member Michael McOmber

Email: mmcomber@saratogaspringscity.com
Term: 01/2014 - 01/2018



Council Member Rebecca Call

Email: rcall@saratogaspringscity.com
Term: 01/2012 - 01/2016



Council Member Shellie Baertsch

Email: sbaertsch@saratogaspringscity.com
Term: 01/2012 - 01/2016



Council Member Stephen Willden

Email: swillden@saratogaspringscity.com
Term: 01/2014 - 01/2018



City Manager Introduction:

The City of Saratoga Springs FY 2014 adjusted budget and the FY 2015 tentative budget reflect a local economy continuing to recover from the “Great Recession of December 2007 to June 2009” that historians and economists argue was the worst recession since the Great Depression in 1929. The national economy and housing market trends continue to improve placing Saratoga Springs as one of the fastest growing cities in the state with a positive economic forecast for the foreseeable future.

With these national economic conditions in mind, the pertinent question is: How has the City of Saratoga Springs reacted to these dynamic market changes and how will we continue to respond to current and future demands?

The City has over the past few years seen the pressure of the growing housing market as a key leading indicator for service delivery demands in the community. Since the 2010 Census the City has seen significant population growth. As is indicated in the following table:

Building Permits Issued ⁱ		
July - Dec	2012	142
Jan - Dec	2013	335
Jan - June	2014	143
Total Housing Permits		620
4.13 persons per household		2,082
*Est 3 - 4 Month Home Construction		

Projected Population		
April 1, 2010	2010	17,802
July 1, 2012	2012	21,137
July 1, 2014	2014	23,219
Estimated Population Increase since April 1, 2010.		5,417
Percent Growth 2010 - 2014		30.4%

This astounding growth rate is one of the driving factors that have led to the recommendations that are presented in this budget to the Mayor and City Council.

The City continues to see rapid expansion in the housing market in addition to the explosive population growth derived from the number of building permits issued the City currently is working with over 8,000 new lots at some point in the application process. It is anticipated that the continuing creation of more building lots within the City will continue to foster the growth demands in the City leading to more and additional service delivery demands in the future.

With the economic volatility of the last six years, it is difficult to make precise economic predictions. However, given recent market trends, the budget that is presented in this document assumes a higher rate of growth projected for the next fiscal year. As a result of this growth, the City will likely begin to see revenues increasing through FY 2015. Where these revenue growth projections are made, the City has assumed levels that are consistent with observable current trends and actual revenues. Based on



continued improving economic performance of the last few years and this City's ability to overcome the last six years of recession and post-recession slowed growth, I can with report that Saratoga Springs is in good financial shape. As always the City is closely monitoring the economic conditions to insure that future growth is directly tied to ongoing revenues and sustainable economic vitality.

Saratoga Springs finished Fiscal Year 2013 and began FY 2014 with the General Fund Reserves near the maximum allowed level of 25 percent. The actual balance after all accruals were made as of June 30, 2013 was 23 percent or \$2,508,347 in the General Fund Balance. The maximum balance allowed under state law is 25 percent and in the June 2013 adopted budget the City transferred funds from the General Fund to the City's future capital fund \$2,366,000 consistent with state law for funding future capital projects. This accomplishment has been made possible by taking a conservative fiscal approach, focusing on sustainable economic growth and ensuring that one-time revenues are not used for ongoing expenses. While long-term forecasts may change over time, this budget attempts to present an attainable operational plan through FY 2019. This is the third year that we have implemented a five year fiscal operating plan and the second year that we have begun implementing five year capital plans. This long range perspective projects future funding and expenditure growth based on current trends and operational expenses. By anticipating these long-term operational and capital needs, I am confident that Saratoga Springs can weather economic volatility and plan for future success.

In connection with this long-term plan, the City has begun a series of updates to its Capital Facilities Plans and the preparation of a 20-year comprehensive capital plan and impact fee studies. In conjunction with this capital and infrastructure planning, the City is undertaking a substantial policy review and recodification of the City Codes. These efforts will help position Saratoga Springs to take advantage of the recovery and positive growth in development markets.

With that said, if the national economy experiences a relapse this same conservative fiscal approach will allow our community to weather the storm, as it has in the past. Regardless of national economic trends, past experience has demonstrated that the City of Saratoga Springs can continue to offer high quality services which can be delivered to our customers in a cost-effective, timely manner. Despite external economic pressures, staff remains committed to high levels of customer service. In every economic environment, City staff has diligently looked for ways to operate efficiently. City staff has done and will continue to carry out Council's goals while operating within identified resources (i.e., without a property tax increase).

In preparing this budget, City staff used as a base the FY 2014 Adopted Budget approved by Council in June of 2013. Any one-time authorizations were removed from this base budget and additional changes were highlighted for the City Council's review. Proposed changes to these approved budget levels were based on direction from City Council and in consultation with department managers, City staff, and the Capital Improvement Project prioritization recommended to the City Council. Due to fiscal constraints, the recommended budget items may meet the criteria for approval or recommendation to the City Council but are not being recommended by the City Manager because of a lack of ongoing funding through the City's operating accounts.

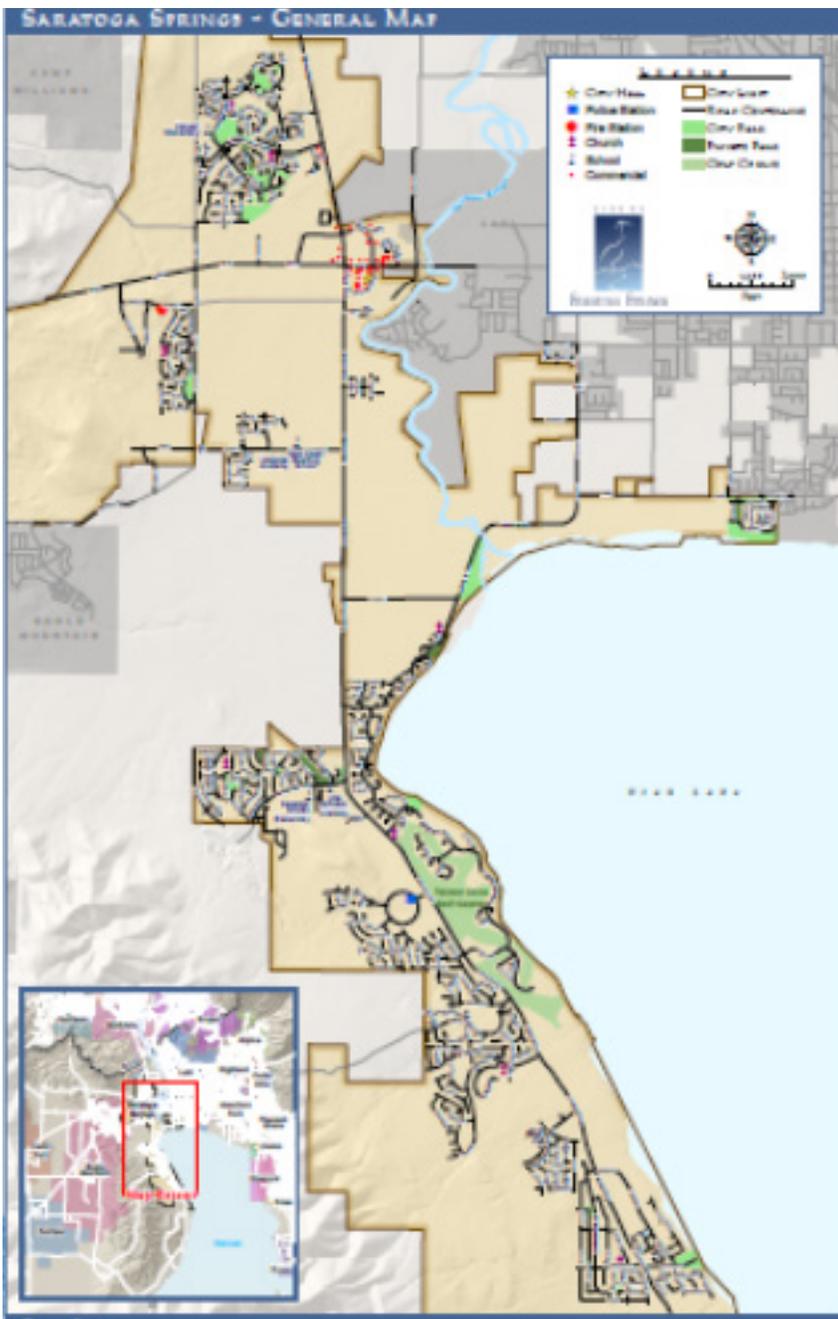
The proposed budget presented herein has been compiled with goals and objectives outlined by City Council. Moreover, pursuant to §10-6-109, Utah Code Annotated, the FYI 2014 Adjusted budget, FY 2015 and FY 2016 – 2019 budgets have been prepared for the City of Saratoga Springs using budgetary practices and techniques recommended by the Governmental Accounting Standards Board (GASB) and the Governmental Finance Officers Association (GFOA). As required by State law, the proposed



budget is balanced and represents a fiscally conservative approach to meet the demands imposed by the national, state and local economy.

In light of the aforementioned, I present the City Manager Amended FY 2014 and Recommended Budget for FY2015 and the FY 2016 – 2019 draft plan to the City Council, residents of Saratoga Springs, and other interested stakeholders for review.

Sincerely,
Mark J. Christensen
City Manager
City of Saratoga Springs



The City of Saratoga Springs is an exciting developing community located on the northwest shores of Utah Lake in the center of Utah's Wasatch Front Metropolitan Area. The City, incorporated in December of 1997, boasts a high quality of life that includes beautiful lakeshore living, a quiet and rural atmosphere, great air quality, superb views and an excellent central location midway between the Provo/Orem and Salt Lake City metro areas. There is excellent access to I-15, via Pioneer Crossing, for both north and south travel, and access to the Bangerter Highway via Redwood Road for quick travel to Salt Lake International Airport (30-40 minutes by car) or other critical locations north of the City. Provo/Orem is located approximately 20-25 minutes by car via I-15.

The City's population of approximately 20,000 residents is a suburban population that works along the Wasatch Front but desires a quiet suburban area in which to live. The City is among the top ten highest growth cities in Utah, and as a region the northern Utah County area has also experienced rapid development and growth in recent years. Even in a down economy, the cities of Saratoga Springs, Eagle Mountain and Lehi continue to issue many development approvals and permits. The physical infrastructure to continue rapid residential growth is in

place and regular planning ensures that transportation expansions map to population growth rates. The estimated combined population of these cities is 91,730 residents, mostly located west of the I-15 corridor.

Land development in the City has taken the form of large "master planned" communities with progressive land-use and zoning practices which have resulted in quality and diverse housing styles.

Saratoga Springs is only partially developed and it is expected that the build-out population of the City will be over 100,000 residents. Only 25 % of the land area within the City has been developed or is planned to be developed. There are still several large parcels that remain as well as numerous smaller tracts that will one day be developed. In its General Land Use Plan, the City has sites planned for low, medium and high density residential, neighborhood and regional parks, schools, commercial and office uses and large research and development properties.

The City provides many public services including: water, sewer, police, garbage, and fire and emergency medical response. There is a fully functioning administrative office with staff providing city management,



building permitting and inspections, engineering, development services, public works, utility billing, and records management. In addition to administrative functions the City has a growing recreation program that provides year round recreational programs and clinics. This document includes budgets of all funds and account groups responsible for these activities, organizations, and functions that are related to the City and are controlled by or dependent upon the City's governing body, the Mayor and City Council.

The Saratoga Springs Special Improvement District is chartered under Utah law as separate legal governmental entity. This document includes reports of these entities since the Mayor and City Council are the appointed board members for these agencies.

The City operates under a six member council with the Mayor as a non-voting member of the legislative body. The Council has by ordinance established a city-manager form of government. Under this organizational structure, the Mayor and a five member Council appoint a city manager to act as the chief executive officer who oversees the daily operations of the City. The Council establishes policy and direction by enacting local legislation and adopting budgets; the city manager is responsible for implementing the Council's policies and direction. The Mayor is elected for a term of 4 years, while the Council is elected for 4 years with staggered terms.

The Mayor appoints seven members of the Planning Commission with the advice and consent of the City Council. The Planning Commission is a volunteer position appointed to 4 year staggered terms. The Commission's primary responsibilities are to review and provide a recommendation on new development plans in accordance with the direction established by Council, zoning changes, and the general plan.

Mark J. Christensen – City Manager
J. Spencer Kyle – Assistant City Manager
Chelese Rawlings – Finance Manager

Please visit the City online at www.saratogaspringscity.com



OVERVIEW

The purpose of this document is to present a budget that serves the functions of a:

Policy Document – Clearly describing the City’s short-term and long-term financial goals and objectives.

Financial Plan – Describe the fund environment including structure, balances, and major revenues and expenditures.

Operations Guide – Describe the activities, services, and functions carried out by the organizational units.

Communication Device – Provide a clear summary of significant budget issues and trends in resources, requirements, and policies.

The principal objective of this executive summary is to clearly describe the City’s budget process and highlight significant changes to it. This will enable the Mayor and City Council to provide policy direction during the budget process by addressing the following:

1. An overview of goals and outcomes of the Budget Summary.
2. A summary of the City’s financial position.
3. An outline of the overall budget process & changes to the budget format.
4. Provide a Budget Summary for Fiscal Year 2013 adjusted budget, 2014 budget, and 2015 - 2018 financial plan.
5. Capital project prioritization and CIP funding issues.
6. An overview of the City Manager’s Recommended Budget.
7. The status of various City projects.
8. Highlights of future issues.
9. Citywide budget policy changes.

This budget document should be read and considered in conjunction with the City’s Audited Financial Statements to provide an in-depth understanding of the City’s financial and economic condition including historical trend data.

CITY MISSION STATEMENT

The City of Saratoga Springs promotes and serves the community’s general well being, health, and safety by preserving our natural beauty and enhancing the quality of life through long-term planning, providing a quality community experience, and sound fiscal responsibility.

Life’s just better here!



CITY COUNCIL GOALS AND PRIORITIES

MAYOR AND COUNCIL GOALS

In January of each year, the Mayor and City Council meet to discuss their vision for the community and to establish short and long term goals for the community. City staffs then take these goals and the direction provided by the City Council to establish operational priorities for the organization. The operational priorities of the Mayor and City Council are then implemented through the formal adoption of the budget. The goals and objectives identified below by the Mayor and Council are established as the community priorities for FY 2014 – 2015 and beyond. The strategies or specific procedures to achieve the goals can be found in Operating and Capital Budgets incorporated in this budget.

RECREATION

RECREATION BRINGS COMMUNITIES TOGETHER AND MAKES US A DESTINATION LOCATION

LOCATE / DESIGN / BUILD BALL PARKS	COMPLETE OVERDUE PARKS	MASTER PLAN CONNECTING OF TRAILS	PRIORITIZE / NAMING / SIGNAGE	BUILD RELATIONSHIPS WITH BUSINESSES & NON-PROFIT ORGANIZATIONS
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- RECREATION TO PAY FOR ITSELF
- RECREATION BRINGS COMMUNITIES TOGETHER
- SHOULD BE OPEN TO **ALL**
- PROVIDE NEEDED SERVICES
- PROVIDES SAFE RECREATION

LAKEFRONT

CREATE A UNIQUE LAKEFRONT FOR ECONOMIC & RESIDENTIAL DEVELOPMENT

LAKESHORE STUDY MASTER PLAN	REACHING OUT TO DEVELOPERS, BUSINESS & EXISTING RESORT COMMUNITIES	PARTNERSHIPS WITH STATE, COUNTY, COMMISSION TO IMPROVE LAKE	PRESERVE OPEN SPACE AND COMMUNITY ACCESS THROUGH PRIVATE / PUBLIC PARTNERSHIPS
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- REBALANCING LIFE
- ENVIRONMENTALLY FRIENDLY
- LEISURE
- FISCAL HEALTH
- EMBRACING OUR UNIQUENESS
- VACATION



ECONOMIC DEVELOPMENT

CREATE A SUCCESSFUL ENVIRONMENT FOR BUSINESS "CLASS A", DINING AND RETAIL TO FOSTER AN ENVIRONMENT OF WORK, LIVE, PLAY.
LIFE'S JUST BETTER HERE!

STREAMLINED DEVELOPMENT PROCESS	SMART ZONING MAP	MARKETING OUR UNIQUE VIABILITY	LEVERAGE EXISTING BUSINESS RELATIONSHIPS (FORUM)
---------------------------------	------------------	--------------------------------	--

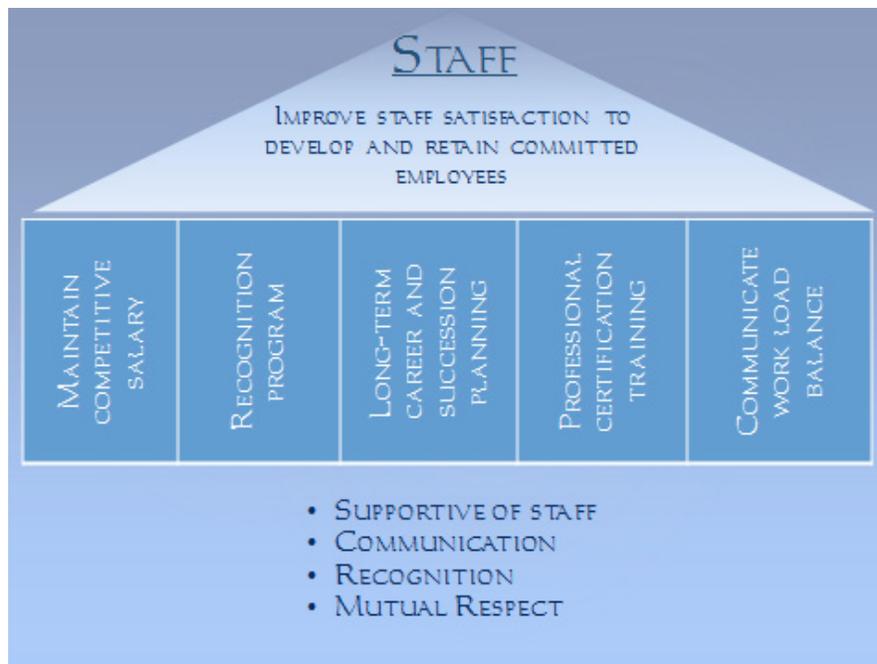
- COOPERATION - CITY HALL / DEVELOPERS
- CLEAR EXPECTATIONS
- TEAMWORK
- EXPONENTIAL COOPERATIVE SUCCESS
- PRIVATE & PUBLIC PARTNERSHIP

LONG RANGE PLANNING

DEVELOP A LONG RANGE SUSTAINABLE PLAN WITH QUANTIFIABLE METRICS TO PROPORTIONALLY INCREASE "INFRASTRUCTURE" STAFF ROADS ETC. TO PROACTIVELY ADDRESS GROWTH DEMANDS

IDENTIFY METRICS / TRIGGER POINTS FOR EACH MAJOR DEPARTMENT	INCORPORATE INTO 5 YEAR PLAN	PROACTIVE ANALYSIS OF TAX RATES FOR SUSTAINABILITY AND FEES
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- MUTUAL RESPECT
- FAIRNESS
- COOPERATION
- CONTINUAL COMMUNICATION



BUDGET PROCESS

The budget process is a way to link Council's goals to the day-to-day operations of the City. Through the budget process, the Council will adopt a budget and financial plan that will serve as a policy document for implementing the Council's goals and objectives. The budget provides the staff and other resources necessary to accomplish goals and programs established by the City Council as well as a plan that establishes performance expectations for each department.

The budget process is an essential element of financial planning, management, control, and evaluation for the City. Additionally, the budget process offers a series of public hearings for consumers of



governmental services to give input on city sponsored programs and levels of services.

According to state statute, the budget officer (City Manager) shall prepare and file a proposed budget with the City Council by the first scheduled Council meeting in May. The proposed budget must be available for public inspection during normal business hours after it has been filed with the City Council. The Council holds at least one public hearing on the proposed budget. Before June 22, the Council must adopt either a tentative budget if the certified tax rate is to be exceeded (tax increase) or a final budget and proposed tax rate (no tax increase). If there is a property tax increase, the Council holds an additional public hearing before adopting the budget by August 17. This year there is no property tax increased proposed as part of the City Managers recommended budget.

The City begins the budget process in January with the City Council identifying goals and objectives for the next year. Each department director is responsible for preparing budget requests for each program, under the assumption that basic services will be maintained at current levels and adequately funded. Council objectives are addressed either in the current level budget or as additional options for enhanced, increased, or decreased service levels proposed by the departments. The City Manager reviews budget requests, including budget options, with each department director and develops a proposed budget balanced within the limits of the current available resources or with a proposed increase in fees and/or tax revenues. Between the second City Council meeting in March and the first meeting in June, the Council has the opportunity to review the proposed budget, consider public comment, and finally, adopt a balanced budget. The operating budget is adopted on an annual basis. Capital construction normally takes place over more than one fiscal year; therefore, capital budgets are adopted on a project length basis.

Budgetary Control: Budgetary control of each fund is maintained at the department level. Department directors play an active and important role in controlling the budget. Expenditures may not exceed appropriations at the department level. The City Council may amend the budget by motion during the fiscal year; however, increases in overall fund budgets (governmental funds) require a public hearing. However, enterprise fund budgets may be increased by the City Council without a public hearing.

Considerations for Funding: Requests for increased funding or levels of service should be considered at one time rather than in isolation or on a “piecemeal” basis. This policy does not preclude budget adjustments pursuant to state laws, but encourages that budget decisions, where possible, be part of the comprehensive process.

Departments are given specific instructions during the budget process that all budget requests must meet certain criteria prior to being considered by the City Council. Generally, the criteria is as follows: (1) budget requests are directly tied to the established Council goals, (2) the department can demonstrate through quantifiable means that there is an outstanding need, or (3) the request is offset by a new revenue source, or (4) the request is directly tied to an expense reduction in the department’s existing operating budget. Consideration must be given that new requests might require a budget reduction in future budget cycles to offset the request. This stringent process assists the City in acting fiscally responsible and clearly communicates expectations for budget requests. In addition to the above-mentioned criteria, all requests should meet at least one of the following criteria:

1. Requests should be offset with equal or greater reductions within a department’s budget.
2. New personnel requests must be discussed with the City Manager prior to submitting the request.



3. Requests are offset with budget reductions in the same budget category. For example: a new personnel request should be offset with existing personnel funding, materials should offset materials, etc. Personnel requests offsetting existing funds other than personnel are discouraged and will be subjected to a heightened review.
4. Request demonstrates an exceptional need that could not have been anticipated during the budget process.
5. Request is specific for a Council program or goal.
6. Request generates new revenues.
7. Request fulfills federal, state, or local mandates.

BUDGET CALENDAR

Preparation of Tentative Budget

December

- Budget Calendar and instructions presented to departments. Department mid-year performance measures due. Pay plan benchmarking updated.

January

- Legislative body identifies community goals and objectives. Tentative capital improvement plan released.
- Department's submit budget options and tentative performance measures. Department's meet with City Manager and Finance Manager to discuss options and performance measures. Begin rate and fee analysis.

February – March

- Compilation of Tentative Budget

April

- Tentative Budget presented to Council. Staff presents introduction, executive summary, and budget policies.

Council Presentation and Public Hearings

April-May

- The Council holds public hearings on the proposed tentative budget. Staff presents operating and capital budgets and tentative rate and fee schedule. Council adopts tentative budget.

Adopt Final Budget and Set Certified Tax Rate

June

- The Council holds public hearings on the proposed tentative budget; Council adopts final budget, certified tax rate and fee schedule (adopted prior to June 22nd state deadline (if no property tax increase))

July - August

- The Council notices and holds Truth-in-Taxation Public Hearing (ad run twice in the two weeks preceding the hearing). Council adopts final budget and certified tax rate.

Additional Budget Dates and Deadlines

- July 17 – Budget due to State Auditor's Office (no property tax increase)
- August 30 - Budget published and available on-line
- September 17 - Budget due to State Auditor's Office (property tax increase)
- September 17- Submit Budget Document to Government Finance Officers Association for



their Budget Presentation Award

- September 30 – Final Budget Document and Citizens Budget made available

On or before the last day of the fiscal period in which a final budget has been adopted, budget amendments may become necessary to increase estimated revenues and appropriation budgets in certain funds. The Council, prior to approving budget amendments, must hold a public hearing to solicit public input.

Budget Format: This is the third year the City has completed and published a formal multi-year budget document with this format and scope. Last year the City introduced a five-year financial plan. The City's budget process is different in many ways when compared to the past. Some of the most notable changes in the budget process include moving from an annual budget to a multi-year budgeting process, the incorporation of a long term Capital Plan and the implementation of performance measures. In FY 2012 staff worked with the Council to develop a multi-year pay-for-performance compensation philosophy. A multi-year budget encourages a forward thinking approach to programs and services offered by offering a comprehensive financial outlook.

A multi-year budget is a process in which the City anticipates revenues and expenditures for two or more budgetary years. Each budget year beyond the required appropriations period is referred to as a multi-year financial plan which does not act as a formal spending document but rather serves as a plan that can be amended freely without legislative approval. The financial plan only becomes a formal spending document with approval by the legislative body, at which time the plan becomes a budget.

Implementing a multi-year budget offers the City numerous advantages, including but not limited to:

- Improved financial management
- Improved long-term planning
- Ability to evaluate program and service delivery

A primary change internal to the organization is that departments have been instructed to anticipate budgetary needs for a 72-month period (the remaining 3 months of Fiscal Year 2013 and Fiscal Years 2014 – 2018). While going from a one-year budget to a five-year budget is relatively new, the concept has been favorably accepted throughout our organization. The process requires an even greater deal of planning and preparation for upcoming years from each of the departments.

The first year of a five-year budget process is when the majority of the planning occurs. The second year typically will include minor adjustments and anticipated programmatic changes. The goal of this type of planning is to ensure the operational needs are meeting the long-term organization's direction. Each year the City will incorporate the current adjusted budget and a modified five-year plan.

The City Council approved a budget for the upcoming fiscal year and a fiscal plan for the next four years. The Budget Document is a tool to be used by management and staff to implement the direction established by council to carry out the needs and direction of the community. The document is divided into five major areas: (1) Executive Summary, (2) Operating Budgets, (3) Summaries, (4) Policies and Objectives, and (5) Performance Measurement Program.

- A. The Executive Summary highlights: the City's goals, objectives, and budget processes; economic and demographic facts and projections; significant budget issues for fiscal year 2014; and revenue and expense trends.



- B. The Operating Budget reports how the City's fiscal resources are used to deliver services. Included with the operational budgets are the department's performance measures.
- C. The Budget Summaries focus on government-wide revenues, expenditure summaries and individual fund summaries.
- D. The Policies and Objectives section establishes guidelines for achieving fiscal accountability and management, full disclosure and acts as a planning tool to assist in the decision making process.
- E. The Performance Measurement Program is included in this document and outlines the program developed for the City and highlights its creation, philosophy and implementation.

This year's Executive Summary represents staff's recommendations to carry out the Mayor and Council's goals for the upcoming budget year. By adopting the Fiscal Year 2013-2014 budget, City Council is legally appropriating funds and authorizing expenditures in accordance with policies outlined in this document and in accordance with State law.

BUDGET AWARDS PROGRAM

It is the intent of the City Manager to formally present this budget document to The Government Finance Officers Association of the United States and Canada (GFOA) for the Distinguished Budget Presentation. To receive this award, the City must publish the document that meets program criteria as a policy document, operations guide, financial plan, and communication device. The award is significant because it demonstrates adherence to budget policies and positive planning efforts. The award is an external measure of the proactive budgeting practices the City is employing and is valid for a period of one year. We believe this budget conforms to GFOA requirements and we will submit the budget when we apply for this prestigious award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Saratoga Springs
Utah**

For the Fiscal Year Beginning

July 1, 2013

Executive Director



FISCAL FIRST AID

The Government Finance Officers Association (GFOA) in 2010 released fiscal first aid techniques that governments can implement when responding to financial distress. GFOA states that fiscal first aid techniques can be used as an immediate short-term aid to stop perpetuating financial distresses. While the development of permanent treatments may be necessary, in less severe cases of financial distress, fiscal first aid alone may be sufficient. The four categories of fiscal first aid are as follows:

Primary Treatments – are those that are recommended as the first line of defense and should be considered as a first option. In many cases, the go-to treatments not only provide immediate help but also improve the long-term prognosis.

Treatments to Use with Caution - may be called for if the go-to techniques are not sufficient. However, the side effects of these treatments could potentially worsen the financial condition if used improperly.

Treatments to Use with Extreme Caution - might help the near term financial situation, but could ultimately work against financial sustainability. For example, a treatment might damage the government's reputation, thereby reducing public support through local taxes

Treatments Not Advised - are ones that can cause long term negative effects.

The first step in implementing fiscal first aid is to diagnose the main causes of the problem. Accurate diagnosis is essential for selecting the right treatment and getting support for the treatment regimen. GFOA states that when diagnosing the problem, it is advisable to emphasize factors internal to the organization such as structure, culture, and communications. While external causes, such as a poor economy or state/federal mandates, may be at least partially to blame for fiscal distress, fixating on these largely uncontrollable items saps confidence that a good solution can be found.

The City has evaluated its own management practices against the four fiscal first aid treatments identified above. Table 2 compares the actions the City has employed in its current management practices against each treatment. As demonstrated in Table 2, the City has implemented strong fiscal management practices that offer proactive techniques utilized as a short and long-term aid to achieve the highest level of fiscal management. The City has implemented its "Recession/Net Revenue Shortfall Plan" (refer to the "Policies and Objectives" section) and is closely monitoring the potential budgetary impacts and strategies.



Fiscal First Aid Techniques			
Action	Primary Treatments	Action	
	Revenue		Recognize opportunities within crisis
	Audit revenue sources	X	Manage perceptions
	Improve billing and collections	X	Be willing to spend money to save money
X	Explore fees for services	X	Network with peer agencies and individuals
X	Propose taxes with a strong nexus		Human Resources and Benefits
X	Conduct a tax lien sale	X	Evaluate overtime use
		X	Address health care costs & workers; compensation claims patterns
	Capital and Debt		Re-examine labor structures
X	Start comprehensive capital project planning	X	Assess organization structure
X	Restructure Debt	X	Integrate human resources and financial systems
		X	Investigate risk management
	Management Practices		
X	Make managers manage		Financial Planning and Analysis
X	Enhance purchasing practices		Evaluate financial condition & get benchmark data
	Pursue inter-organizational cooperation	X	Inventory programs and ascertain their costs
X	Revisit control system		Audit certain recurring expenditures
X	Centralize financial management and human resources activities		Divest of loss-generating enterprises
	Develop cash flow reporting	X	Seek state, federal, and/or regional assistance
X	Establish a culture of frugality		Identify sources of liquidity
Treatments to Use with Caution			
	Revenue		Human Resources and Benefits
	Sell assets		Offer early retirement program
	Obtain better returns on idle cash	X	Increase part-time labor
		X	Institute hiring/wage freezes
		X	Reduce hours worked and pay
	Capital and Debt		Financial Planning and Analysis
X	Use short-term debt to pay for vehicles		Revisit interfund transfer policies
X	Defer and/or cancel capital projects	X	Use Fund Balance to Soften the Landing
	Use debt to fund pay-go capital projects		Management Practices
		X	Close facilities (or reduce hours of operation)
			Outsource
Treatments to Use with Extreme Caution			
	Revenue		Human Resources and Benefits
X	Levy a broad tax increase		Make across-the-board wage cuts
	Create special taxing districts		Defer compensation
	Capital and Debt		Management Practices
			Make across-the-board budget cuts
Treatments Not Advised			
	Revenue		Human Resources and Benefits
			Underfund accrued liabilities like pensions
	Capital and Debt		Management Practices
	Shift operational costs into capital budgets		Use accounting manipulations

Table 2 – Fiscal First Aid Techniques, comparing City practices to techniques

**PROPERTY VALUATION AND TAX ASSESSMENTS**

The Property Tax Act, Title 59, Chapter 2, Utah Code Annotated 1953, as amended, provides that all taxable property must be assessed and taxed at a uniform and equal rate on the basis of its “fair market value” by January 1 of each year. “Fair market value” is defined as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Commencing January 1, 1991, “fair market value” considers the current zoning laws for each property. Section 2 of Article XIII of the Utah Constitution provides that the Utah State Legislature may exempt from taxation up to 45 percent of the fair market value of primary residential property as shown in the table below.

History of Property Statutory Assessment					
	Year	Statutory Assessment Level (% of Market Value)	Real Property Intangible Exemption (Apply to Locally Assessed Only)	Primary Residential Exemption	Total Taxable Value as a Percentage of Market Value
Primary Residential	1961 - 1978	30%	0%	0%	30%
	1979 - 1980	25%	0%	0%	25%
	1981 - 1982	20%	20%	0%	16%
	1983	20%	0%	25%	15%
	1984 - 1985	20%	20%	25%	12%
	1986 - 1990	100%	20%	25%	60%
	1991	100%	5%	29.75%	66.74%
	1992 - 1993	100%	5%	29.50%	66.98%
	1994	100%	0%	32%	68%
	1995 - Present	100%	0%	45%	55%
Other Locally Assessed Real Property	1961 - 1978	30%	0%	N/A	30%
	1979 - 1980	25%	0%	N/A	25%
	1981 - 1982	20%	20%	N/A	16%
	1983	20%	0%	N/A	20%
	1984 - 1985	20%	20%	N/A	16%
	1986 - 1990	100%	20%	N/A	80%
	1991	100%	5%	N/A	95%
	1992 - 1993	100%	5%	N/A	95%
	1994 - Present	100%	0%	N/A	100%
Personal Property	1961 - 1978	30%	N/A	N/A	30%
	1979 - 1980	25%	N/A	N/A	25%
	1981 - 1985	20%	N/A	N/A	20%
	1986 - Present	100%	N/A	N/A	100%
Centrally Assessed Property	1961 - 1978	30%	N/A	N/A	30%
	1979 - 1980	25%	N/A	N/A	25%
	1981 - 1985	20%	N/A	N/A	20%
	1986 - Present	100%	N/A	N/A	100%

Table 3 - State of Utah property tax statutory assessment from 1961 to present.

During the 1995 legislative session, the exemption for primary residential property was increased from 32 percent to the constitutional maximum of 45 percent. The local effect of this action was to shift the burden of supporting education, public safety, and general government from primary residents to other classes of property, principally commercial property and vacation or second homes. The Utah Supreme Court held this practice to be constitutional in subsequent tests.

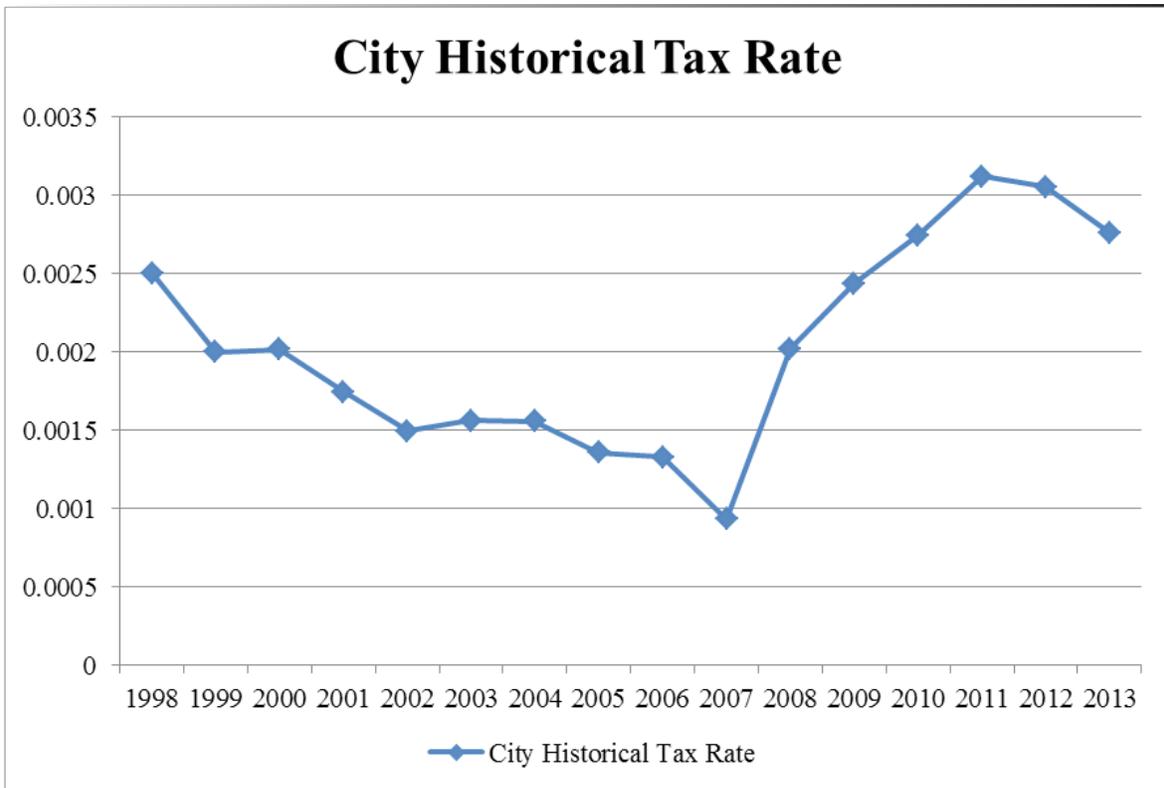


Figure 1 – illustrates the City Historical tax rate since 1998

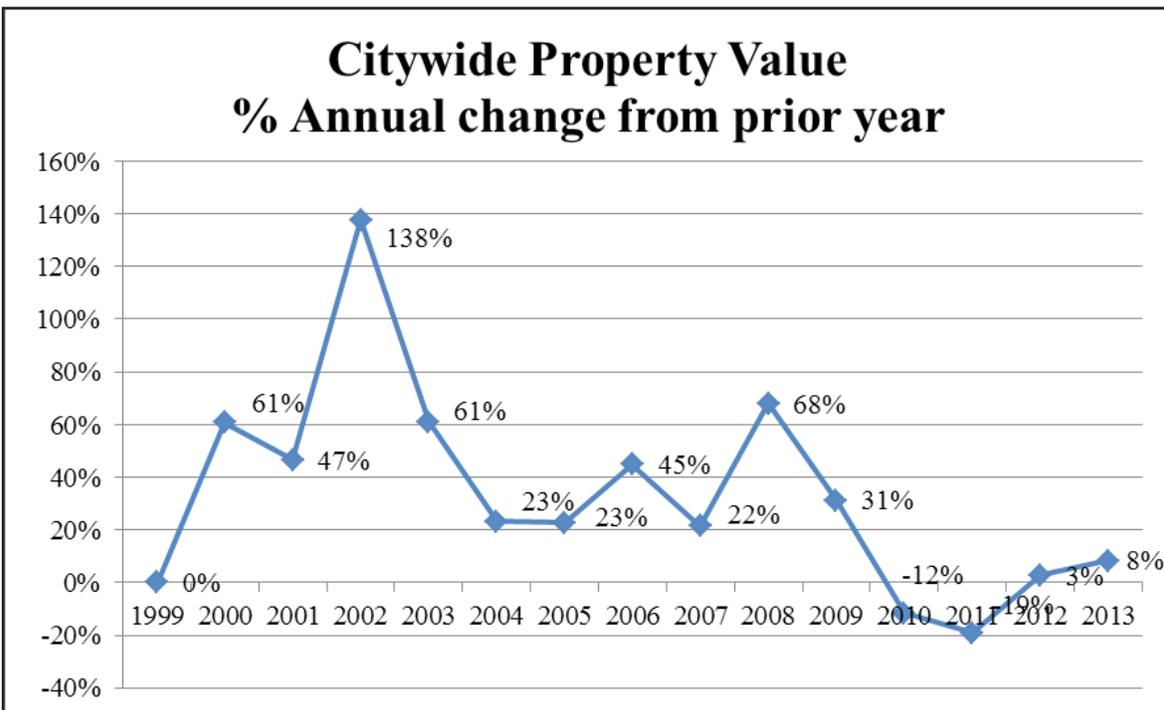


Figure 2 – illustrates the Citywide Property Value percent change for prior year since 1998.

Property Tax Levies and Collections: Utah County levies, collects, and distributes property taxes for the City of Saratoga Springs and all other taxing entities within the County. Utah law prescribes how taxes are levied and collected. Generally, the law provides as follows: the County Assessor determines property values as of January 1 of each year and is required to have the assessment roll completed by May 15. The County Auditor mails notice of valuations and tax changes by July 22.

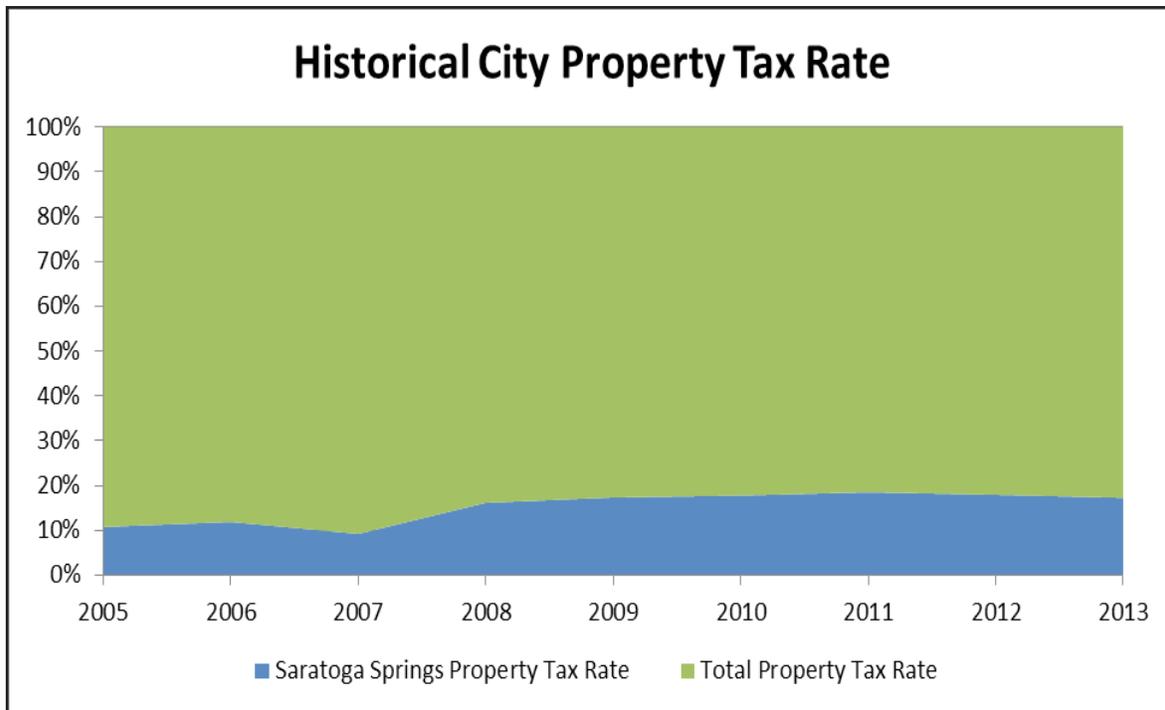


Figure 3 – illustrates each taxing entities’ share of the total levy for property taxes in 2013.

State statutes require that each year a certified tax rate be calculated. The certified tax rate is the rate which will provide the same amount of property tax revenue as was charged in the previous year, excluding the revenue generated by new growth. If a taxing entity determines that it needs greater revenues than what the certified tax rate will generate, State statutes require that the entity must go through a process referred to as Truth-in-Taxation. The Truth-in-Taxation process is a series of steps that include notification and advertisement of the proposed tax increase and holding a public hearing to receive public input before the final rate is adopted.

Tax notices are mailed November 1 and are due November 30. Delinquent taxes are subject to a penalty of 2 percent of the amount of such taxes due or a \$10 minimum penalty, this penalty is assessed by Utah County. The delinquent taxes and penalties are charged interest at the federal discount rate plus 6 % from the first day of January until paid. If after four and one-half years (May of the fifth year) delinquent taxes have not been paid, the County advertises and sells the property at a tax sale.

The maximum rate of levy applicable to the City for general fund operations authorized by State law is 0.007000 per dollar of taxable value per taxable property within the City. The City may levy an unlimited tax levy to pay the principal of and interest on legally issued General Obligation Bonds.

	Year								
Historical City Property Tax Rate	2005	2006	2007	2008	2009	2010	2011	2012	2013
City General Purpose	0.001358	0.001331	0.000933	0.002019	0.002436	0.002744	0.00312	0.003054	0.002761
City (GO Bond Debt)	0	0	0	0	0	0	0	0	0
Total City Levy	0.001358	0.001331	0.000933	0.002019	0.002436	0.002744	0.00312	0.003054	0.002761
Other Taxing Entities	0.009873	0.008502	0.008239	0.008448	0.009144	0.009935	0.010590	0.010900	0.010607
Total Tax Rate for City	0.011231	0.009833	0.009172	0.010467	0.011580	0.012679	0.013710	0.013954	0.013368
City rate as a % of Total	12%	14%	10%	19%	21%	22%	23%	22%	21%

Table 4 – represents the City’s and other taxing entities’ historical tax rates since 2005.



As depicted in Table 4, the City's tax levy rate decreased from 0.001358 in 2005 to 0.000933 in 2007. In 2008 the City's tax rate increased to 0.002019 as a result of declining assessed values Citywide. In 2013, the City's tax levy rate has decreased from the year before due to rising assessed values in the City.

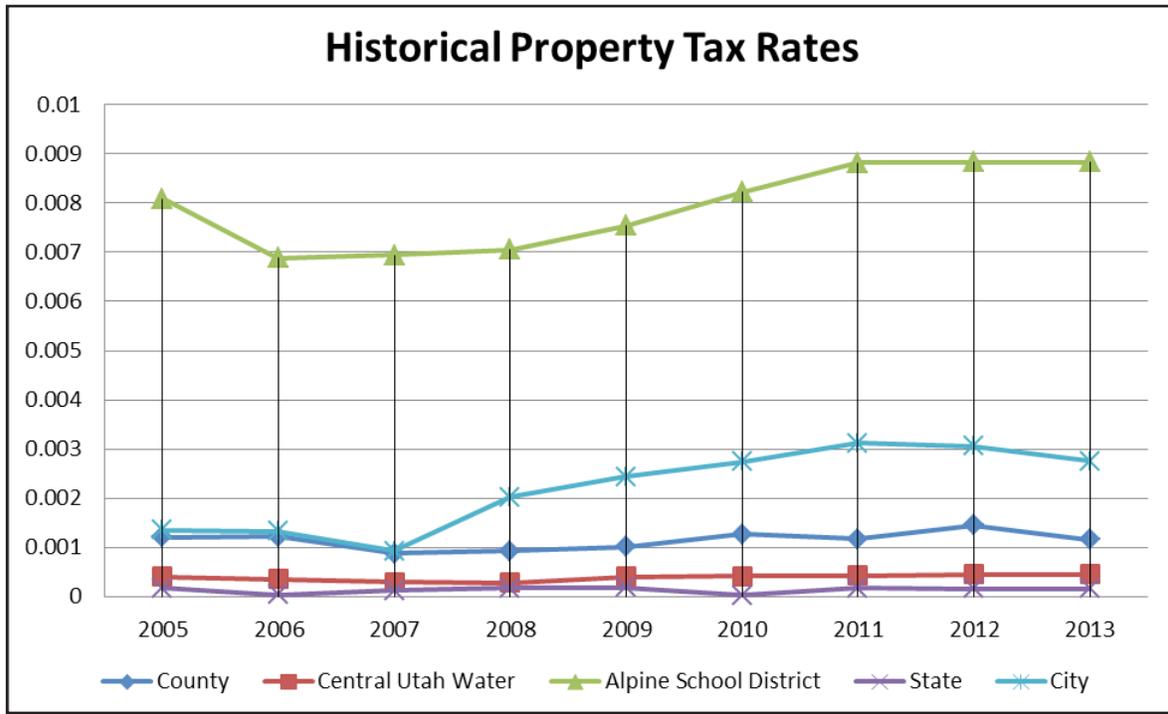


Figure 4 – illustrates each taxing entities' tax rate for Saratoga Springs since 2005.

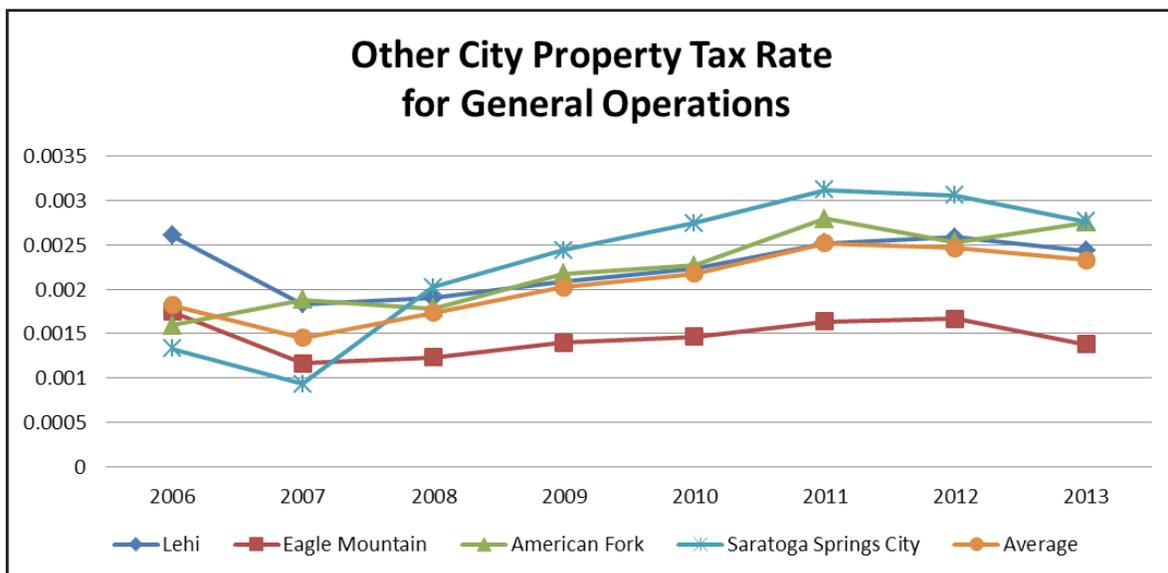


Figure 5 – Illustrates each operating property tax rate compared to Saratoga Springs since 2006.



City of Saratoga Springs Top 10 Taxpayers, **2010			
Taxpayer	Rank	* Taxable Valuation	% of Total Value
Wal-Mart	1	\$14,185,632	1.53%
Scott McLachlan	2	\$11,453,726	1.24%
Stations West	3	\$6,186,446	0.67%
Questar Gas	4	\$5,574,781	0.60%
Utah Pacific Holding	5	\$4,890,800	0.53%
Pacificorp	6	\$4,781,679	0.52%
Cougars Rock Investments	7	\$3,768,786	0.41%
Towne Storage	8	\$3,269,422	0.35%
S3 Properties (Walgreens)	9	\$2,786,771	0.30%
Wardley	10	\$2,743,000	0.30%

Principle Taxpayer Totals	\$59,641,043
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Total Property Valuation	\$925,040,605
Top 10 as a % of Total	6%

*Includes Real, Personal, and Centrally Assessed

**Calendar Year

Table 5 (above) represents the City's largest property taxpayers. (Utah County 2010 Taxable Values)

As shown in Table 5, the City's top ten taxpayers are relatively stable and diverse with the principal tax payers representing only 6 percent of the taxable property value.

**DEMOGRAPHIC INFORMATION**

The City has experienced high population growth since the 2000 Census. The City's population has grown from 1,003 in 2000 to 17,781 in 2010. Saratoga Springs grew by approximately 1,673 percent during this ten-year time span.

Census 2010 Demographic Profile Highlights

Subject	Total		18 years and over	
	Number	Percent	Number	Percent
POPULATION				
Total population	17,781	100.0	9,434	100.0
RACE				
One race	17,288	97.2	9,303	98.6
White	16,501	92.8	8,828	93.6
Black or African American	94	0.5	38	0.4
American Indian and Alaska Native	50	0.3	32	0.3
Asian	163	0.9	117	1.2
Native Hawaiian and Other Pacific Islander	140	0.8	70	0.7
Some Other Race	340	1.9	218	2.3
Two or More Races	493	2.8	131	1.4
HISPANIC OR LATINO AND RACE				
Hispanic or Latino (of any race)	1,026	5.8	541	5.7
Not Hispanic or Latino	16,755	94.2	8,893	94.3
One race	16,370	92.1	8,796	93.2
White	15,902	89.4	8,526	90.4
Black or African American	89	0.5	35	0.4
American Indian and Alaska Native	43	0.2	26	0.3
Asian	163	0.9	117	1.2
Native Hawaiian and Other Pacific Islander	140	0.8	70	0.7
Some Other Race	33	0.2	22	0.2
Two or More Races	385	2.2	97	1.0
HOUSING UNITS				
Total housing units	4,685	100.0		
OCCUPANCY STATUS				
Occupied housing units	4,387	93.6		
Vacant housing units	298	6.4		

Table 6 – Saratoga Springs Demographic Information from 2010 Census



The Utah Benchmarking Project has clustered Cities into similar groups. Saratoga Springs is in cluster group “C” for high growth Cities. As you can see in the figure below, cluster C has seen a 313 percent increase in population over the last 10 years. Saratoga Springs’ growth has been 1,673 percent during the same time period.

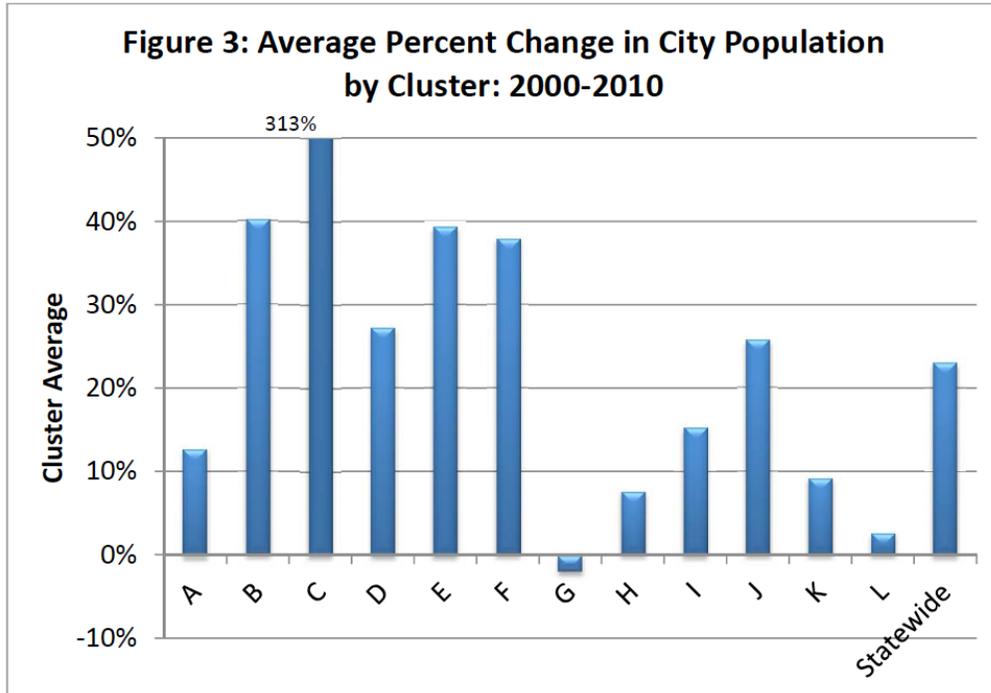


Figure 7 - State Wide Population Growth in Benchmarking Cluster Groups



FISCAL YEAR 2014 BUDGET ISSUES

This section of the Budget outlines the basic premises associated with the budget and its major programs. It is an introduction to the basic assumptions underlying the tentative budget.

Service Level Changes

As the City's revenues see modest growth, the City has been careful about increasing service levels without a sustainable revenue stream. For this reason, most service levels have remained constant in this fiscal year. Some service level changes of note include:

- In-house Professional Staff. In the FY 2014 budget year funding was approved for a Building Inspector, Senior Planner, and Engineer in training. It is believed that for the cost the City will receive greater service due to having these positions in house.

Enterprise Utility Funds

As staff continues to evaluate the current and future status of the water, sewer, street light, garbage, and storm drain enterprise funds, the analysis continues to highlight concerns regarding the funds' ability to fund future operations, capital projects, equipment, and build reserves for unforeseen events while keeping rates as low as possible. It is anticipated that pay-as-you-go financing in connection with other short-term and long-term financing sources may be necessary to fund necessary capital improvements and equipment replacement. City staff has been diligent in seeking grant revenue to assist with cost of funding necessary capital improvements and equipment replacement. The City in 2014 will be implementing a full cost allocation strategy for the enterprise funds that will detail administrative costs not currently being charged to these funds.

See Capital Projects Summary and Fee Schedule located in the Supplemental section for details on capital projects anticipated in the next five years and the proposed user fee schedule.

In 2014 the City implemented a Fleet Management Plan developed to provide guidance in operating, maintaining, evaluating, financing, and replacement of City fleet. The budget plan anticipates that capital acquisitions for fleet and equipment replacement will be necessary.

Governmental Funds

Budgetary revenue projections have been difficult as economic assumptions, since FY 2012, have included a recessed economy and housing market, rising unemployment, low investment earnings, and low taxable sales. Budgetary assumptions moving forward anticipate nominal economic growth and taxable sales, stabilizing housing markets and unemployment, and low investment earnings. Stronger growth patterns are expected beginning in FY 2013-2014.

This year's budget process required staff to highly scrutinize their operating and capital budgets requests while trying to maintain the same high level of service for our customers. Maneuvering through these economic uncertainties is becoming increasingly difficult; future expenditure reductions may require the reduction in levels of service.

Personnel costs, city-wide, rose slightly. The City's health insurance renewal came back with a 4 percent increase. The City conducted a salary analysis comparing employees' salaries against their counterparts in the group of benchmark cities. During their 2012 retreat, the City Council set a goal to pay employees at the 65th percentile over the next three years. The City Council continues to work towards this goal as demonstrated in the current budget. In addition, the Council set aside 2 percent of



salaries to be used for performance based incentives.

Levels of Service

It is the desire of the City to provide a high level of public services that require maintaining sufficient staff, quality equipment and advanced technology and professional facilities at the lowest cost to our customers. The 2014 budget provides for maintaining existing services and programs levels that are outlined in the operating budgets. The services and programs offered provide for focusing on the goals and objectives established by the Mayor and Council.

City Financial Summary

In May 2011 the City received its first ever bond rating (Sales Tax Revenue 2011 Series for Public Works and other City Facilities improvements.) from Standard and Poor's. The City received a rating of AA on its \$4,000,000 debt issuance and competitively sold these bonds. The City was able to receive a true interest cost (TIC) rate of 3.64 percent for this issuance in part because of the excellent bond rating the City received. The City was able to sell these bonds without a reserve fund.

Changes in Fund Balance

Fund balances in the General Fund are expected to increase and remain at the 25 percent state limit. Capital and Enterprise funds rise and fall on an annual basis based on the size, scope, and timing of capital projects.

Ending Fund Balance Available for Appropriation							
	FY2014 (Projected)	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008
General (10)	1,913,035	2,818,941	\$3,097,452	\$2,525,779	\$2,008,420	\$905,031	\$242,907
Street Lighting (22)	263,105	217,714	248,903	248,903	128,706	76,617	36,792
SSD Street Lighting (23)	71,554	65,266	56,822	56,822	35,220	24,167	21,349
Zone 2 SID (24)	3,842,972	4,183,268	3,848,755	2,630,676	2,845,822	-521,443	-131,433
Storm Drain Capital (31)	1,208,211	1,215,961	967,267	967,267	619,573	398,368	971,425
Parks Capital (32)	2,254,853	1,882,322	1,263,584	1,263,584	3,001,914	3,741,074	3,908,130
Roads Capital (33)	5,085,456	4,874,572	4,412,250	4,412,250	2,237,814	4,102,054	4,758,489
Public Safety (34)	1,058,283	778,565	389,873	389,873	-270,898	1,093,882	901,752
General Capital Proj (35)	3,954,451	3,410,667	2,612,056	2,612,056	285,823	-	-
Water (51)	1,269,649	631,206	-245,689	-245,689	385,474	961,234	667,984
Sewer (52)	2,484,245	2,501,588	2,136,793	2,136,793	1,049,999	387,356	78,231
Wastewater Capital (53)	208,264	804,595	742,709	742,709	330,994	167,781	330,681
Storm Drain (54)	350,074	264,181	123,700	123,700	-2,651	-	-
Garbage (55)	284,784	342,634	266,932	256,431	100,071	70,019	27,142
Water Capital Proj (56)	650,381	896,557	1,775,939	908,853	1,049,249	1,178,697	1,447,678
Secondary Capital Proj (57)	-268,741	-5,862	222,501	222,501	97,834	1,329,878	1,152,059
Ending Fund Balance	\$24,630,576	\$24,882,175	\$21,919,848	\$19,252,510	\$13,903,364	\$13,914,715	\$14,413,186
This includes Cash, Current Liabilities, and Current Receivables							

Table 7 – Ending Fund Balance for Appropriation

**Changes in Fund Balance Greater than 10 percent**

Seven of the City's funds had an ending fund balance that changed by more than 10 percent. The following is an explanation for these changes.

The Zone 2 SID (Fund 24) This fund's balance decreased by greater than 10 percent due to paying of the SID Debt.

Storm Drain Capital (Fund 31) This fund's balance increase greater than 10 percent due to minimal budgeted expenditures billed against this fund during the year while still receiving revenues.

Parks Capital Projects (Fund 32) This fund's balance increased greater than 10 percent due to increased revenues coupled with minimal expenditures from the fund.

Roads Capital Projects (Fund 33) This fund's balance increased greater than 10 percent due to an increase in revenues, but minimal expenditures. Fund Balance will be primarily used to pay for the budgeted projects.

Public Safety Capital Projects (Fund 34) This fund's balance increased greater than 10 percent due to a loan to this fund being paid off.

General Capital Projects (Fund 35) This fund's balance increased by greater than 10 percent due to a transfer from the General Fund.

Water Operations (Fund 51) This fund's balance decreased by greater than 10 percent due to increased costs, but no service revenue changes.

Storm Drain (Fund 54) This fund's balance increased by greater than 10 percent due to increased revenues coupled with less expenditures.

Garbage Utility (Fund 55) This fund's balance increased by more than 10 percent due to an increase in revenue.

Beginning Fund Balance Available for Appropriation							
	FY2015 (Projected)	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
General (10)	\$1,913,035	2,818,941	\$3,097,452	\$2,525,779	2,008,420	905,031	242,907
Street Lighting (22)	\$263,105	217,714	\$248,903	248,903	128,706	76,617	36,792
SSD Street Lighting (23)	\$71,554	65,266	\$56,822	56,822	35,220	24,167	21,349
Zone 2 SID (24)	\$3,842,972	4,183,268	\$3,848,755	2,630,676	2,845,822	-521,443	-131,433
Storm Drain Capital (31)	\$1,208,211	1,215,961	\$967,267	967,267	619,573	398,368	971,425
Parks Capital (32)	\$2,254,853	1,882,322	\$1,263,584	1,263,584	3,001,914	3,741,074	3,908,130
Roads Capital (33)	\$5,085,456	4,874,572	\$4,412,250	4,412,250	2,237,814	4,102,054	4,758,489
Public Safety (34)	\$1,058,283	778,565	\$389,873	389,873	-270,898	1,093,882	901,752
General Capital Proj (35)	\$3,954,451	3,410,667	\$2,612,056	2,612,056	285,823	-	-
Water (51)	\$1,269,649	631,206	(\$245,689)	-245,689	385,474	961,234	667,984
Sewer (52)	\$2,484,245	2,501,588	\$2,136,793	2,136,793	1,049,999	387,356	78,231
Wastewater Capital (53)	\$208,264	804,595	\$742,709	742,709	330,994	167,781	330,681
Storm Drain (54)	\$350,074	264,181	\$123,700	123,700	-2,651	-	-
Garbage (55)	\$284,784	342,634	\$266,932	256,431	100,071	70,019	27,142
Water Capital Proj (56)	\$650,381	896,557	\$1,775,939	908,853	1,049,249	1,178,697	1,447,678
Secondary Capital Proj (57)	(\$268,741)	-5,862	\$222,501	222,501	97,834	1,329,878	1,152,059
Beginning Fund Balance	\$24,630,576	\$24,882,175	\$21,919,848	\$19,252,510	\$13,903,364	\$13,914,715	\$14,413,186

Table 8 – indicates the Starting Fund Balances for the Various City Funds.

Water Impact (Fund 56 and 57) This fund decreased in fund balance because additional payment to LMMWC was budgeted in FY 2013.

**FUND STRUCTURE**

State law requires that budgets be prepared for the following funds: general fund, special revenue funds, debt service funds, and capital improvement funds. All City funds are accounted for in accordance with Generally Accepted Accounting Principles (GAAP). Major funds are as follows:

General Fund: The General Fund is the principal fund of the City. The General Fund accounts for the normal recurring operating activities of the City (i.e. general government, public safety, streets and public works, parks and recreation). User fees, property, sales, and franchise taxes primarily fund these activities.

Accounting records and budgets for governmental fund types are accounted for using the modified accrual basis of accounting. That is, revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transaction that can be determined and "available" means collective within the current period or soon enough thereafter to be used to pay current liabilities. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Enterprise Funds: The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a business. Accounting records for proprietary fund types are maintained on an accrual basis. That is, their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Budgets for all Enterprise Funds are prepared on a modified accrual basis. Depreciation is not budgeted in the City's enterprise funds.

- Water, Sewer, Garbage, and Storm Drain Enterprise Funds account for the operation of the City's utilities, including the accumulation of monies for the repayment of water utility debt service.

Debt Service Fund: Accounts for the payment of the City's 2011 Sales Tax Revenue Bond.

Tax Increment Fund: Accounts for operations and improvements within the TIF and the accumulation of money for the future repayment Tax Increment Financing Bonds. The principal source of revenue is property tax increment from properties located within the area and although the City does not currently have any TIF's or EDA's these may be utilized in the future for economic development within the City.

Capital Project Funds: Prepared accounting records and budgets for all capital project funds are maintained on a modified accrual basis. The capital project funds are used to account for the construction of major capital projects not included in the proprietary funds. The Capital Improvement Fund is used to account for capital projects of the City's general government. The City performed a capital facilities and impact fee analysis during 2012.

Functional Units by Fund Type		
<u>General Fund</u>	<u>Enterprise Funds</u>	<u>Special Improvement</u>
General Government	Water	Street Lighting
Public Safety	Sewer	
Highways & Public Improvements	Storm Drain	
Parks & Recreation	Garbage	
Economic Development		
Library		

Table 9 – Functional Units by Fund Type

**FISCAL YEAR 2015 MAJOR REVENUES SUMMARY**

Revenue Forecasting - The City has endorsed the recommended practices issued by the *National Advisory Council on State and Local Budgeting* addressing budgeting and financial planning, specifically the six revenue forecasting practices.

- Multi-year revenue/resource projections.
- Maintaining an in-depth understanding of revenues/resources.
- Assessing the effects of potential changes to revenue source rates and bases.
- Periodically estimating the impact and potential foregone revenue/resources as a result of policies that exempt from payment, provide discounts and credits, or otherwise favor a particular category of taxpayers or service users.
- Developing a process for achieving consensus on the forecast of revenues used to estimate available resources for a budget.
- Preparing and maintaining a revenue manual that documents revenue sources and factors relevant to present and projected future levels of those revenues.

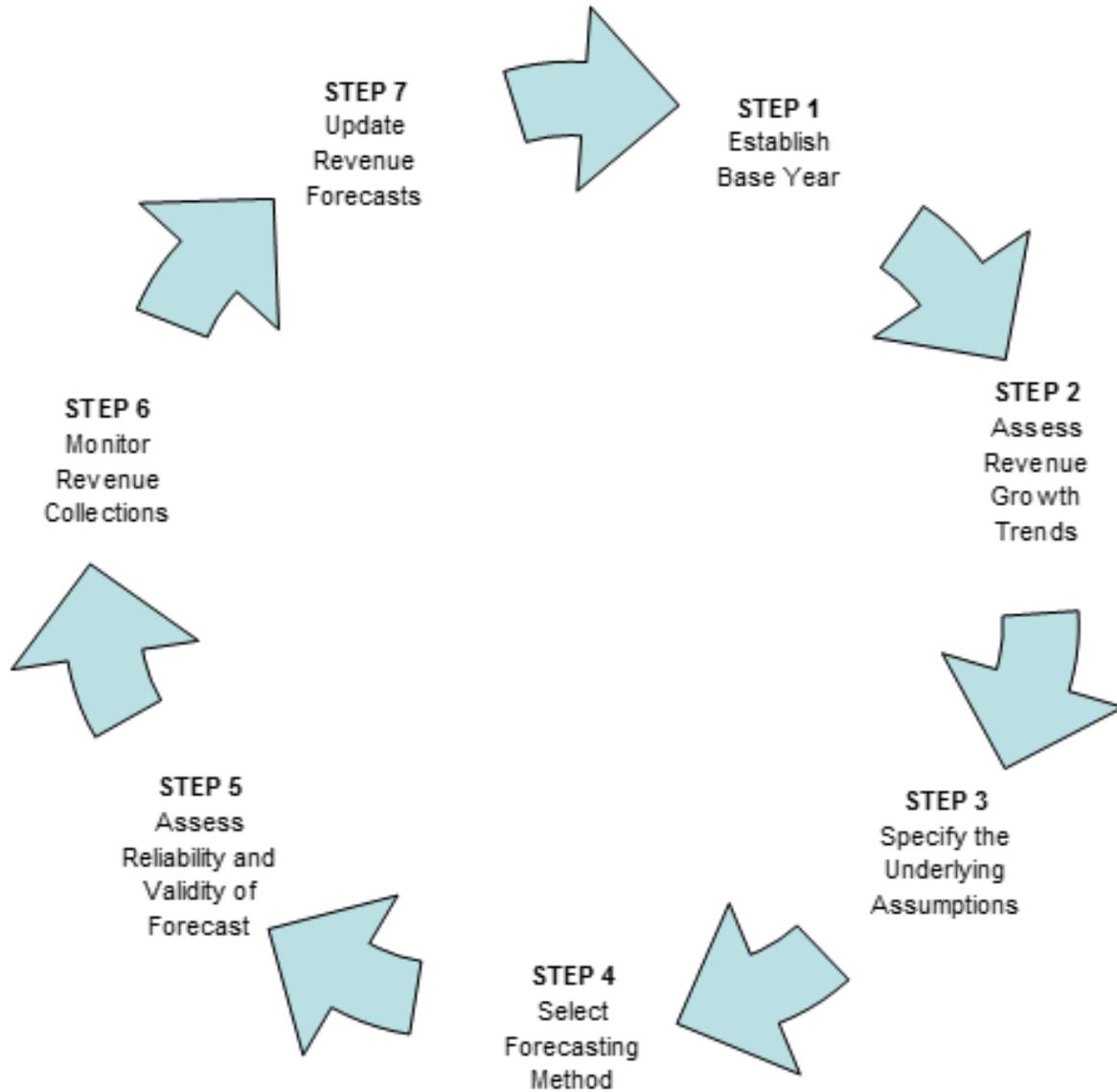
Forecasting Methodology - The City uses qualitative and quantitative approaches to forecasting revenues that include, but are not limited to:

- Trend Analysis.
- Economic Reviews and Publications.
- Departmental Surveys.
- National, State, and Local Policy Changes.
- Comparing Revenue Collections against Projections.
- Consensus, Expert, and Judgmental Forecasting.

Both forecasting methods include global, national, state, and local analysis that may impact revenues and financial planning.



Figure 8 - Revenue Forecasting Process



Government-Wide: Revenues by Fund								
Fund	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	
10 General Fund	11,550,452	10,881,324	12,186,774	12,262,342	12,374,708	12,508,993	12,645,741	
22, 23 Street Lighting Funds	163,821	209,412	218,073	187,931	192,494	197,270	202,271	
31 Storm Drain Capital Projects Fund	260,897	283,262	496,048	255,000	255,000	255,000	747,200	
32 Parks Capital Projects Fund	806,000	(777,751)	450,000	472,500	496,125	520,931	546,978	
33 Roads Capital Projects Fund	1,087,440	500,000	500,000	505,000	510,050	515,151	520,302	
34 Public Safety Capital Projects Fund	395,912	250,000	300,000	303,000	306,030	309,090	312,181	
35 Capital Projects Fund	2,532,190	4,989,005	1,628,434	1,522,964	1,378,434	1,378,434	1,378,434	
40 Debt Service Fund	221,375	291,800	292,450	292,950	293,300	293,500	294,001	
51 Water Utility Fund	2,869,312	2,550,850	3,340,500	3,335,310	3,432,916	3,533,402	3,636,851	
52 Sewer Utility Fund	2,193,261	2,016,000	2,186,500	2,230,230	2,274,835	2,320,331	2,366,738	
53 Wastewater Impact Fee Fund	496,943	315,000	365,000	3,368,650	372,337	10,376,060	379,820	
54 Storm Drain Utility Fund	386,928	361,000	400,000	2,904,000	408,040	412,120	416,242	
55 Garbage Utility Fund	897,809	851,768	851,785	860,303	868,906	877,595	886,371	
56 Culinary Water Impact Fee Fund	1,520,834	1,626,439	2,700,000	903,000	906,030	909,090	912,181	
57 Secondary Water Impact Fee Fund	428,450	239,527	2,200,000	4,700,000	200,000	200,000	200,000	
Total Revenues by Fund	\$ 25,811,623	\$ 24,587,636	\$ 28,115,564	\$ 34,103,181	\$ 24,269,204	\$ 34,606,967	\$ 25,445,312	

Table 10 Government-Wide Revenues by Fund



Government-Wide: Revenues by Major Object							
Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Tax Revenue	5,988,154	5,773,595	5,960,150	6,067,334	6,176,662	6,288,176	6,401,920
% Change from Prior Year	25%	-4%	3%	2%	2%	2%	2%
Licenses and Permits	648,974	482,100	582,100	582,724	583,360	584,010	584,672
% Change from Prior Year	115%	-26%	21%	0%	0%	0%	0%
Intergovernmental Revenue	757,047	782,202	782,202	711,202	691,702	691,702	691,702
% Change from Prior Year	-7%	3%	0%	-9%	-3%	0%	0%
Charges for Services	7,487,320	6,830,613	8,465,063	11,024,996	8,686,408	8,851,880	9,021,523
% Change from Prior Year	46%	-9%	24%	30%	-21%	2%	2%
Other Revenue	7,030,946	6,311,025	8,085,500	11,887,580	4,426,335	14,456,133	4,507,903
% Change from Prior Year	192%	-10%	28%	47%	-63%	227%	-69%
Contributions and Transfers	3,899,181	4,408,102	4,240,546	3,829,344	3,704,738	3,735,063	4,237,593
% Change from Prior Year	918%	13%	-4%	-10%	-3%	1%	13%
Total	\$ 25,811,623	\$ 24,587,636	\$ 28,115,562	\$ 34,103,181	\$ 24,269,204	\$ 34,606,967	\$ 25,445,312
% Change from Previous Year	86%	-5%	14%	21%	-29%	43%	-26%

Table 11 Government-Wide Revenues by Major Object

Charges for Services, fees charged to users for goods or services, are expected to have an increase in FY 2015. Between 2016 and 2019 charges for services are expected to increase at an average annual rate of 2% as the city expects some increase in construction, recreation programming fees, and ambulance fees. Charges for services represent 38.3 percent of revenues for 2015.

Property Tax Revenues in 2015 are estimated at \$2,209,190 or 18.1 percent of City's general fund revenue. This estimate has increased in comparison to the property tax collected in 2014. While new properties may have been developed, the State of Utah has changed the formula for the property tax calculations to more accurately account for delinquent property tax payments. This change in calculation will lower the City's collections. Property tax revenue pays for general governmental programs.

Government-Wide: Revenues by Major Object as a Percentage							
Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Tax Revenue	23%	23%	21%	18%	25%	18%	25%
Licenses and Permits	3%	2%	2%	2%	2%	2%	2%
Intergovernmental Revenue	3%	3%	3%	2%	3%	2%	3%
Charges for Services	29%	28%	30%	32%	36%	26%	35%
Other Revenue	27%	26%	29%	35%	18%	42%	18%
Contributions and Transfers	15%	18%	15%	11%	15%	11%	17%
Total	100%	100%	100%	100%	100%	100%	100%

Table 12 Government-Wide Revenues by Major Object as a Percentage of Total Revenues

Sales, Franchise, and Energy Tax receipts are estimated to reach \$3,389,800 or 27.8% of general fund revenue in 2015, up about 4.4% from the 2014 adjusted budget. Sales Tax receipts of \$2,400,000, Franchise Tax receipts of \$239,800, and Energy Tax receipts of \$750,000 are deposited into the General Fund to help pay for general government operations. Table 13 represents the **Sales and Use Tax** rates for the City in the Utah County locality as of January 1, 2013. The combined sales and use tax rates includes: state, local option, mass transit, mass transit fixed guideway, county airport, highway, public transit, and county option taxes. Other tax rates and fees in addition to the combined rate include: transient room taxes, tourism short-term leasing taxes, tourism restaurant tax, E911 emergency telephone fee, telecommunications fees, and the municipal energy tax.



Current Sales Tax Rates	
Tax	Rate
State Sales & Use Tax	4.70%
Local Sales & Use Tax	1.00%
Mass Transit Tax	0.25%
Mass Transit Fixed Guideway	0.30%
County Airport, Highway, Public Transit	0.25%
County Option Sales Tax	0.25%
Total Sales Tax	6.75%

Table 13 Sales Tax Rates for the City effective January 1, 2009

Sales tax rates remained unchanged at 6.00% from January 1, 2000, through April 1, 2007, when the rate increased to 6.25% when the city opted to participate in with UTA and implement the Mass Transit Tax. Various other state tax rate changes were introduced in subsequent years. Sales tax rates for the City have remained constant since April 2009.

The tax on food and ingredients is 3% statewide. This includes the state rate of 1.75%, local option rate of 1%, and county option rate of 0.25%. In general, for each dollar collected from the sales and use tax, 50% is paid to each county, city, and town on the basis of the percentage that the population bears to the total population of all counties, cities, and towns in the state. An additional 50% is paid to each county, city, and town on the basis of the location the point of sale. The City receives one half of 1% of the Local Sales and Use Tax.

Historical Sales Tax Rates		
Effective	Rate (%)	% Change from Prior Period
January 1, 2000	6.00	-
April 1, 2007	6.25	4.17%
January 1, 2008	6.20	-0.80%
January 1, 2009	6.50	4.84%
April 1, 2009	6.75	3.85%

Table 14 Historical Sales Tax Rates for the City since January 1, 2000

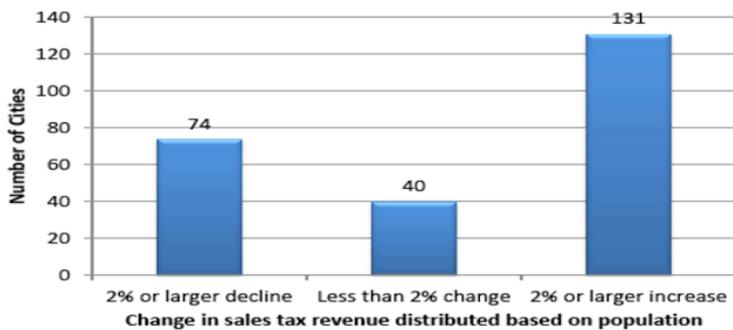


Figure 9 - Changes in State Wide Sales Tax Distribution

Changes in Sales Tax Revenue Due to 2010 Census:

As a result of the 2010 census, Saratoga Springs received a higher than projected population figure. This resulted in greater sales tax revenue due to the distribution formula. Not all cities were affected equally as many cities have seen reductions.

Largest likely losses:	Largest likely gains:
Sandy (about \$650,000)	West Valley City (about \$380,000)
Provo (about \$460,000)	Salt Lake City (about \$340,000)
Orem (about \$450,000)	Herriman (about \$260,000)
South Jordan (about \$280,000)	Spanish Fork (about \$165,000)
American Fork (about \$150,000)	North Salt Lake (about \$160,000)
Cottonwood Heights (about \$120,000)	South Salt Lake (about \$145,000)
Bountiful (about \$115,000)	Syracuse (about \$140,000)
Pleasant Grove (about \$100,000)	Clearfield (about \$140,000)
Riverton (about \$100,000)	Saratoga Springs (about \$125,000)

Table 15 - State Wide Largest Gains and Losses in Sales Tax Reallocation

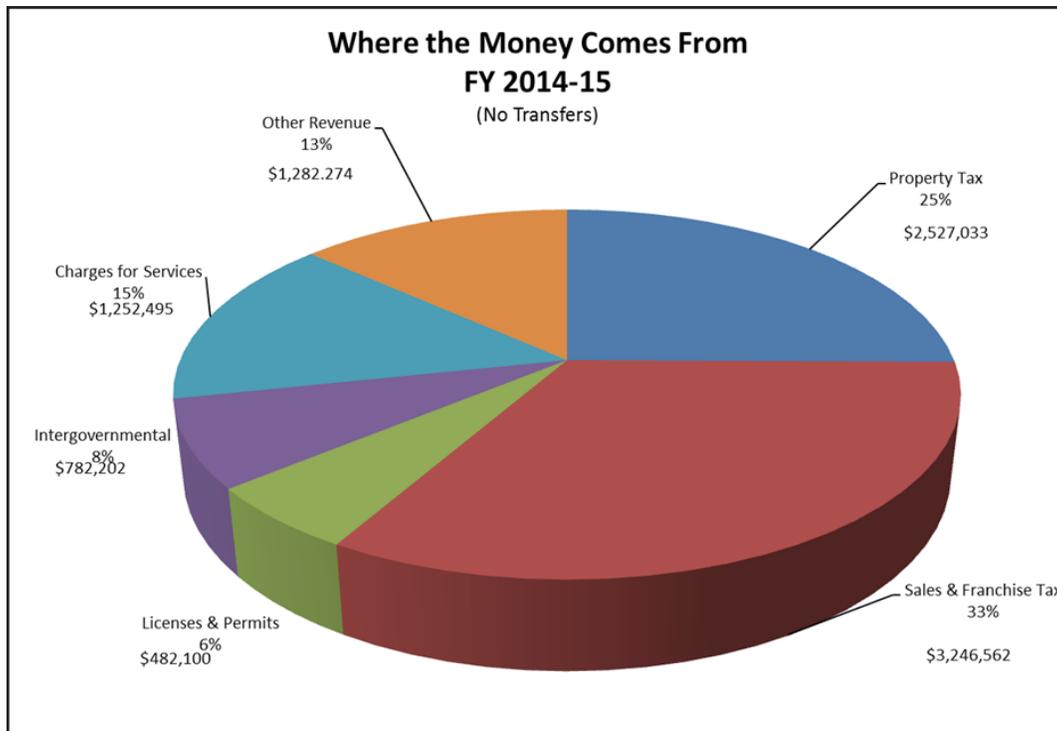


Figure 10 “Where the Money Comes From FY2015” identifies the major resources for the General Fund excluding fund balance and interfund transfers.

Franchise Tax receipts for cable services are collected at 3 percent of gross sales and telecommunications taxes are collected at 3.5 percent of gross sales. **Energy Taxes** for power and gas services are collected at 6 percent.

Intergovernmental Revenue receipts are estimated to reach \$782,202 or 6.4 percent of the City’s general fund revenue in 2015. Intergovernmental Revenue includes \$551,250 of Class ‘C’ Road Funds which are disbursed by the State as a means of providing assistance to municipalities for the improvement of roads and streets. The State legislature assigns a formula appropriating Class ‘C’ monies as follows: 50 percent based on population and 50 percent based on weighted road miles. Since 2009, the City has reported 81.31 miles of eligible paved road. Class ‘C’ road monies are collected in the General Fund and are restricted for road related improvements and maintenance. Intergovernmental revenue also includes \$200,000 of grant revenue. The majority of grant revenue is from a Staffing for Adequate Fire and Emergency Response (SAFER) grant that provides federal money for the hiring of full-time firefighters.

Licenses and Permits receipts are estimated to reach \$582,100 or 4.8 percent of the City’s general fund revenue in 2015. Licenses and Permits are collected in accordance with the City’s fee schedule established by the local legislative body. Licenses and Permits include building permits, business licenses, and liquor licenses.

Other Revenue receipts are estimated to reach \$1,365,500 or 11.2 percent of the City’s projected general fund revenues for FY 2015. Other revenue includes, but is not limited to, interest earned, late fees and penalties, law enforcement fines and citations, the Police contract with Bluffdale City, and other miscellaneous receipts.

**FISCAL YEAR 2014 MAJOR REQUIREMENTS SUMMARY**

Departments are given specific instructions during the budget process that all budget requests must meet certain criteria prior to being considered by the City Council. Generally, the criteria is as follows: (1) budget requests must be directly tied to the established Council goals; (2) the department can demonstrate through quantifiable means that there is an outstanding need; or (3) the request is offset by a new revenue source; or (4) the request is directly tied to an expense reduction in the department's existing operating budget.

Government-Wide: Requirements by Fund								
Fund	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	
10 General Fund	11,120,424	10,875,867	12,257,468	12,301,449	12,413,815	12,548,099	12,684,848	
22, 23 Street Lighting Funds	109,513	214,393	228,111	198,035	202,679	207,556	212,677	
31 Storm Drain Impact Capital Projects Fund	14,118	913,973	496,048	144,530	40,203	-	747,200	
32 Parks Impact Capital Projects Fund	1,888,690	2,319,254	450,000	70,000	-	-	-	
33 Roads Impact Capital Projects Fund	46,203	5,155,223	-	-	-	-	-	
34 Public Safety Capital Projects Fund	5,313	830,000	-	-	-	-	5,000,000	
35 Capital Projects Fund	2,418,870	6,469,741	1,628,434	1,522,964	1,378,434	1,378,434	1,378,434	
40 Debt Service Fund	291,000	291,800	292,450	292,950	293,300	293,500	294,001	
51 Water Utility Fund	1,911,106	2,878,029	3,340,500	3,335,310	3,432,917	3,533,402	3,636,852	
52 Sewer Utility Fund	1,552,601	2,323,783	2,686,014	2,366,716	2,367,075	3,676,572	2,392,179	
53 Wastewater Impact Fee Fund	276,860	1,453,041	284,460	2,560,136	-	13,365,120	-	
54 Storm Drain Utility Fund	688,358	361,000	595,554	2,904,000	948,270	851,663	1,611,164	
55 Garbage Utility Fund	756,772	851,768	851,785	860,303	868,906	877,595	886,372	
56 Culinary Water Impact Fee Fund	138,008	2,111,462	2,700,000	903,000	1,085,937	909,091	912,182	
57 Secondary Water Impact Fee Fund	216,575	502,342	2,200,000	4,700,000	200,000	200,000	200,000	
Total Revenues by Fund	\$ 21,434,412	\$ 37,551,677	\$ 28,010,825	\$ 32,159,392	\$ 23,231,537	\$ 37,841,031	\$ 29,955,908	

Table 16 Government-Wide Requirements by Fund

Government-Wide: Requirements by Major Object								
Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	
Personnel	6,503,743	8,160,542	8,981,298	9,102,529	9,088,369	9,098,611	9,109,274	
% Change from Prior Year	35%	25%	10%	1%	0%	0%	0%	
Materials, Supplies, and Services	10,332,256	11,127,918	13,444,460	15,036,720	13,386,716	14,950,750	14,828,220	
% Change from Prior Year	91%	8%	21%	12%	-11%	12%	-1%	
Debt Service	659,781	714,812	596,002	596,502	596,852	597,052	575,454	
% Change from Prior Year	88%	8%	-17%	0%	0%	0%	-4%	
Capital	5,081,424	20,076,194	8,664,482	12,322,940	4,902,597	17,757,473	9,995,666	
% Change from Prior Year	-44%	295%	-57%	42%	-60%	262%	-44%	
Transfers	1,694,516	209,513	329,860	329,994	330,087	330,141	330,211	
% Change from Prior Year	1378%	-88%	57%	0%	0%	0%	0%	
Ending Balance	11,994,590	12,189,053	12,753,516	12,556,450	12,668,814	12,803,100	13,432,048	
% Change from Prior Year	44%	2%	5%	-2%	1%	1%	5%	
Total	\$ 36,266,310	\$ 52,478,032	\$ 44,769,617	\$ 49,945,135	\$ 40,973,435	\$ 55,537,126	\$ 48,270,872	
% Change from Previous Year	29%	45%	-15%	12%	-18%	36%	-13%	

Table 17 Government-Wide Requirements by Major Object

Government-Wide: Requirements by Major Object as a Percentage								
Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	
Personnel	18%	16%	20%	18%	22%	16%	19%	
Materials, Supplies, and Services	28%	21%	30%	30%	33%	27%	31%	
Debt Service	2%	1%	1%	1%	1%	1%	1%	
Capital	14%	38%	19%	25%	12%	32%	21%	
Transfers	5%	0%	1%	1%	1%	1%	1%	
Ending Balance	33%	23%	28%	25%	31%	23%	28%	
Total	100%	100%	100%	100%	100%	100%	100%	

Table 18 Government-Wide Requirements by Major Objects as a Percentage of Total

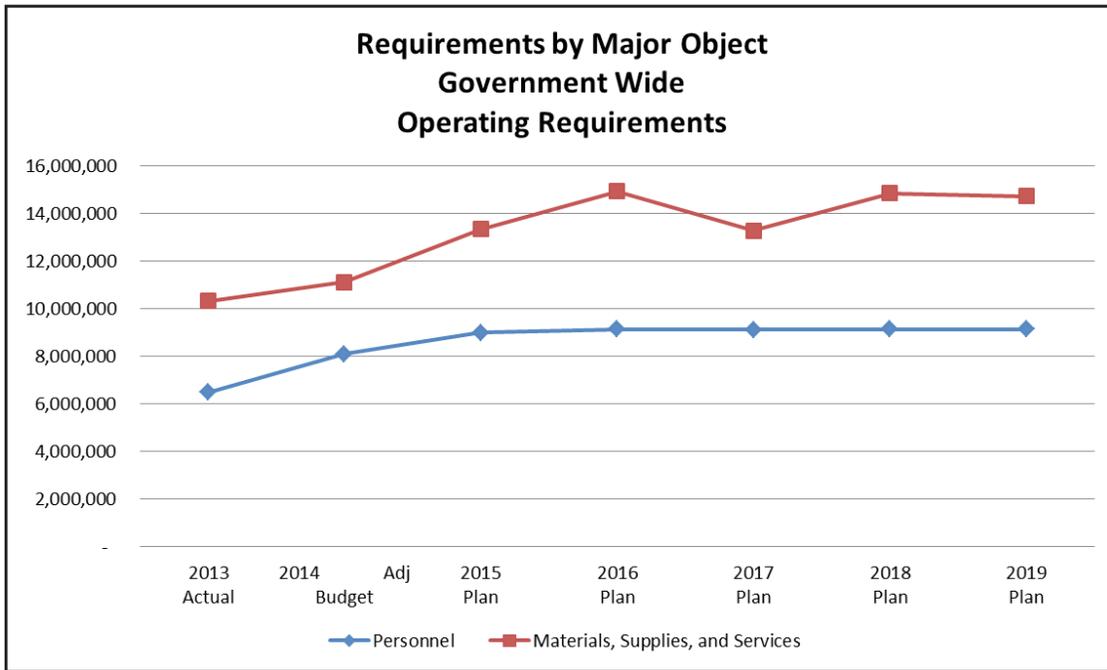


Figure 11 Government-Wide Operating Requirements by Major Object

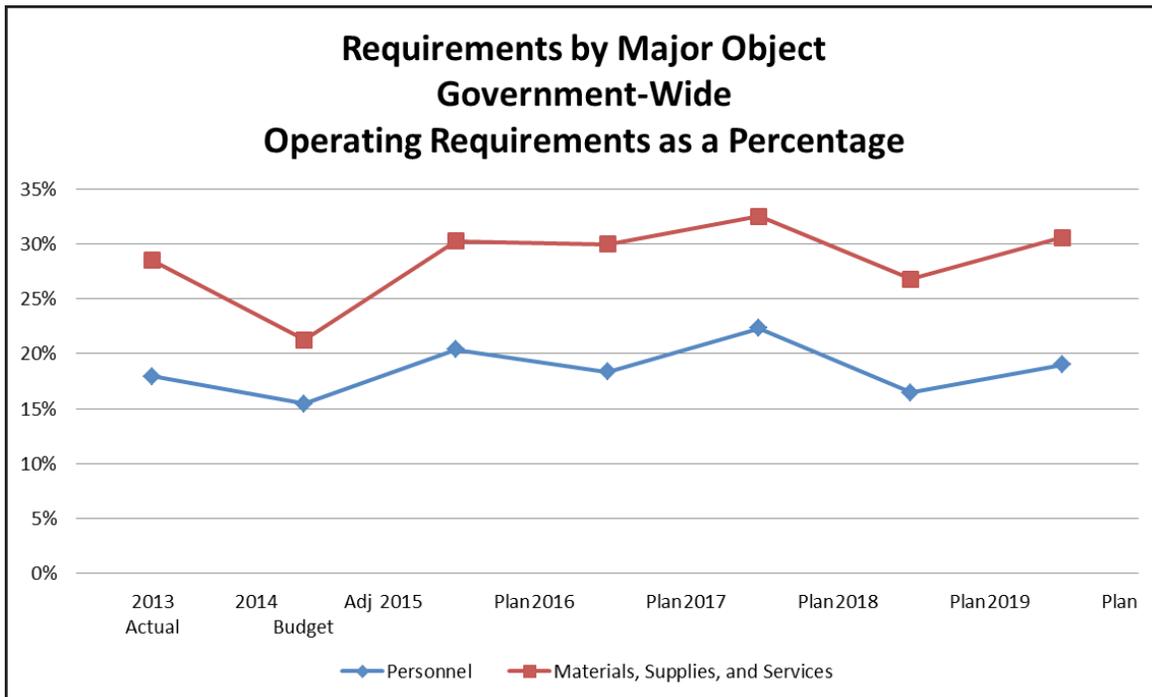


Figure 12 represents Personnel and Materials, Services, and Supplies as a percentage of Operating requirements for all funds combined.

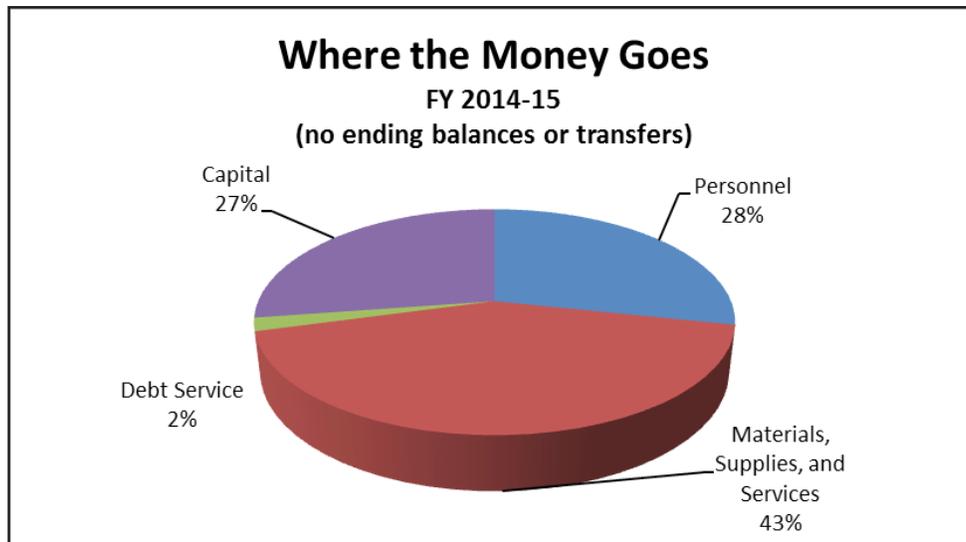


Figure 13 “Where The Money Goes FY 2015,” represents the four major city-wide requirements.

PERSONNEL

Recruiting and retaining high quality employees is a primary goal of Human Resources as the City progresses and fills vacancies. There continues to be an increasingly competitive market for municipal employees. Unemployment rates in Utah have decreased from 7.5 percent (July 2010) to 4.6 percent (July 2013). Utah is still below the national average of 7.4 percent (July 2013).

Pay and Benefits: The quality of life in and surrounding the City assists in attracting qualified candidates. The City must maintain a competitive total compensation package in order to attract and retain a competent workforce. As part of the adopted budget, a 2 percent pay for performance program was approved as part of the FY 2012 budget.

Compensation: During the 2014 fiscal year the city performed a compensation plan analysis. Establishing a compensation plan that will attract and retain high quality employees while maintaining a fiscally responsible budget is challenging. Variables that may be considered in developing the City’s pay plan include the following: (1) salary and total compensation plans for similar positions among selected benchmark communities, (2) supply and demand of qualified candidates, (3) internal equity, (4) cost of living, and (5) available City resources.

The compensation plan benchmarked the City’s salaries against 20 other cities. These cities were chosen as benchmarks based upon the following factors: proximity to Saratoga Springs, high growth cities, and similar populations. The City Council set a goal in FY 2012 for employees to be paid at the 65th percentile of their benchmarked position based upon performance.

Benefits: The City provides a comprehensive and competitive benefits package which includes: health, dental, life, and disability insurance, pension, 401k, 457, Roth IRA, and Traditional IRA savings plans, and a variety of leave benefits including personal time off (PTO) and short-term medical leave.

Health, Dental, Vision, and Life Insurance: The City implements a cost sharing strategy with employees for health and dental premiums. Employees are responsible to pay for 10 percent of health and dental insurance premiums. The city has contracted with First West Benefits to broker the City’s insurance policies. Health insurance is provided by PEHP. Dental insurance is provided by Humana. Vision insurance is provided by Eye Med and is fully funded through employee payroll deductions. Life insurance is provided by Guardian. Long Term Disability insurance is provided by Lincoln Insurance Company.



PEHP offers two different plans for employees to choose from. One plan is a traditional health insurance plan. It has a \$500 deductible and pays for 80 percent of the costs after the deductible is met. The second plan is a high deductible plan accompanied by a health savings account (HSA). The HSA has a deductible of \$1,300 for single coverage and \$2,600 for double and family coverage. The premiums are lower for the high deductible plan. The City contributes the savings into the employees' HSA. The two plans are cost neutral for the City.

The City received a renewal with an approximately 4.5 percent increase for health insurance when compared to last year.

As a way to save on unnecessary insurance costs, if an employee has comparable health insurance benefits through a spouse, they may opt out of health insurance coverage from the City. When an employee opts out of health insurance the City contributes \$250 per month into a 401(k) retirement account on

Plan	Single	Double	Family	Total
Traditional	5%	7%	49%	62%
High Deductible/Health Savings	4%	4%	19%	27%
Opted Out	0%	0%	0%	11%

their behalf. The contribution is significantly lower than the cost of health insurance.

Table 19 Breakdown of City Employee Health Plan Participation.

Retirement: The City offers pension retirement benefits through Utah

Retirement Systems (URS). Three retirement programs are offered including the Public Employees' Noncontributory Plan, Public Safety Retirement Plan (sworn police personnel), and the Firefighter Retirement Plan. Employer paid retirement contributions are governed by Utah State law and are subject to change annually. Current rates can be found in the table below. In 2008 the City opted out of Social Security. In lieu of Social Security payroll taxes, the City contributes the 6.2 percent into a 401(k) plan for the employee.

Senate Bills 43 and 63 relating to retirement benefits were passed in the 2010 Legislative Session. Senate Bill 43 amends provisions related to a retiree who returns to work for a participating employer and restrictions on the maximum retirement allowance certain employees can accrue. Senate Bill 63 modifies the retirement benefits for new public employees and new public safety and firefighters employees. This bill created a tier system in which those that were employed after July 1, 2011 by a qualified employer

Plan	Rate (%)
Public Employees Noncontributory	18.47
Public Safety	32.20
Firefighters	23.30

would have a different structure of benefits as defined as Tier II. Those who worked for a qualified employer at all before July 1, 2011 would be defined as Tier I.

Table 20 City Retirement Contribution Rates.

Market Pay Analysis

Beginning in fiscal year 2012 and every other year as part of the budget process, the City will complete

a pay benchmarking study with the Wasatch Comp Group and a number of governmental entities to determine how the City's salary, wage, and benefit packages compare with other benchmark communities. A predetermined group of cities has been identified by the City Council as a "benchmark" group whereby each position is compared for market analysis to ensure that the City's compensation packages are comparable to that of other local communities. The City Manager will evaluate the compensation and benefits data with other benchmark communities and determine if any position changes or adjustments are necessary for the recommended pay plan for the next two years.

The personnel variance analysis chart shows that the total personnel cost growth rate has fluctuated greatly in the last five years. The largest variance occurred in 2008 when the Police Department was created and in 2009 when the City first experienced the economic slowdown and reduced its staffing levels in affected departments. Personnel costs are attributed to pay-for-performance, market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). Salaries and wages are estimated to increase between 2015 and 2019 at an average rate of 3 percent annually. Benefits between 2015 and 2019 have been estimated to increase at an average rate



of 4 percent annually.

Since 2008, full-time equivalents have increased by 40.9 percent.

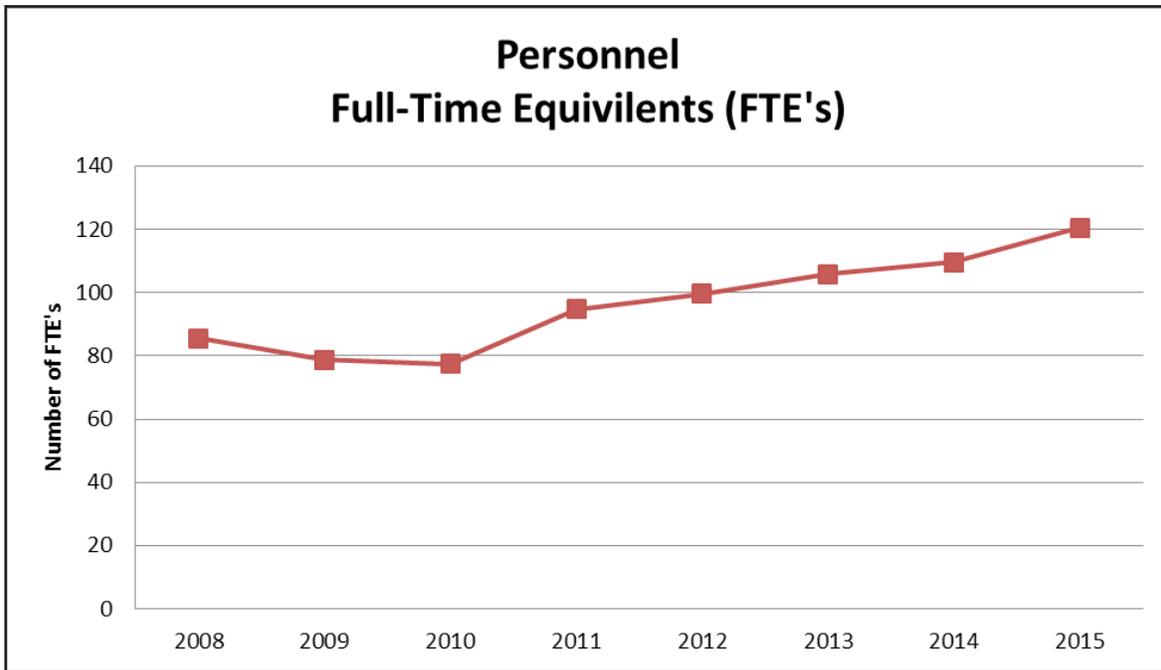


Figure 14 Personnel - Change in Full-Time Equivalents

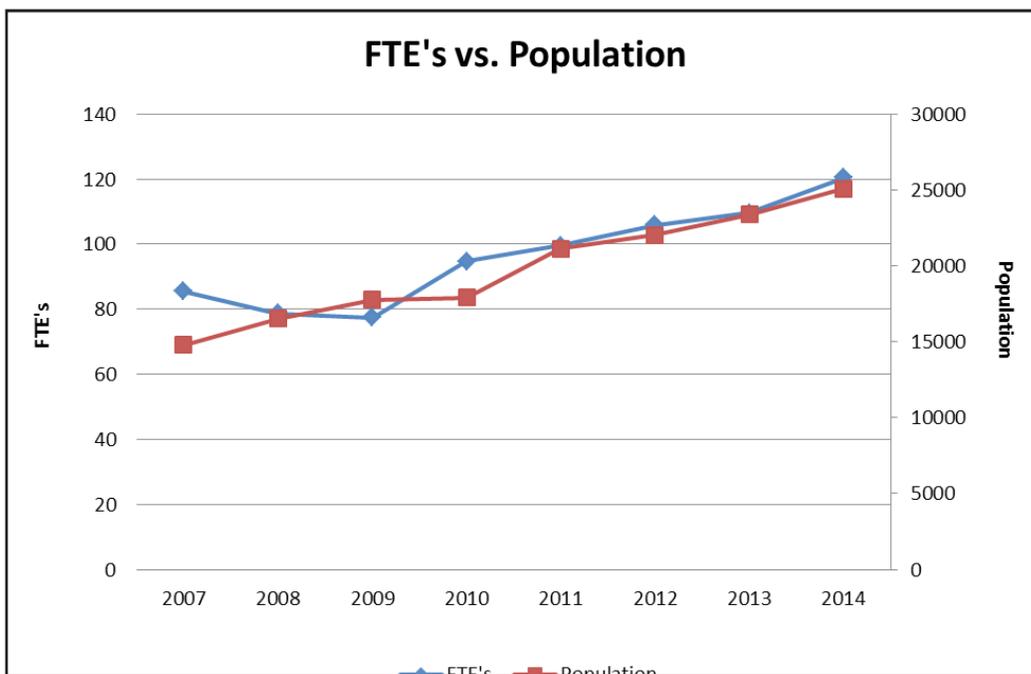


Figure 15 compares the number of employees to population.

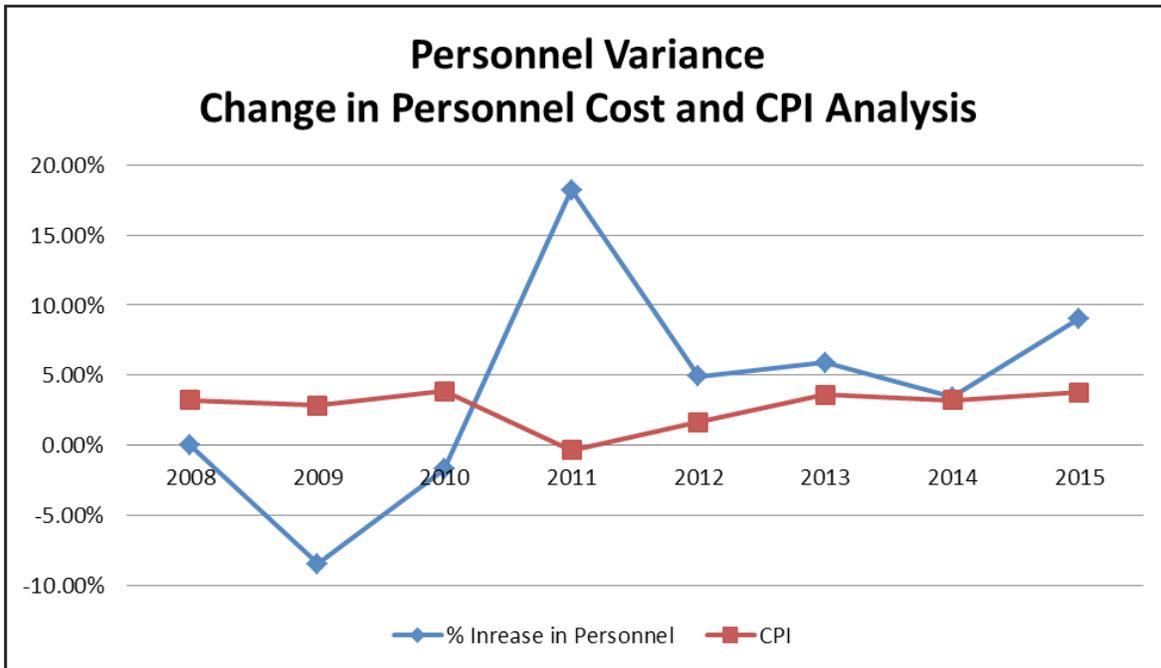


Figure 16 compares Changes in Personnel Costs to the Change in the Consumer Price Index relative to growth patterns between 2008 and 2015.

Figure 16 indicates that historical average personnel growth rates are higher than the CPI in all years except 2009. This type of growth relative to the CPI is not inconsistent given that the City has been the fastest growing city in Utah over the past decade. The City has experienced rapid growth in population. This increase in population drives the increased need for services and their associated personnel costs.

Department	2008	2009	2010	2011	2012	2013	2014	2015
Administration	10.75	7.5	8	7.5	8	8.5	9.75	11.75
Recreation Services	1	0.5	0.66	0.66	2.05	2.8	2.8	3
Building	8	5	4	4	4	4.5	5	6
Planning	5.5	3	2	2.5	2.5	2.5	3.5	3.5
Public Works	20.75	17.5	18	21	22	25.5	26.5	33.75
Engineering	7	5.5	3.5	6.5	6.5	6.5	6.5	4
Fire	11	14	13	16	16	16	16	17.5
Police	21.5	23.3	25.8	33.05	34.05	34.05	34.05	35.5
Court		2	2	3	3	3	3	3
Attorney		0.5	0.5	0.5	1.5	2.5	2.5	2.5
Total	85.5	78.8	77.46	94.71	99.6	105.85	109.6	120.5
Population	14,788	16,516	17,781	17,904	21,137	22,022	23,399	25,100

Table 21 Full-Time Equivalents by Function

The staffing strategies presented in the Introduction and Policies and Objectives sections of this document describe how alternatives to additional staffing requests are explored and approved before new positions are recommended.

CAPITAL AND DEBT SERVICE REQUIREMENTS

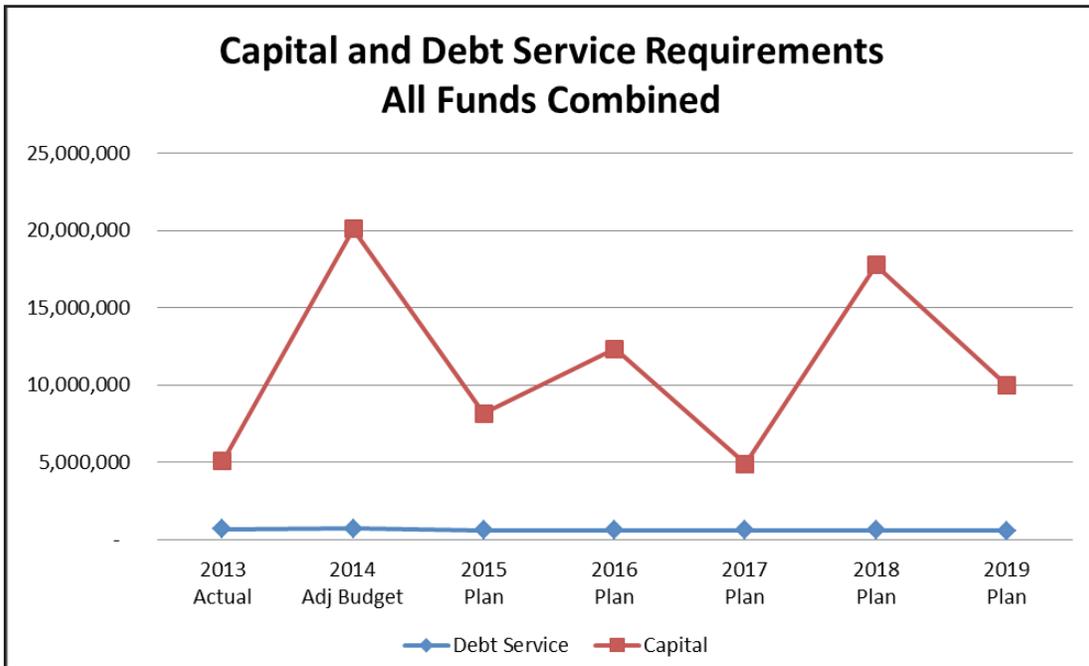


Figure 17 represents capital and debt service requirements for all funds combined for fiscal years 2013 actual, 2014 adjusted budget, 2015 - 2019 budget plan.

Capital requirements are proposed to decrease from \$20,076,194 in 2014 to \$8,164,482 in 2015, a decrease of 59.3 percent. Many of the budgeted amounts from FY 2014 will roll over into FY2015 for projects that were budgeted and incomplete and/or not started as of the end of FY2014. The City is currently undertaking a revision of its master plans, capital facilities plans, and impact fee studies. For this reason, capital improvements are only partially budgeted beyond the 2014 year. As soon as the updated capital facilities plans are approved they will be included in the budget document.

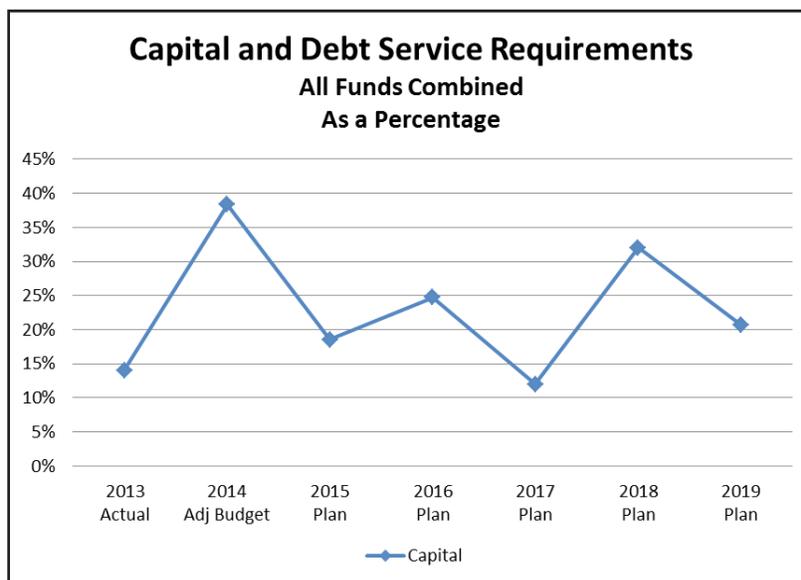


Figure 18 Capital and Debt Service Requirements for All Funds as a percentage of Total Requirements

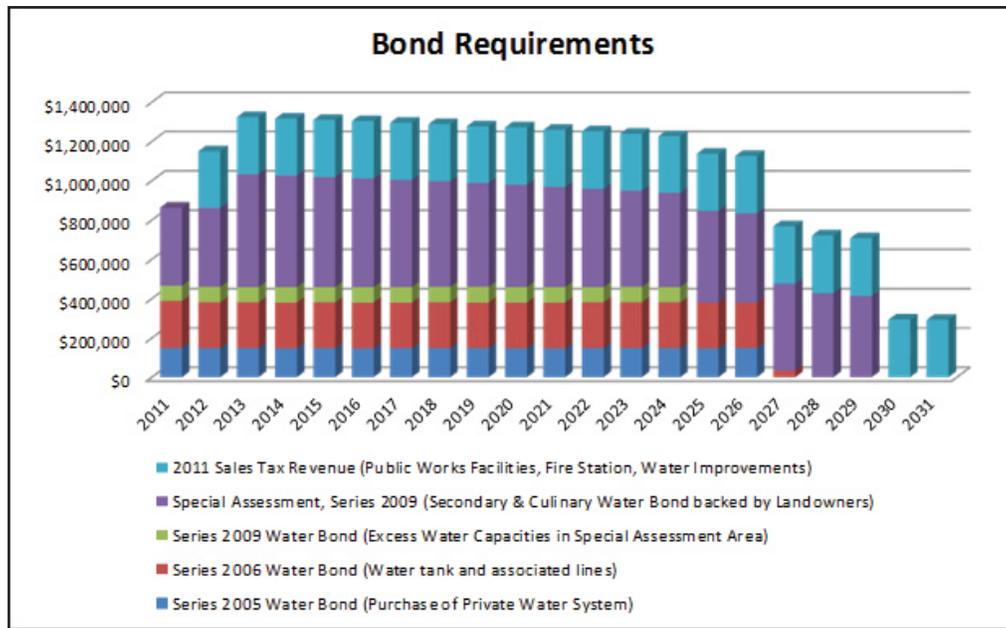


Figure 19 - represents total annual bond requirements from FYs 2011 - 2031

The City was established in 1997 with no water infrastructure. Construction of water improvements has been and will continue to be a major requirement and impediment to growth.

The share of capital as a percentage of total requirements tends to fluctuate as funding availability drives Capital requirements. The City's Capital Facilities Plan will address capital needs in the following areas: Road maintenance and replacement; fleet replacement; building maintenance and replacement; park improvements; culinary water; sanitary sewer and storm drainage infrastructure. The Plan further anticipates potential funding sources to include: Class 'C' road funds, enterprise funds, impact fees, grants, and general fund contributions. Debt Service requirements continue to follow relative amortization schedules. Water debt issuances are anticipated for the beginning of FY 2014, FY 2016 and FY 2018.

Debt Service requirements continue to follow their relative amortization schedules. The newest issuance occurred in June 2011. The City competitively placed Series 2011 Sales Tax Revenue Bonds for \$4 million to finance the purchase and construction of a Public Works facility, fire station renovations, and water system improvements. Will include more about water debt when it becomes available.

Table 22 below reflects total outstanding debt and debt due within one year for all funds. For detailed information regarding debt components, refer to the Debt Service section of the Operating Budgets.

Total Outstanding Debt and Debt Due Within One Year							
	Rate (%)	Amount of Original Issue (Bonds Only)	Balance 30-Jun-12	Additions	Retirements	Balance 30-Jun-13	Due Within One Year
Governmental activities:							
2011 Sales Tax Revenue Bond	3.000 to 4.125	4,000,000	3,860,000		145,000	3,715,000	150,000
Obligations Under Capital Leases			382,432		190,038	192,394	142,414
Total Governmental Activity Debt		4,000,000	4,242,432	-	335,038	3,907,394	292,414
Business-type activities:							
2005 Water Revenue Bond	3.840	2,031,000	1,572,000	-	84,000	1,488,000	90,000
2006 Water Revenue Bond	3.200	350,000	2,617,000	-	149,000	2,468,000	154,000
2009 Water Revenue Bond	4.160	866,000	729,000	-	48,000	681,000	50,000
2012 Special Assesment Bond	0.750 to 4.450	3,114,374	3,114,374	-	157,374	2,957,000	215,874
Culinary Water System Settlement			15,003,460	-	1,000,000	14,003,460	1,050,000
Obligations Under Capital Leases			38,148	-	20,833	17,315	17,315
Total Business-Type Activity Debt		6,361,374	23,073,982	-	1,459,207	21,614,775	1,577,189

Table 22 Total Outstanding Debt and Debt Due Within One Year



On May 5, 2011, the City of Saratoga Springs received its first bond rating. The City received an AA rating and a stable outlook from Standard and Poor's ratings agency. This rating is higher than expected based upon the population of the City. An AA rating from Standard and Poor's indicates that the City has a "very strong capacity to meet its financial commitments." Standard and Poor's identified several factors that lead to this high rating including:

- Positive population trends, which will likely lead to continued revenue growth;
- Very strong income levels and access to employment opportunities throughout the broad Salt Lake metro area economy;
- Very strong coverage (5.5 times coverage);
- The City's median household effective buying income in 2010 was very strong at 136 percent of the national level.

The stable outlook reflects Standard and Poor's expectation of continued very strong debt service coverage. By receiving the AA rating it is estimated that the City saved 0.10 % to 0.15 %, which equates to \$50,000 over the life of the bonds compared with an "AA-" rating.

The State of Utah limits a city's direct GO debt to 4 % of assessed valuation. The City of Saratoga Springs has an assessed value of \$757,236,263, with no general obligation debt. The limit for the City is \$30,289,450. The current level of debt does not have any effects on the current operations of the City. For more information on the City's debt management policies, see the Policies and Objectives section of this budget document.

Interfund Transfer The City appropriated a transfer of \$78,027 to the debt service fund to cover the portion of the 2011 Sales Tax Revenue Bond relating to the City Hall refinance.

Summary of Capital Issues: The following is a summary of the major capital projects included in this year's budget process. The following capital projects will effect operations to the degree that operations will need to be increased to maintain these projects. As previously mentioned, the City is currently completing a revision to its capital facilities plan. This document will prioritize the project for the next five years.

Significant Non-Recurring Capital Projects

As part of the budget process and presentations to Council, staff has identified the following Major (projects > \$100,000) capital projects as priorities for fiscal year 2015:

1. **Welby Jacobs turnout to Benches (\$1,817,000).**
2. **Crossroads Blvd 18 inch water line and booster (\$1,211,000).**
3. **Redwood Road 18 inch water line (\$653,000).**
4. **Secondary Residential Meters (\$2,774,000).**
5. **Harbor Parkway Lake Mountain Estates (\$162,200).**
6. **Shay Park (\$2,000,000).**
7. **200 East – 4th South to Pioneer Crossing (\$2,650,000)**
8. **High School Light (\$200,000).**
9. **Pioneer Crossing to Redwood Road (\$800,000).**

C I T Y O F

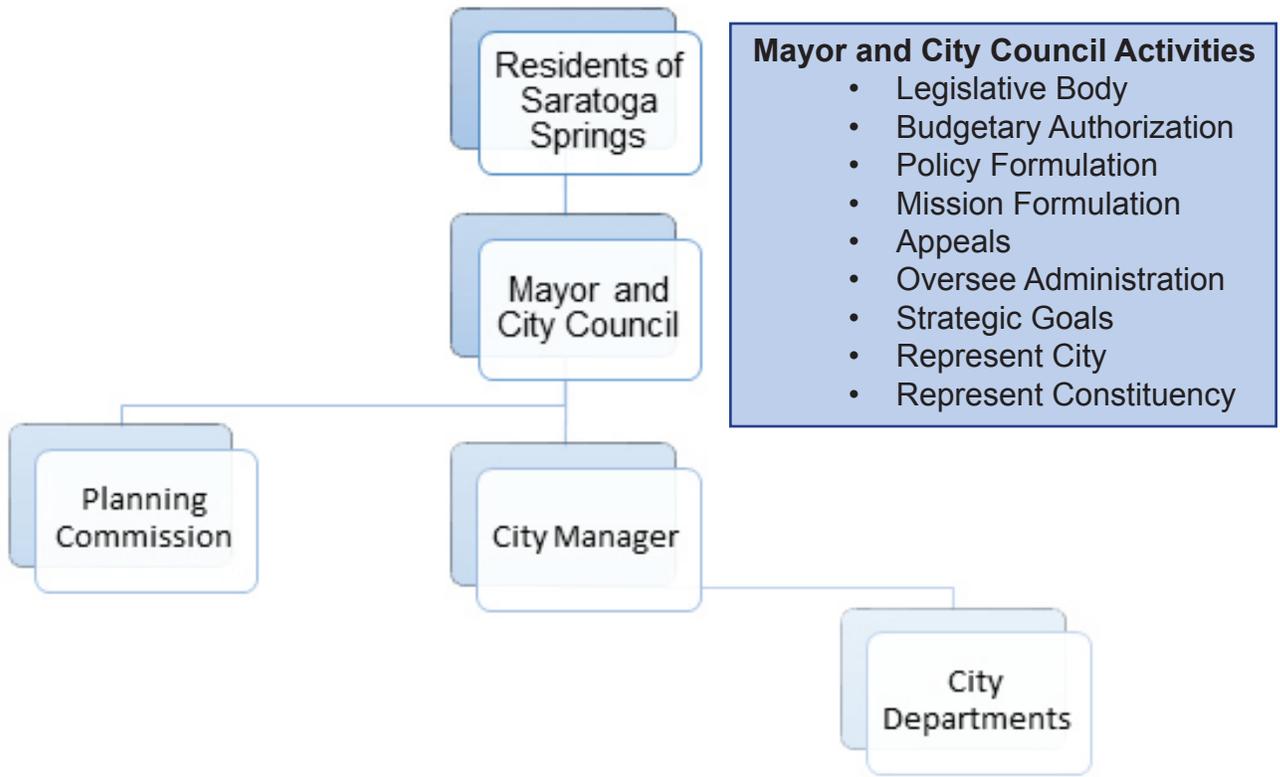


OPERATING BUDGETS

SARATOGA SPRINGS



City of Saratoga Springs Organizational Chart



City Of Saratoga Springs Mission Statement

The City of Saratoga Springs promotes and serves the community's general well being, health, and safety by preserving our natural beauty and enhancing the quality of life through long-term planning, providing a quality community experience, and sound fiscal responsibility.

Life's just better here!



CITY COUNCIL GOALS AND PRIORITIES

RECREATION

RECREATION BRINGS COMMUNITIES TOGETHER AND MAKES US A DESTINATION LOCATION

LOCATE / DESIGN / BUILD BALL PARKS	COMPLETE OVERDUE PARKS	MASTER PLAN CONNECTING OF TRAILS	PRIORITIZE / NAMING / SIGNAGE	BUILD RELATIONSHIPS WITH BUSINESSES & NON-PROFIT ORGANIZATIONS
------------------------------------	------------------------	----------------------------------	-------------------------------	--

- RECREATION TO PAY FOR ITSELF
- RECREATION BRINGS COMMUNITIES TOGETHER
- SHOULD BE OPEN TO **ALL**
- PROVIDE NEEDED SERVICES
- PROVIDES SAFE RECREATION

LAKEFRONT

CREATE A UNIQUE LAKEFRONT FOR ECONOMIC & RESIDENTIAL DEVELOPMENT

LAKESHORE STUDY MASTER PLAN	REACHING OUT TO DEVELOPERS, BUSINESS & EXISTING RESORT COMMUNITIES	PARTNERSHIPS WITH STATE, COUNTY, COMMISSION TO IMPROVE LAKE	PRESERVE OPEN SPACE AND COMMUNITY ACCESS THROUGH PRIVATE / PUBLIC PARTNERSHIPS
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- REBALANCING LIFE
- ENVIRONMENTALLY FRIENDLY
- LEISURE
- FISCAL HEALTH
- EMBRACING OUR UNIQUENESS
- VACATION



ECONOMIC DEVELOPMENT

CREATE A SUCCESSFUL ENVIRONMENT FOR BUSINESS "CLASS A", DINING AND RETAIL TO FOSTER AN ENVIRONMENT OF WORK, LIVE PLAY.
Life's just better here!

STREAMLINED DEVELOPMENT PROCESS	SMART ZONING MAP	MARKETING OUR UNIQUE VIABILITY	LEVERAGE EXISTING BUSINESS RELATIONSHIPS (FORUM)
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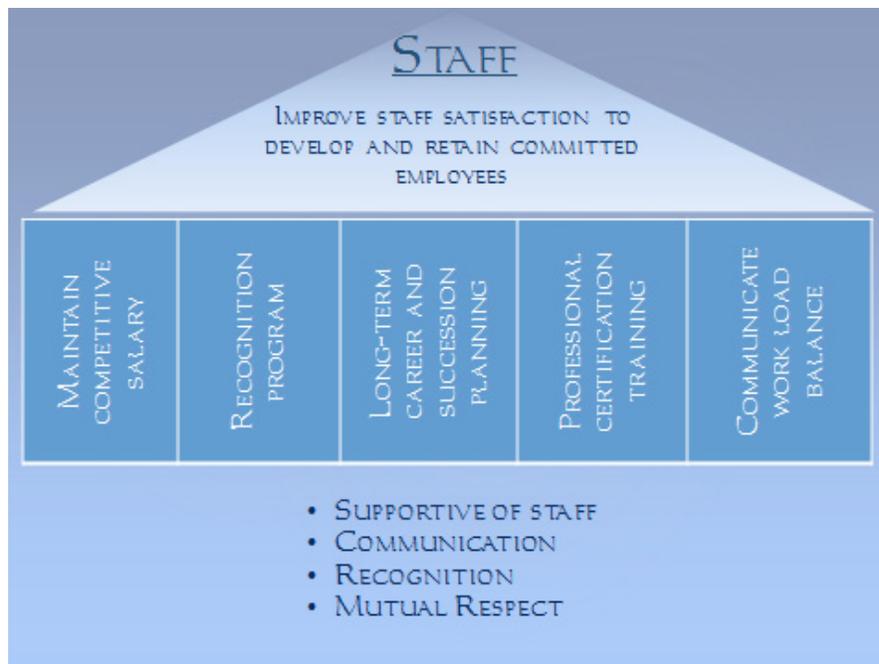
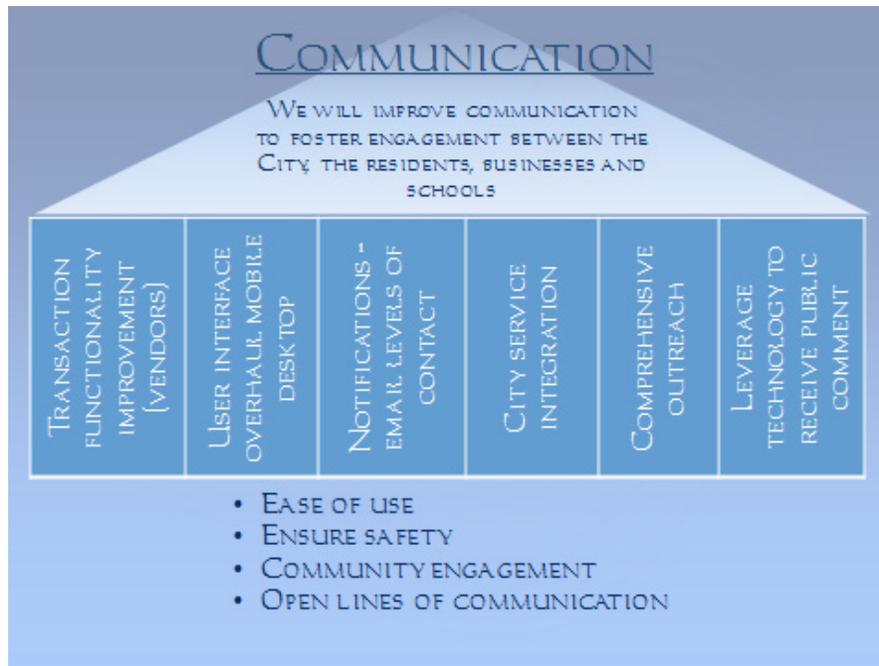
- COOPERATION - CITY HALL / DEVELOPERS
- CLEAR EXPECTATIONS
- TEAMWORK
- EXPONENTIAL COOPERATIVE SUCCESS
- PRIVATE & PUBLIC PARTNERSHIP

LONG RANGE PLANNING

DEVELOP A LONG RANGE SUSTAINABLE PLAN WITH QUANTIFIABLE METRICS TO PROPORTIONALLY INCREASE "INFRASTRUCTURE" STAFF ROADS ETC TO PROACTIVELY ADDRESS GROWTH DEMANDS

IDENTIFY METRICS / TRIGGER POINTS FOR EACH MAJOR DEPARTMENT	INCORPORATE INTO 5 YEAR PLAN	PROACTIVE ANALYSIS OF TAX RATES FOR SUSTAINABILITY AND FEES
---	------------------------------	---

- MUTUAL RESPECT
- FAIRNESS
- COOPERATION
- CONTINUAL COMMUNICATION



General Fund 10: Mayor and City Council							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	58,193	53,287	71,587	71,587	71,587	71,587	71,587
Materials, Supplies, & Services	45,337	43,062	44,185	45,355	46,576	47,849	49,177
Total Requirement	103,529	96,349	115,771	116,942	118,162	119,435	120,763
% Change from Prior Period	60%	-7%	20%	1%	1%	1%	1%

Table 23 (above) represents the Mayor and City Council's fiscal year 2013 actual expenditures, 2014 final budget, 2015 approved budget, and 2016 through 2019 budget plan.

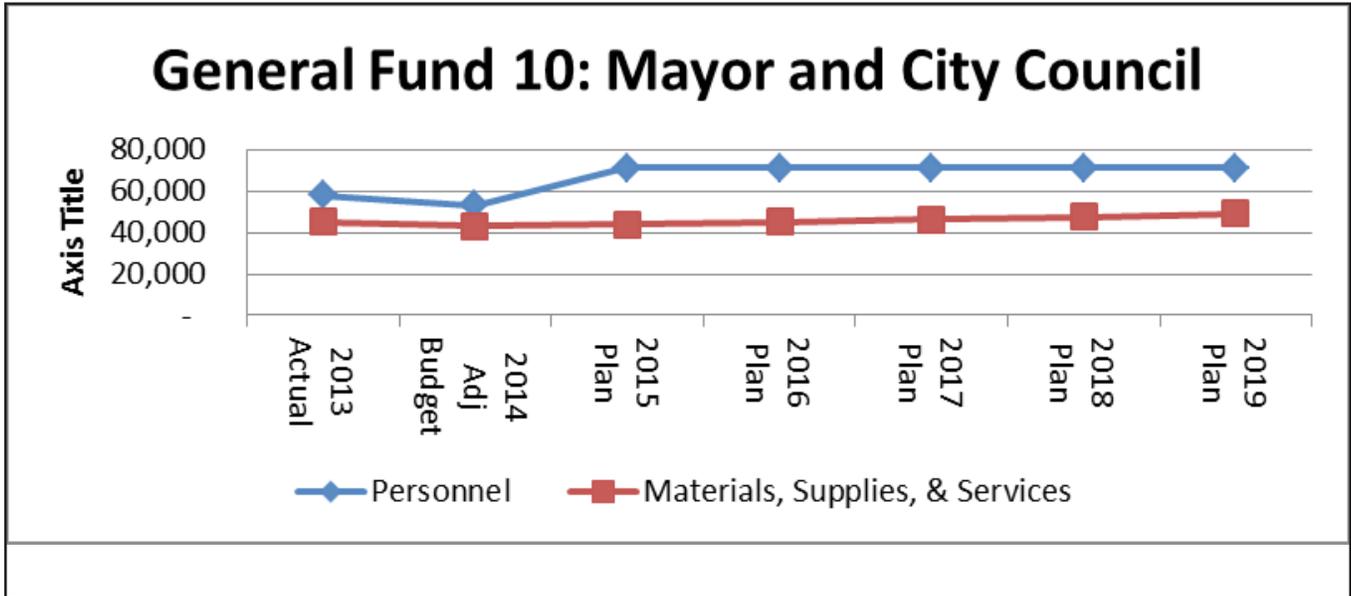


Figure 20 (above) represents Personnel and Materials, Services, and Supplies (MSS) between 2013 and 2019.

Personnel requirements are expected to remain fairly constant between 2015 and 2019.

Materials, Supplies, and Services are expected to remain relatively constant between 2015 and 2019. A moderate 3 % increase is anticipated for Materials, Supplies, and Services between 2015 and 2019. This is mainly due to increases in association and membership dues.

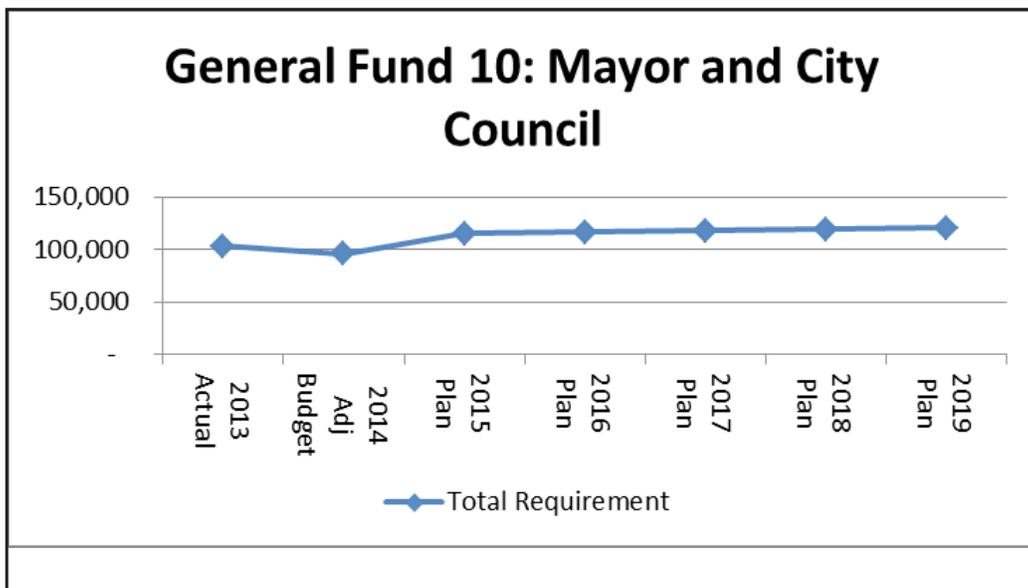


Figure 21 (above) represents total Mayor & City Council requirements between 2013 – 2019.



Mission

The mission of the City Manager is to ensure that the City and all of its functions are operated in an efficient and effective manner with a high level of customer service and professionalism.

Vision

The vision of the City Manager is to ensure the organization carries out the will of the Mayor and Council in the governance of our community.

Department Overview

The City Manager is the chief executive officer of the City appointed by the Mayor and City Council to direct the delivery of municipal services. As the CEO, the City Manager is responsible for all supervision of staff, providing the Mayor and City Council with information, and to ensure that the mission and policies enacted by the Mayor and City Council are implemented throughout the organization. The City Manager provides all City departments with basic administrative support, including coordination and guidance of City operations, programs and projects. The City Manager’s Office is the focal point for the day-to-day management of City Government. The City Manager serves at the will of the Council.

The major objective for the City Manager is to facilitate the Mayor and City Council in achieving its objectives. While this concept is often implied, the City Manager will be involved in all the goals and action items identified by the Mayor and City Council.



City Manager Goals

Long Range Planning Goals

Underway

- Cost and Revenue Analysis
- Eccles Business School Partnership
- City Growth Analysis

To Do

- Complete Analysis
- Per Capita/Household Cost Analysis
- Develop Matrix and Present Findings
- City to Create Levels of Economic Sustainability

Recreation Goals

Underway

- Identify Location for Regional Sports Complex Facility
- Parks Projects for 2014/2015 Underway
- Shay Park
- Harvest Hills Zip Line
- Neptune Park Phase 2
- Benches Park Progress
- Fox Hollow Park Planning

To Do

- Impact Fee Analysis
- Marina Grant

Economic Development Goals

Underway

- Comprehensive Code Review
- Online GIS zoning and Utility Maps
- Continued Activity with EDC Utah, Existing Developers and ICSC Contacts.
- Citywide Strategic Plan
- Survey with Strategic Planning Advisory Committee for:

- Businesses
- Development Community
- Residents

Lakefront Goals

Underway

- Shoreline Study Complete
- Historic and Wetland
- Inlet Park, Boards and Commissions
- Lakeside Trail

To Do

- Amend Mixed Lakeshore Zone

Communication Goals

Underway

- Utilize Sport Sites for Vendor Transactions
- Lakeside Trail
- Email Bulk List Via Website
- Website Improvements
- Strategic Plan - Comp Outreach
- Cityworks Public Portal
- Email Newsletter in Utility Bill

To Do

- Website Mobile Improvements
- Cityworks Complete Implementation

Staff Goals

Underway

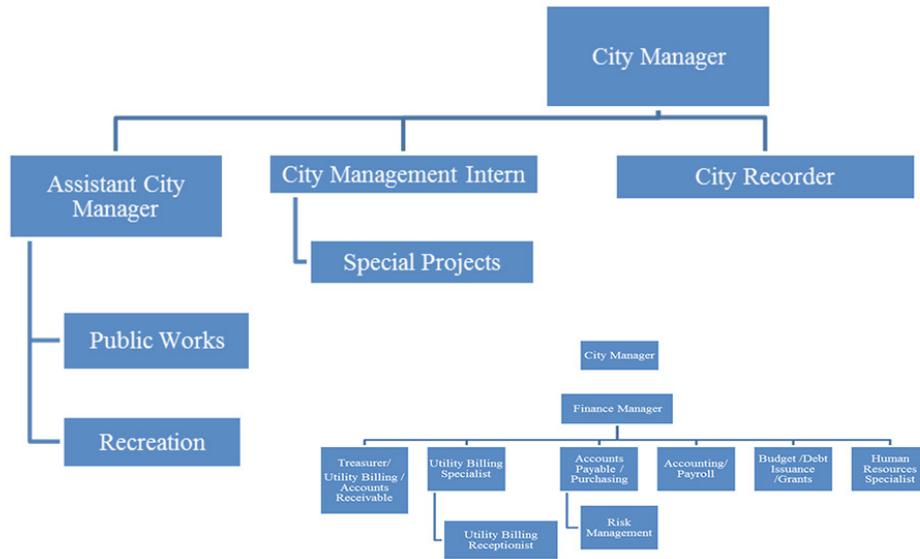
- Pay Plan 2014/2015
- Recognition Committee Development
- Volunteer Recognition
- Training- Ongoing
- Arbinger Training
- Full Time (Dec 2014)
- Part Time (Feb 2015)

To Do

- Improve Communication With Staff
- Continue to Improve Customer Service

Performance Measure	Target FY 2014	Actual FY 2014
% of departmental goals met on an annual basis	90	86
% of Council goals accomplished	95	100
% of staff attending individual training	100	89
% of staff receive opportunity for quarterly in house training	100	86
% of staff and boards receive annual sexual harassment training	100	100
City Manager to complete 40+ hours of continuing education per year	40	40

Table 25 Fiscal Year 2014 Performance Measures



The administrative services department comprises administration, finance and human resources budgets. While the functions operate independently they are connected through a common operating budget. The City Recorder has a separate operating budget but is supervised by the City Manager. The City Treasurer also has a separate operating budget along with Utility Billing.

Administrative Services

General Fund 10: Administrative Department							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	425,283	508,358	509,677	509,677	509,677	509,677	509,677
Materials, Supplies, & Services	51,808	44,611	45,511	46,411	47,311	48,211	49,111
Capital	-	-	-	-	-	-	-
Total Requirement	477,091	552,969	555,188	556,088	556,988	557,888	558,788
% Change from Prior Period	108%	16%	0%	0%	0%	0%	0%

Table 26 (above) represents the Administration Department’s actual expenditures for 2013, adjusted budget for 2014, tentative budget for 2015, and budget plan for 2016 - 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA). Personnel costs are expected to slightly decrease in fiscal year 2015 due to a reorganization of departments.

Positions funded in the administration department include the City Manager, Finance Manager, Accounts Payable Clerk, and HR/Payroll Clerk (part-time). Proposed for FY 2015 are a Human Resource Specialist, and the removal of the Assistant City Manager to the Public Works Department. Full-time equivalents are expected to stay the same at 4.75.

Materials, Supplies, and Services (MSS) are expected to increase slightly in 2015. This is due to a slight increase in incremental auditing costs associated with the audit agreement.

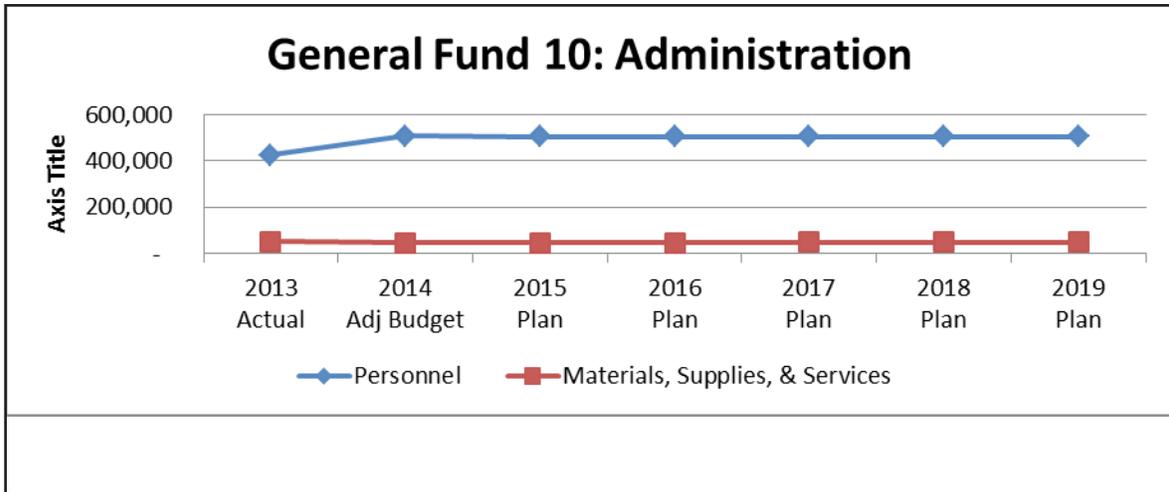


Figure 22 (above) represents Material, Services, and Supplies and Personnel major requirements between 2013 and 2019.

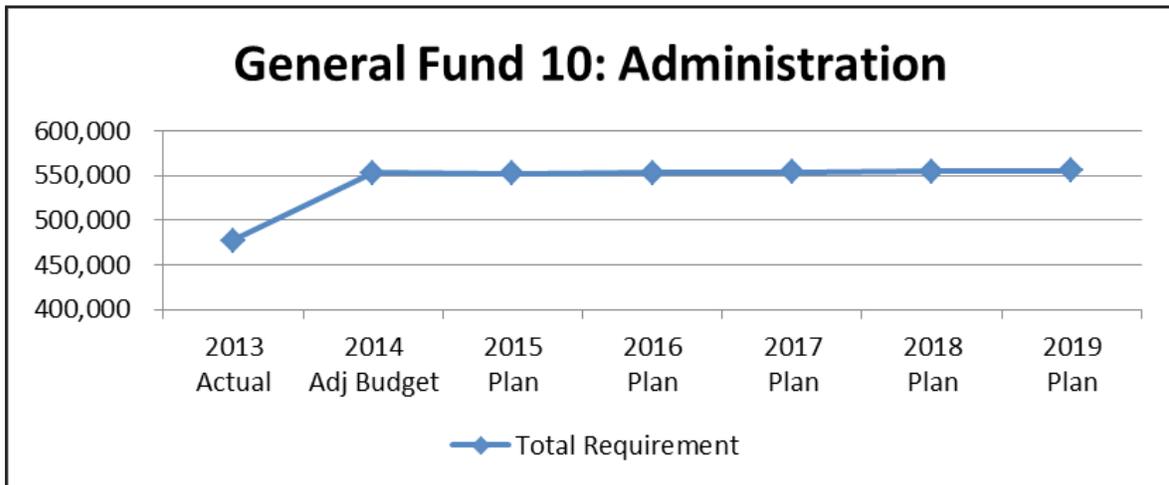


Figure 23 (above) represents total Administration requirements for 2013 – 2019.

Performance Measures	Target 2014
# of months month end completed by 15th	12
Audit completed by October 15th	Yes
# of months that financial reports presented to council by 10th of month	12
Earn GFOA Distinguished Budget Award	Yes
Earn GFOA Excellence in Financial Reporting Award	Yes

Table 27 - Administration Performance Measures



General Fund 10: Recorder Department							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	75,938	89,728	112,935	113,105	113,282	113,466	113,659
Materials, Supplies, & Services	12,749	20,815	11,275	21,275	11,275	21,275	11,275
Total Requirement	88,687	110,543	124,210	134,380	124,557	134,741	124,934
% Change from Prior Period	10%	25%	12%	8%	-7%	8%	-7%

Table 28 (above) represents City Recorder’s actual expenditures for 2013, adjusted budget for 2014, tentative budget for 2015, and budget plan for 2016 - 2019.

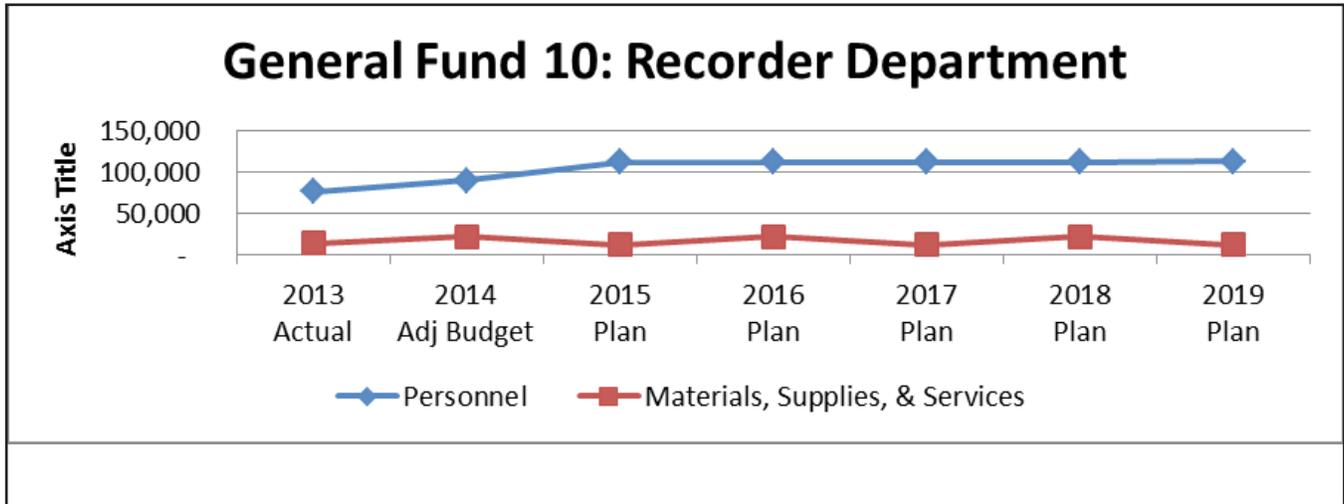


Figure 24 (above) represents Personnel and Material, Services, and Supplies major requirements between 2013- 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA). Personnel requirements are anticipated to increase from 1 FTE to 1.5 FTE. An adjustment was made in FY 2014 to bring on a part-time recorder for the last few month of the fiscal year and into future years.

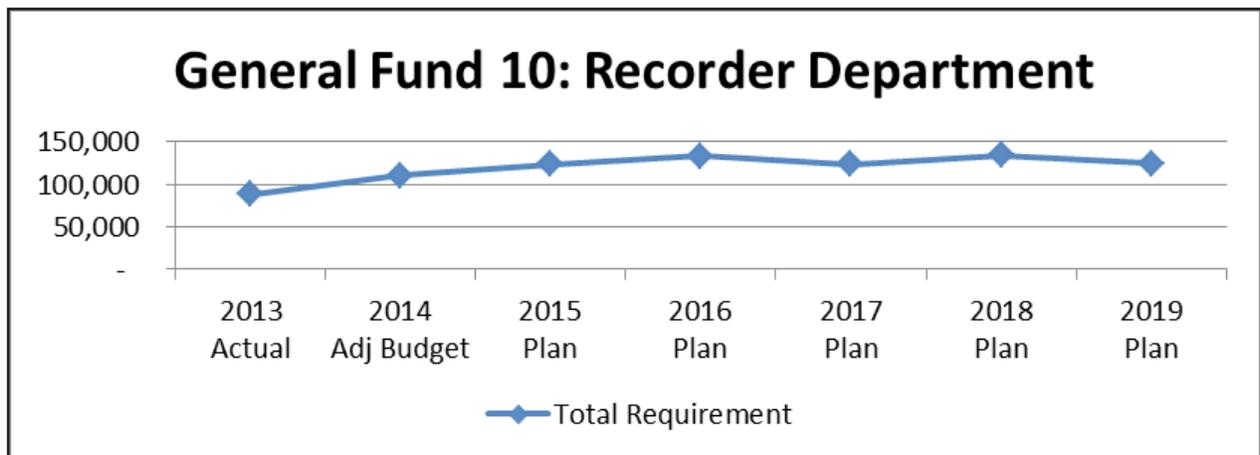


Figure 25 (above) represents total City Recorder requirements for 2013 – 2019.



Materials, Supplies and Services (MSS) are expected to decrease by less 50 % in FY 2015 because of elections not held in that fiscal year. Overall City Recorder requirements are expected to fluctuate between 2014 to 2018. These fluctuations are due to elections on even-numbered years (as previously discussed). MSS is expected to remain relatively flat.

2014 Highlights
Developments in Saratoga Springs during FY 2014 have increased and each has been accurately recorded. Business licensing has also increased in FY 2014.

Performance Measure	Target 2014
Council agendas are posted 5 days prior to meeting	90%
% of times council minutes are ready for approval by next regular meeting	100%
Scheduled records are destroyed	Annually
All records are converted to new records management software	Monthly

Table 29 City Recorder Performance Measures



General Fund 10: Utility Billing Department							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	36,697	36,697	100,142	100,142	100,142	100,142	100,142
Materials, Supplies, & Services	37,781	39,781	41,581	43,461	45,425	47,477	49,622
Total Requirement	74,478	76,478	141,723	143,603	145,567	147,620	149,764
% Change from Prior Period		3%	85%	1%	1%	1%	1%

General Fund 10: Treasurer Department							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	69,990	78,363	80,009	80,009	80,009	80,009	80,009
Materials, Supplies, & Services	56,145	65,189	68,173	71,303	74,585	78,026	81,635
Total Requirement	126,135	143,552	148,183	151,312	154,594	158,035	161,644
% Change from Prior Period	413%	14%	3%	2%	2%	2%	2%

Table 30 (above) represents the City Treasurer and Utility Billing’s actual expenditures for 2013, adjusted budget for 2014, tentative budget for 2015, and budget plan for 2016 – 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA). During fiscal year 2012, the utility billing department was created to capture costs previously being split to multiple enterprise funds. The general fund is reimbursed for these costs through an administrative charge. The Treasurer’s department also began to capture the full personnel costs of the City Treasurer in 2012. Personnel requirements are anticipated to increase from 2.5 FTE to 2.75(1 FTE Treasurer, 1.75 FTE Utility Billing).

Materials, Supplies and Services (MSS) are expected to increase by 4-5 percent in 2015 due to increasing costs in utility billing and treasurer. MSS paid for out of these funds include: supplies needed for utility billing (billing & mailing supplies and the meter reading software maintenance contract), education/training expense for the City Treasurer, and citywide bank charges. Most of these expenses will be reimbursed through an administrative charge to the enterprise funds.

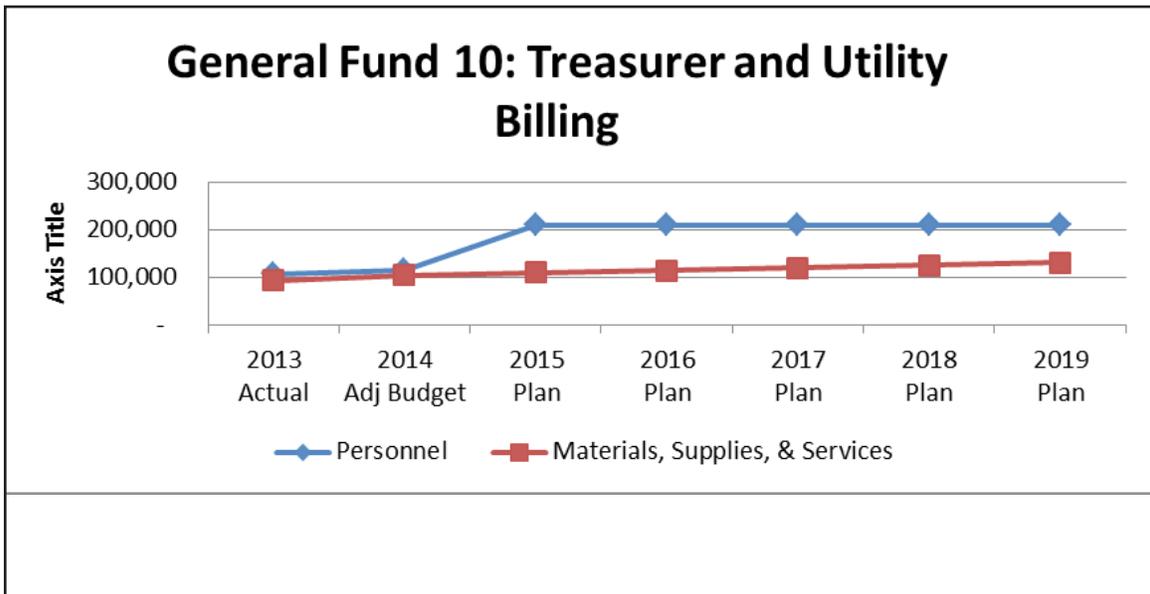


Figure 26 (above) represents the City Treasurer and Utility Billing's Personnel and Material, Services, and Supplies major requirements between 2013 and 2019.

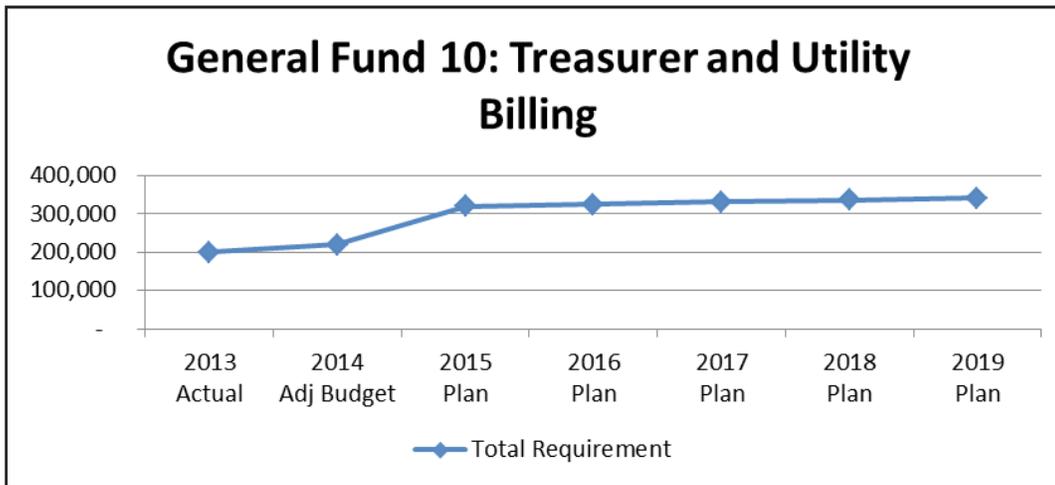


Figure 27 (above) represents total Treasurer and Utility Billing requirements for 2012 – 2018.

2014 Highlights
Moved from Caselle Classic software to Caselle Clarity
Implemented paperless billing for utility customers
Including e-mailed monthly newsletters

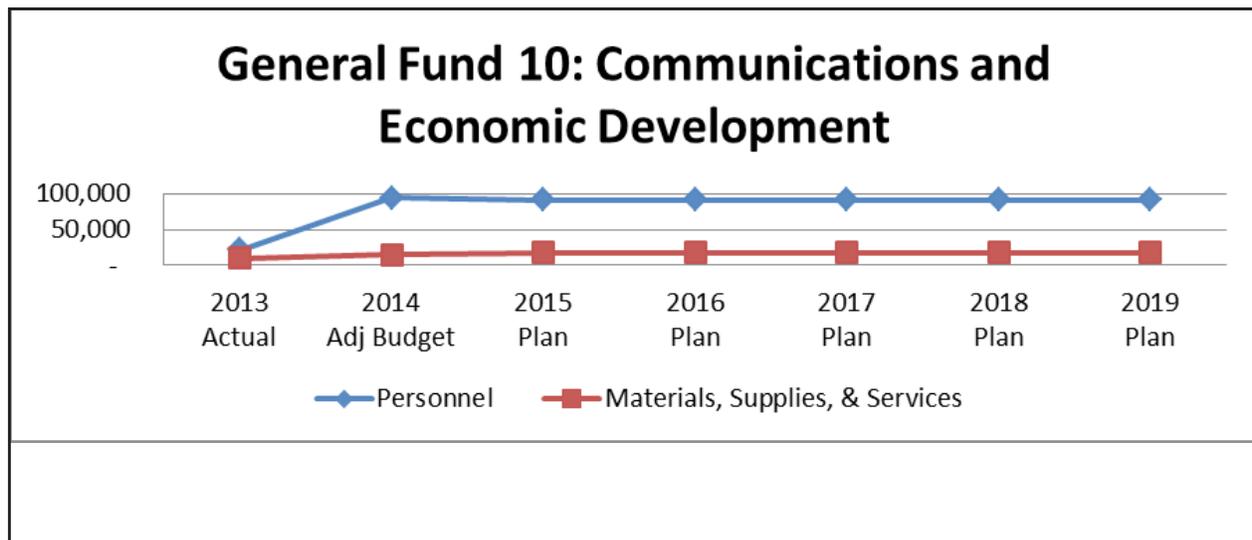
Performance Measure	Target 2014
% of billing concerns resolved within 24 hours	90
% of terminated customers not delinquent	>80
% of internet payments	70
% of customers shut off for non-payment	<1

Table 31 (above) represents the Utility Billing Department's performance measures.



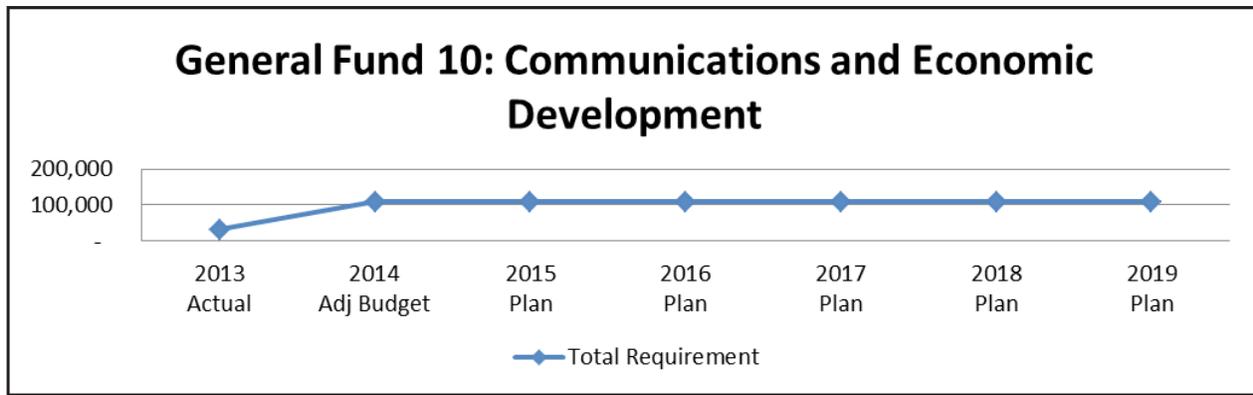
General Fund 10: Communications and Economic Development							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	21,792	94,918	92,510	92,510	92,510	92,510	92,510
Materials, Supplies, & Services	9,324	15,000	17,000	17,000	17,000	17,000	17,000
Total Requirement	31,116	109,918	109,510	109,510	109,510	109,510	109,510
% Change from Prior Period	0%	253%	0%	0%	0%	0%	0%

Table 32 (above) represents the Communications and Economic Development actual expenditures for 2013, adjusted budget for 2014, tentative budget for 2015, and budget plan for 2016 – 2019.



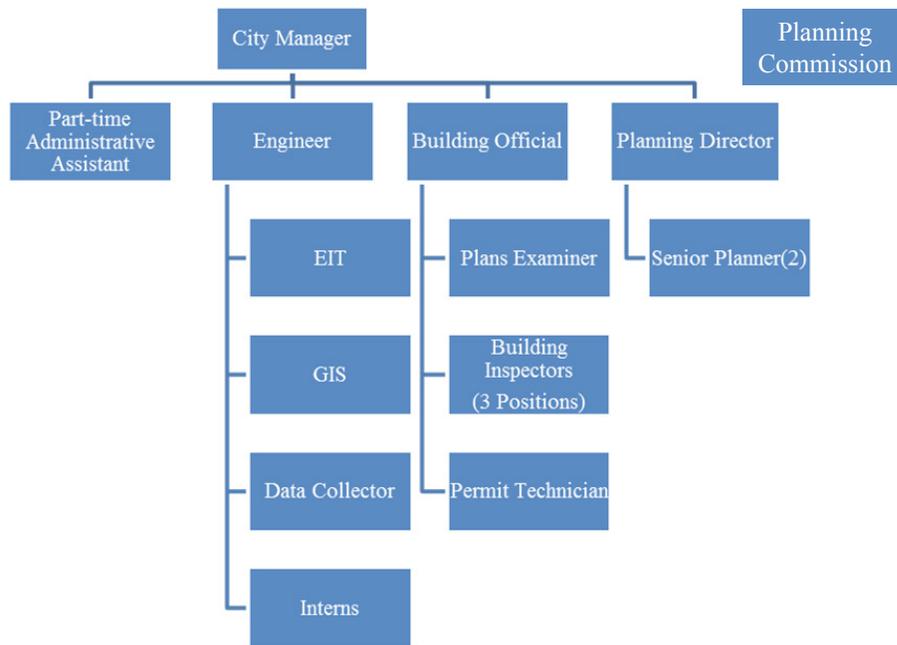
Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA). This department was created in FY 2013. It includes 1 FTE, the Public Information Manager. In FY 2015 the economic development budget will be moved into this department.

Materials, Supplies and Services (MSS) are expected to stay about the same from FY 2015-2019.



- ### 2014 Highlights
- Implemented a monthly communications report for tracking cities outreach efforts and the effectiveness of City social media and media relations efforts.
 - Created a social media user policy for City Council approval to help City better administer its social media platforms.
 - Added economic development section to City’s website including the City’s developer packet.
 - Tripled the City’s social media reach in last quarter of the fiscal year.
 - Achieved a 91 percent publish rate for press releases sent to media outlets.
 - Established procedures to coordinate public information requests and media requests between city staff and public safety.
 - Worked with Lehi Area Chamber of Commerce to increase the number of businesses benefitting from chamber membership.
 - Implemented an annual City update with the Saratoga Springs Business Alliance and facilitate discussion of issues affecting businesses in the City.
 - Continue to work with the Lehi Area Chamber of Commerce, EDCUtah and the Saratoga Springs Business Alliance to promote Saratoga Springs as a business friendly community and to recruit new retail and commercial uses to Saratoga Springs.

Performance Measure	Target 2014	Actuals FY 2014
Update City’s social media platforms 4-5 times per week Goal	90%	90%
Add/remove new or outdated website information within 24 hours Goal	90%	80%
Respond to development requests/questions within 24 hours Goal	90%	90%
Respond to citizen requests/questions within 24 hours Goal	95%	95%
Respond to media requests/questions within 24 hours Goal	100%	100%
Post events to City’s event calendar within 24 hours Goal	95%	90%



Mission

We are committed to providing excellent service as a professional Planning, Building, and Capital Facilities department to establish, implement, identify and develop plans and provide Inspections and capital facilities for maintaining the Quality of Life, Health and Safety for the citizens of The City of Saratoga Springs.

Department Overview

The Planning, Building, and Capital Facilities Department oversees the completion of buildings and construction projects being constructed in the City and ensure compliance with applicable zoning and building. Coordinate with the Planning Commission on zoning and planning issues.



PUBLIC SAFETY: BUILDING DEPARTMENT

General Fund 10: Building Department							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	323,876	347,335	487,436	511,478	487,524	487,573	487,627
Materials, Supplies, & Services	37,209	51,820	76,820	51,820	51,820	51,820	51,820
Total Requirement	361,085	399,155	564,256	563,298	539,344	539,393	539,447
% Change from Prior Period	18%	11%	41%	0%	-4%	0%	0%

Table 33 (above) represents the Building Department’s actual expenditures for 2013, 2014 adjusted budget, 2015 tentative budget, and budget plan for 2016– 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). Depending on future residential and commercial building within the City, it may be necessary to add additional staff to keep up with demand. For FY 2015 it is anticipated that an additional building inspector will be added to staff, this is reflected in the tentative budget.

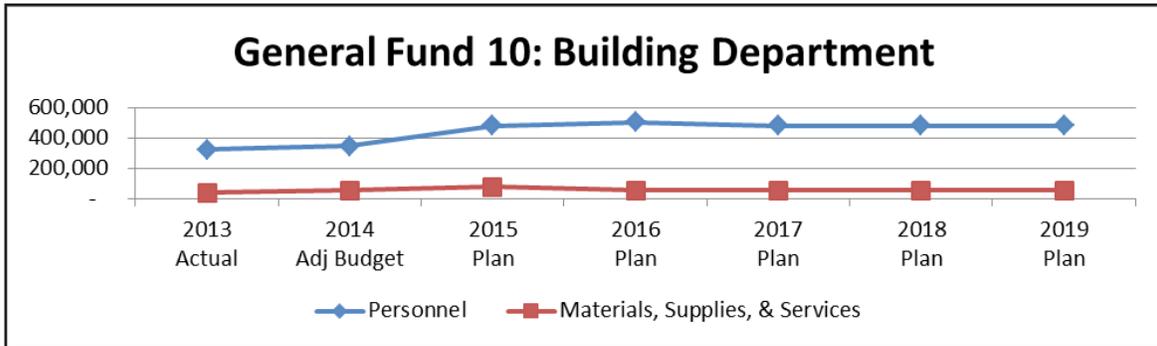


Figure 28 (above) represents Personnel, and Materials, Supplies, and Services (MSS) major requirements for fiscal years 2013 -2019.

Materials, Supplies, and Services requirements will increase more than 48 percent in 2015, for the purchase of a new vehicle. It will return to normal levels in FY 2016.

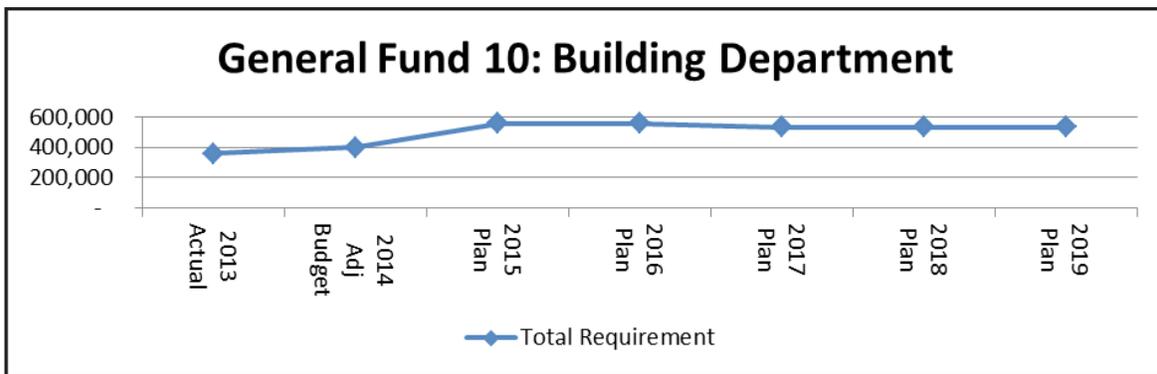


Figure 29 (above) represents total departmental requirements for fiscal years 2012 – 2018.

Building Department 2014 Highlights	
Through the first 2 quarters of 2014 the City of Saratoga Springs has issued the 5th most building permits among the jurisdictions along the Wasatch front.	

Building Department Performance Measures	Target 2014
Average turnaround time for plan reviews	3.1 days
Percent of inspections performed next day if called in before 5 p.m.	100%

Table 33 (above) represents the Building Department’s performance measures



FY 2014 Highlights

Created Code Update Subcommittee, and worked to improve consistency and predictability in development.
 Finalized two large rounds of amendments; more amendments in process
 Created “Pending Applications” section of the Planning page to increase communication and transparency
 Implemented electronic routing of applications for internal review
 Implemented a comment form on the “Pending Applications” page to increase ease of public communication
 Updated application checklists and created staff report templates
 Implemented application submittal meeting requirements to avoid incomplete applications
 Worked to improve coordination with adjacent municipalities
 Finalized several long-term (aka lingering) applications

General Fund 10: Planning and Zoning Department

Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	203,031	304,323	326,742	326,742	326,742	326,742	326,742
Materials, Supplies, & Services	15,116	12,350	18,285	18,460	18,095	20,880	21,015
Total Requirement	218,147	316,673	345,027	345,202	344,837	347,622	347,757
% Change from Prior Period	11%	45%	9%	0%	0%	1%	0%

Table 35 (above) represents the Planning and Zoning Department’s actual expenditures for 2012, 2013 adjusted budget, 2014 approved budget, and budget plan for 2015– 2018.

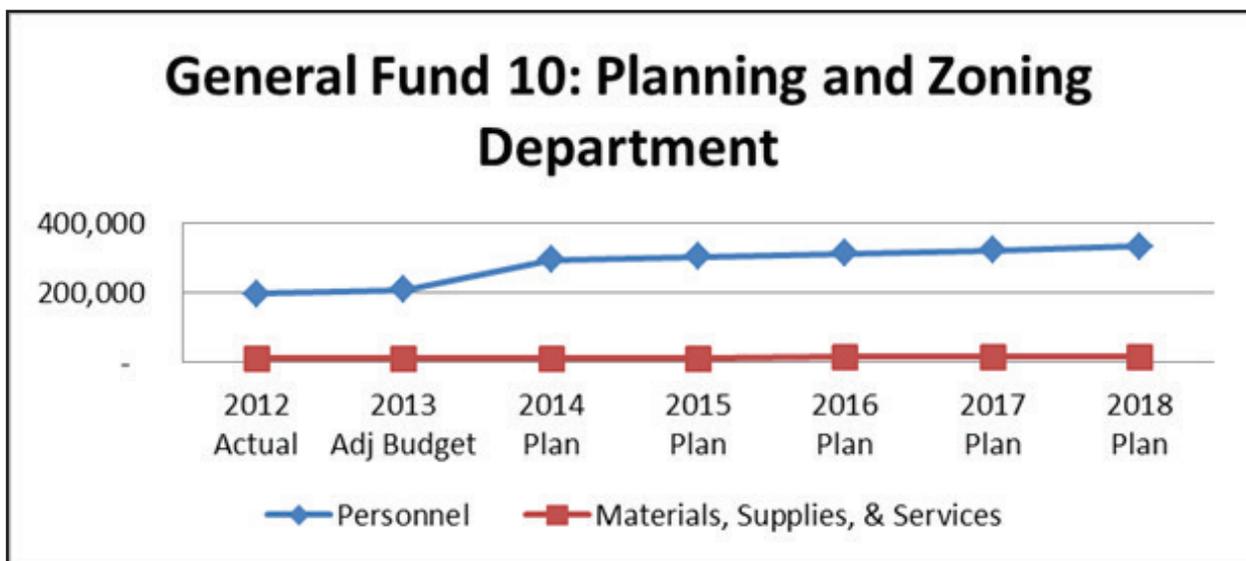


Figure 30(above) represents Personnel, and Materials, Supplies and Services (MSS) major requirements for fiscal years 2012 -2018.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training).



2014					
CATEGORY	GOAL TITLE	BENCHMARK	STEPS	TARGET %	Continued from 2013?
Performance - Communication	DRC Improvements	Improve communication and efficacy of DRC meeting. Create new process for go/no-go decisions on projects.	Modify DRC participant list, electronic routing system, and reorganize agenda for better efficiency of time. Regularly check-in to see if additional improvements are needed.	100%	yes
Performance - Communication	Public Noticing Training	Public Noticing. Cross train department members on procedures and requirements.	How-to memo from City Recorder. Create deadlines and reminders in CityWorks to ensure all steps done on time.	100%	yes
Performance - Customer Service	Timely Application Review	Review Planning related applications and return to applicant in timely manner. 14 days (10 business days) for internal review of most applications, including redlines and memos to applicant. 5 days for sign permits.	Create process in CityWorks to track review times to ensure better completion.	90%	yes
Performance - Customer Service	Timely Phone / Email Response	Return all calls and reply to all emails within 24 hours.	Improve tracking. Verify % returned each week in Staff meeting.	90%	yes
Performance - Organization	Archiving Planning Files	Archiving of all old Planning Files. All files will be archived, stored, or destroyed based on State requirements and coordinated with City Recorder. Scan and organize all folders. Reduce paper copies in each file to minimum necessary. New central tracking system.	Hire temporary employee to complete scanning.	100%	yes
Performance - Organization	Data Tracking	Enter all information regarding applications in Excel main table. Access has been replaced by Excel version; updating was not done thoroughly in 2013 so review timeframes, Planning Commission / Council meetings, etc. not tracked.	Create process in CityWorks and ensure tracking done on all application actions.	90%	yes
Performance - Quality	Checklists	Use checklists on every project.	Revise checklists to increase efficacy. Prohibit items from being scheduled for Commission/Council until checklist is done.	100%	new
Performance - Quality	Staff Reports	Ensure staff reports submitted on time, and that they are thorough, effective, with minimal errors.	Use CityWorks to remind of deadlines. Ensure every staff report has had at least one additional reviewer.	90%	new
Performance - Training	Ongoing Training	Ongoing training for Planners to maintain skills and stay up on industry changes. Maintain APA membership. Prepare remaining planner for AICP exam. Attend APA conference(s).	Conference attendance scheduled. AICP test application intended for remaining planner.	100%	new
Performance - Transparency	Transparency	Increase visibility and awareness of pending projects and applications.	Modify website to list applications in process; created public input interface.	100%	new
Workload	Workload - Agendas	Track number of items each planner has on agendas to determine reasonable workload balance.	Create Excel sheet to monitor number on agendas. Try to minimize excessive number to ensure quality of work possible.	80%	new
Workload	Workload - Projects	Track total number of projects and work to ensure reasonable workload.	Create category to rate different types of applications, and use system to balance project assignments.	80%	new

Table 36 - Planning Performance Measures

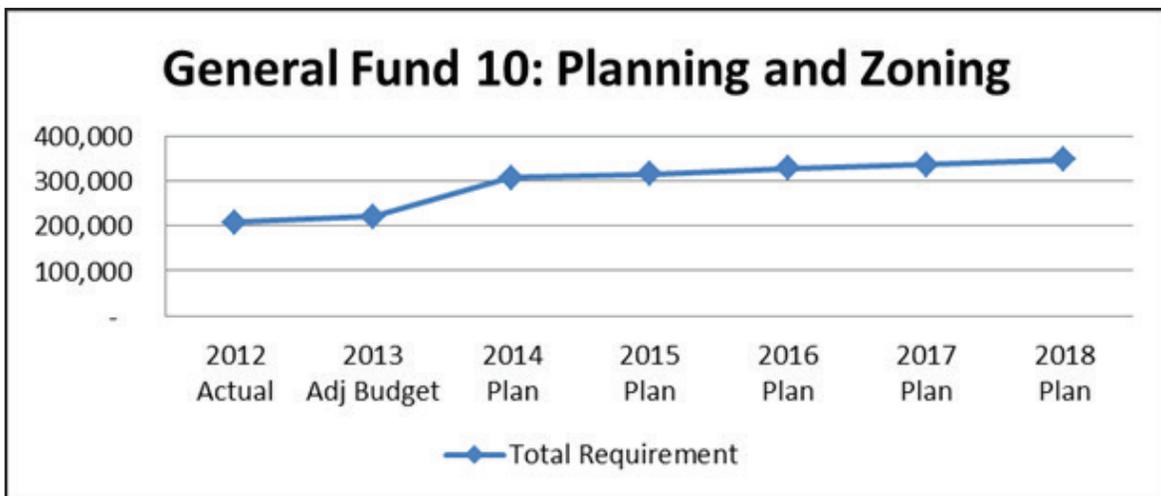


Figure 31 represents total departmental requirements for fiscal years 2012 – 2018.

Materials, Supplies and Services requirements are expected to increase at approximately 48.1% in FY 2015. This is mainly due to increased costs for planning commission with number of yearly meetings and an increase in planning commissioners from five to seven.

Engineering Highlights FY 2013-2014

During the past year (July 2013 – July 2014) the Engineering Department has done many things to advance GIS, public safety, customer support, utility operation, and internal processes. Development reviews with the planning and building departments have been optimized with standardized processes and templates implemented to ensure efficiency. Priority has been placed on providing a high level of customer service by providing timely responses to emails and phone calls and by providing easy access to standard forms, documents, specifications and details on the City’s website. The Engineering Department Established an online system file system for real time feedback to developers and engineers in the plan review process to facilitate quicker communication of redlines and more complete documentation. An update to the City Engineering Standards and Specifications was completed to improve infrastructure quality and eliminate unnecessary or conflicting information from the previous document. A Grading Code was created and adopted by the City Council requiring Grading permits to protect the City from unregulated grading activity and to establish a process for permitting mass grading outside of the development process.

Web-based mapping and geodatabase upgrade have been the focus for GIS, partly pushed by the need to implement Cityworks properly. The geodatabase redesign was completed along with migration and implementation of the database. The City’s spatial data is now on a SQL Server database platform. Utilizing intranet, web-browser based maps have been created to replace ArcReader. The same web services being utilized by the web-maps are also being consumed in Cityworks. Also to make information available to more, ArcGIS Online (an ESRI service included with our GIS software licensing) has been implemented in a number of ways. ArcGIS Online has helped or allowed the City to carry out the following projects: secondary meter installation project, roadway striping project, a city-wide asphalt condition inventory, fire hydrant inspection, rec. dept. player address mapping, and public facing interactive utility and zoning maps.

The culinary and secondary water data has been greatly improved by cross-referencing as-builts, aerial imagery and field GPS data which is nearing completion. GPS data from the field has been continually entered. GPS is being used to carry out the secondary meter installation project (inventory and inspection), after which should be focused on sign inventory and culinary water meter inventory.

Traffic studies have been performed in priority areas, including the analysis of traffic calming devices in areas of concern and its effect on traffic speeds. Maps and results have been published for public access via the City webpage along with contact information where residents can forward their concerns or requests for information.

Culinary Water, Secondary Water, and Sanitary Sewer Capital Facility Plans and Impact Fee Facility plans have been completed and adopted by council ensuring these impact fees are fully compliant with State Code and regulation. Secondary Water fees went up while Culinary Water and Sanitary Sewer impact fees were reduced.

General Fund 10: Engineering Department

Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	524,986	609,585	340,395	340,506	340,621	340,739	340,861
Materials, Supplies, & Services	76,996	113,819	92,406	92,406	92,406	92,406	92,406
Capital	-	-	-	-	-	-	-
Total Requirement	601,981	723,404	432,801	432,912	433,027	433,145	433,267
% Change from Prior Period	107%	20%	-40%	0%	0%	0%	0%

Table 37 (above) represents the Capital Facilities & Engineering Department’s actual expenditures for 2013, 2014 adjusted budget, 2015 tentative budget, and budget plan for 2016– 2019.

Figure 32 (below) represents Personnel, and Materials, Supplies, and Services (MSS) major requirements for fiscal years 2013 -2019.

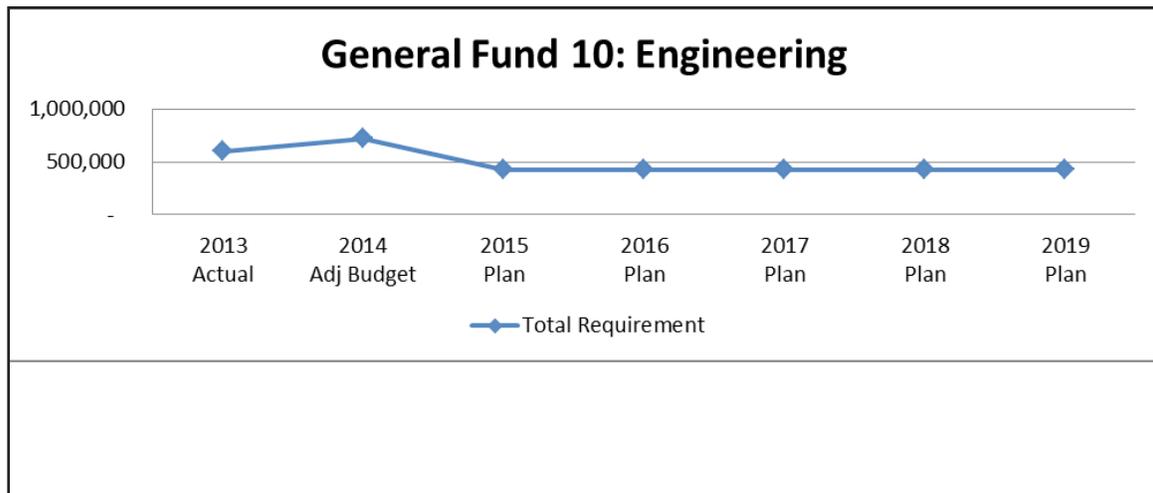
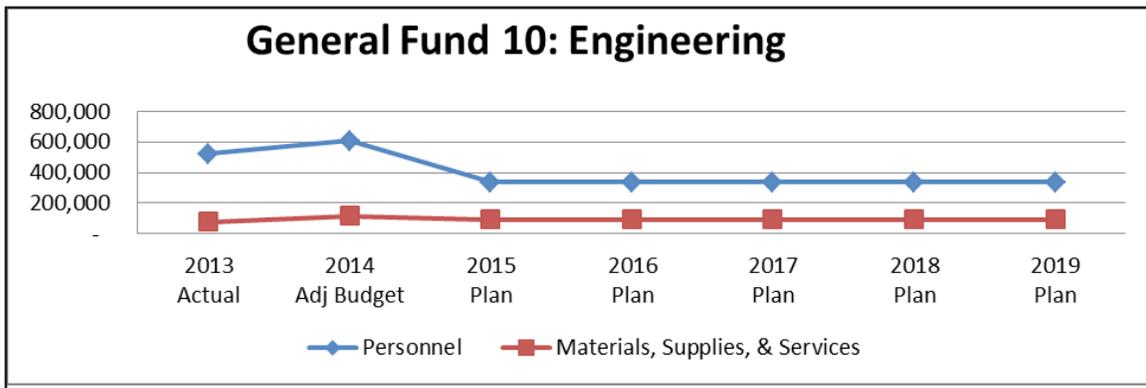


Figure 33 (above) represents total departmental requirements for fiscal years 2012 – 2018.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). Personnel costs are expected to decrease by 44.8 percent. The main reason for this reduction is the creation of the new department Public Improvements. This split of the department has decreased the FTE’s from 7.5 to 4.0.

Materials, Supplies and Services requirements are expected to remain stable 2016 through 2019.

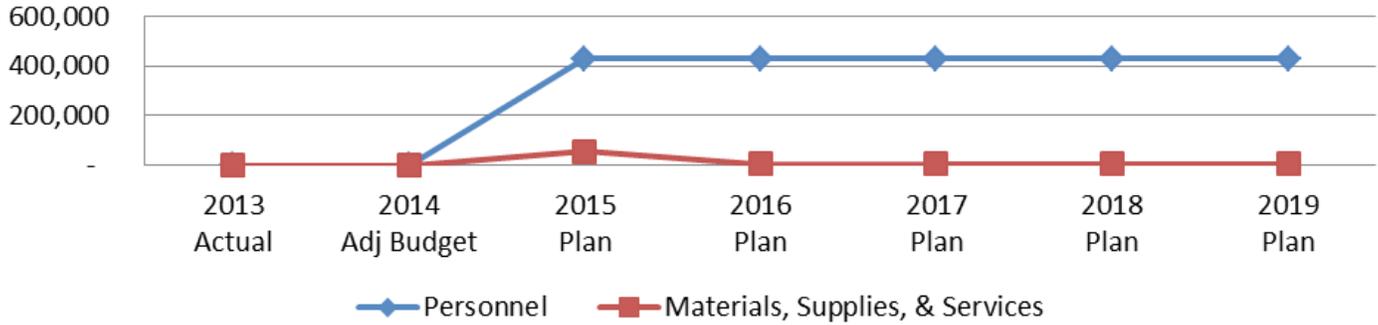

PUBLIC IMPROVEMENTS

General Fund 10: Public Improvements							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	-	-	433,334	433,334	433,334	433,334	433,334
Materials, Supplies, & Services	-	-	55,500	5,500	5,500	5,500	5,500
Total Requirement	-	-	488,834	438,834	438,834	438,834	438,834
% Change from Prior Period				-10%	0%	0%	0%

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). The creation of this department separates 3.5 FTE’s from the Engineering Department, plus the request for 2 additional FTE inspectors for upcoming projects. The Total FTE’s for the Public Improvement Department is 5.5.



General Fund 10: Public Improvements



GENERAL GOVERNMENT: NON-DEPARTMENTAL

General Fund 10: Non-Departmental and Transfers							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	149,050	-	-	-	-	-	-
Materials, Supplies, & Services	292,173	317,175	352,133	360,473	369,213	378,373	387,974
Interfund Transfers	2,811,343	217,758	400,746	390,273	509,003	587,030	709,857
Total Requirement	3,252,566	534,934	752,881	750,749	878,220	965,408	1,097,837
% Change from Prior Period		-84%	41%	0%	17%	10%	14%

Table 38 (above) represents Non-Departmental’s actual expenditures for 2013, 2014 adjusted budget, 2015 tentative budget, and budget plan for 2016 - 2019.

General Fund 10: Non-Departmental

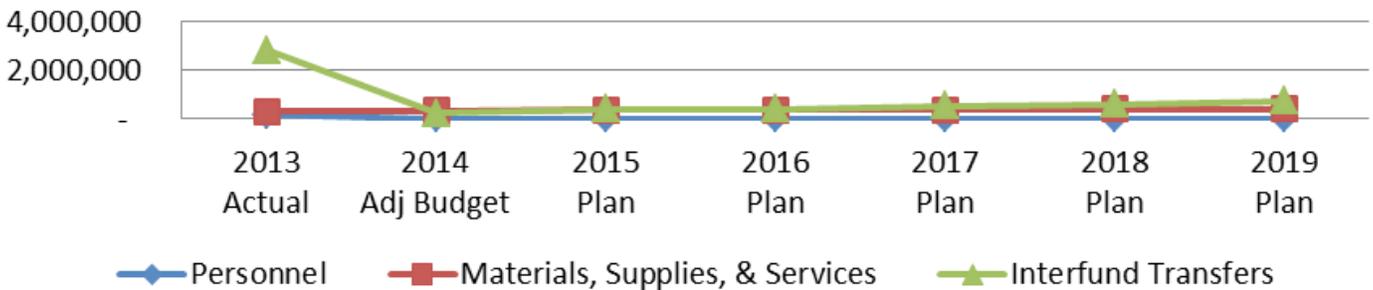


Figure 34 (above) represents Materials, Supplies, and Services (MSS), and Personnel costs for fiscal years 2013 – 2019.



Materials, Services and Supplies requirements are expected to grow 3 percent in 2013. MSS are expected to increase 1-3 percent annually between 2015 through 2018. This increase is mainly due to the software maintenance costs associated with Cityworks, and increases in insurance costs.

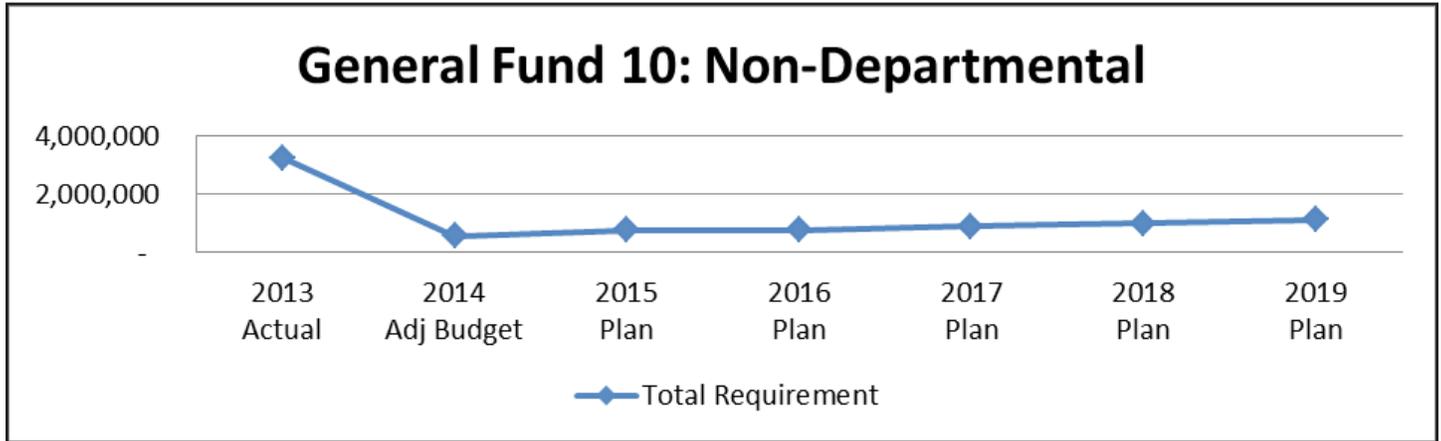


Figure 35 (above) represents total non-departmental requirements for fiscal years 2013 – 2019.



Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Materials, Supplies, & Services	143,240	181,293	186,248	191,375	193,680	202,172	207,856
% Change from Prior Period		-37%	27%	3%	3%	1%	4%

Table 39 (above) represents the Buildings and Grounds Department’s actual expenditures for 2013, adjusted budget for 2014, tentative budget for 2015, and budget plan for 2016 – 2019.

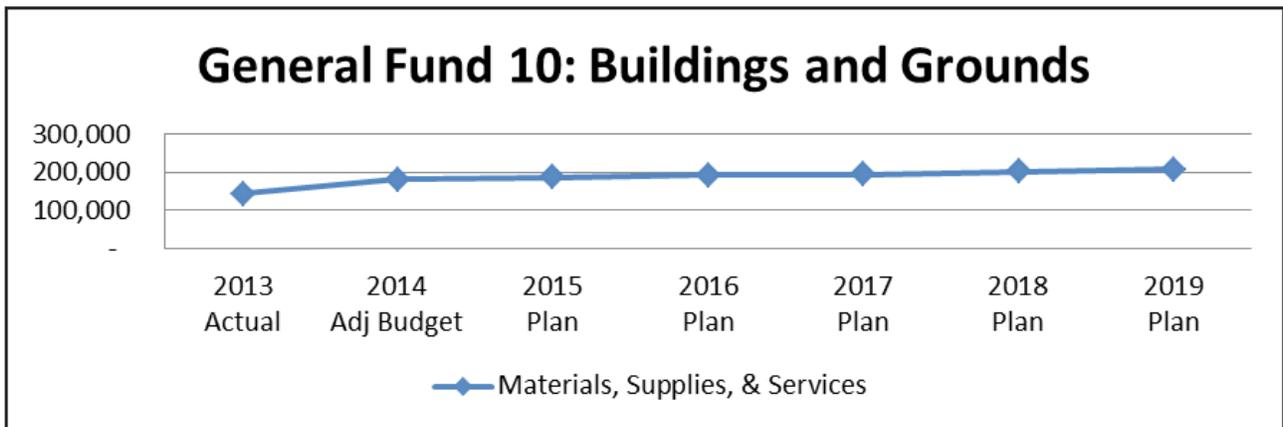
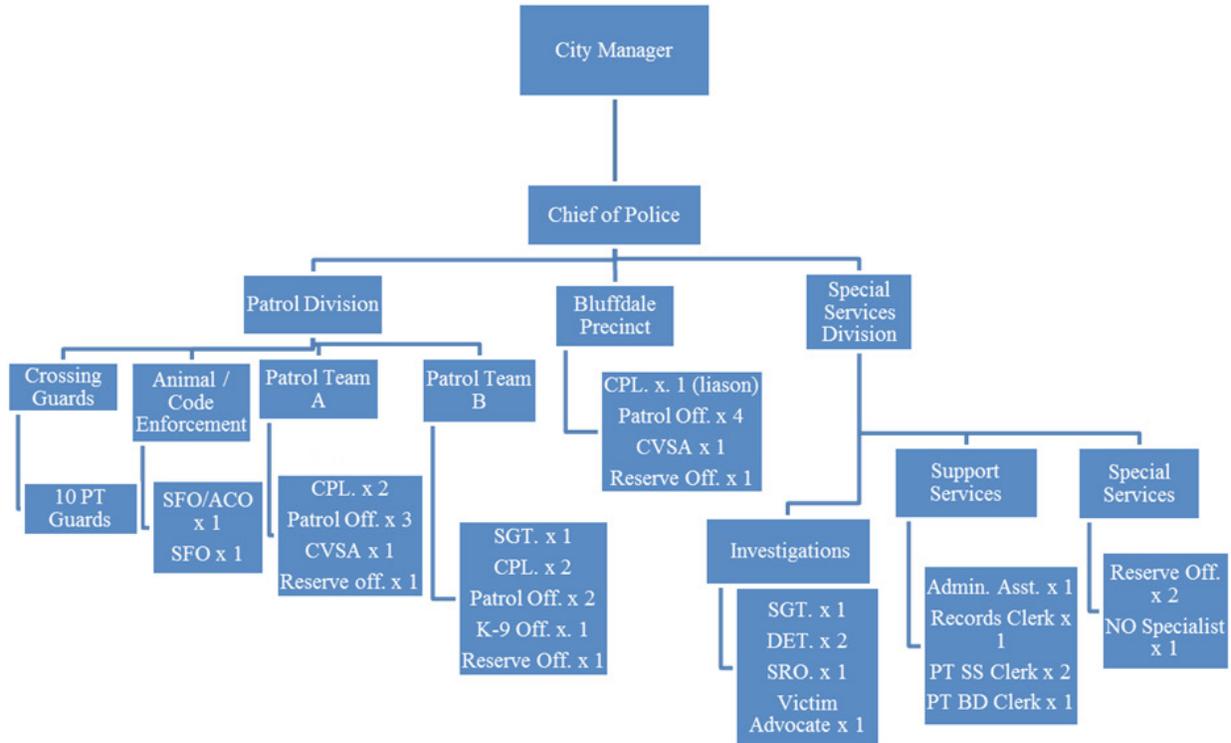


Figure 36 (above) represents Materials, Supplies, and Services (MSS) requirements for fiscal years 2013 – 2019.

In 2015 MSS is expected to increase 3 percent. This is mainly due to slight increases in utilities and custodial services.



Introduction

The Saratoga Springs Police Department currently employs twenty-six sworn police officers, two full time animal control/code enforcement officers, seven paid part time reserve police officers, one full time administrative assistant, one full time and four part time records clerks, a part time victim advocate, two part time Neighborhood Outreach coordinators, and 14 school crossing guards. The department provides law enforcement services to the cities of Saratoga Springs and Bluffdale, and animal control and code enforcement services to Saratoga Springs City.

Mission

The Saratoga Springs Police Department provides law enforcement services for the cities of Saratoga Springs and Bluffdale in order to protect life and property, support the highest level of public safety, and to help maintain the quality of life.

Fiscal Year 2013-14 Accomplishments and Highlights

1. The police department maintained the highest quality of investigations to include the use of state of the art investigative equipment such as the Cellebrite Smart Phone Data Analysis System, a modern pole surveillance camera, interview recording equipment, and a Total Traffic Station system. The department added one full time investigator. All cases were cleared or closed within six months of receipt in the Investigations Unit. The Victim Services Coordinator provided services to 100% of victims requesting assistance.
2. The police department conducted patrol operations 7 days a week, 24 hours per day in both cities, and animal control/code enforcement patrol as needed in Saratoga Springs. This included 24/7 supervision and minimum manning of two officers on duty in Saratoga Springs and one officer on duty in Bluffdale on a 24/7 basis. Response to Priority One calls was less than 7 minutes in every case. The total number of incidents handled was 7,138. Officer



generated incidents handled was 1,995. The patrol bicycle program was re-instituted with the rehabilitation of the two department bicycles. The patrol bicycles were utilized for selected events and patrol functions. Vacation checks as requested by citizens were completed at 100%. School crossing guard services at the city's elementary schools was provided at roughly 5.5 hours per day at each school.

3. The training program was vastly improved to include more firearms and "hands-on" training. This included the use of the new state of the art firearms simulation system at the UPD Range as well as active shooter scenarios at various schools and at Camp Williams. The department also conducted swift water rescue training and high risk vehicle stop training. Police department officers each averaged over 100 hours of training.
4. The department's tactical team equipment and training was greatly improved, with specialized training conducted in several schools and at other venues throughout both cities as well as at Camp Williams.
5. The department provided specialized law enforcement capabilities such as commercial truck inspections/enforcement, a police service dog, bicycle patrol, police motorcycle, and special weapons and tactics team.
6. Every officer was issued additional safety equipment including ballistic eyewear, personal flotation devices and rescue ropes. Additional safety vests, automatic external defibrillators (AEDs) and other first aid equipment was obtained. Every officer now also carries the new style rescue tourniquet. Additional lock out kits were obtained that will enhance the department's ability to assist citizens.
7. A law enforcement curriculum was taught to high school students at Westlake High School where the department provides a full time School Resource Officer. A school program entitled Nurturing Opportunities for Values and Accountability (NOVA) was taught within the Saratoga Springs elementary schools to approximately 495 students.
8. The department implemented a new car per officer fleet program that will greatly enhance the department's capability to perform its day to day mission as well as enhance the department's ability to respond to disasters and other emergencies.
9. Within the Bluffdale Precinct a police motorcycle program was established and the motorcycle is used for special events, educational events, and school safety.
10. The department conducted a citizens academy. Six new volunteers were recruited to participate in the Volunteers In Police Service (VIPS) program. The VIPS volunteers provided approximately 1663 hours of service to the department. The Explorer Scout Post consisted of 10 Explorer Scouts, 3 civilian advisors and two police officers. The Explorer Post provided over 300 hours of service time. The Post also conducted over 75 hours of training.
11. The department's Neighborhood Outreach program conducted over 150 meetings and/or training events in support of neighborhood watch and other police safety programs.

General Fund 10: Police Department - Saratoga Springs							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	1,976,778	2,175,519	2,410,644	2,516,586	2,524,738	2,533,216	2,542,035
Materials, Supplies, & Services	515,069	520,447	410,413	421,198	432,519	444,404	456,881
Capital	-	-	-	-	-	-	-
Total Requirement	2,491,848	2,695,966	2,821,056	2,937,784	2,957,257	2,977,620	2,998,915
% Change from Prior Period	12%	8%	5%	4%	1%	1%	1%

Table 40 (above) represents the police department’s (Saratoga Springs portion) actual expenditures for 2013 and 2014, approved budget for 2015, and the budget plan for 2016 – 2019.

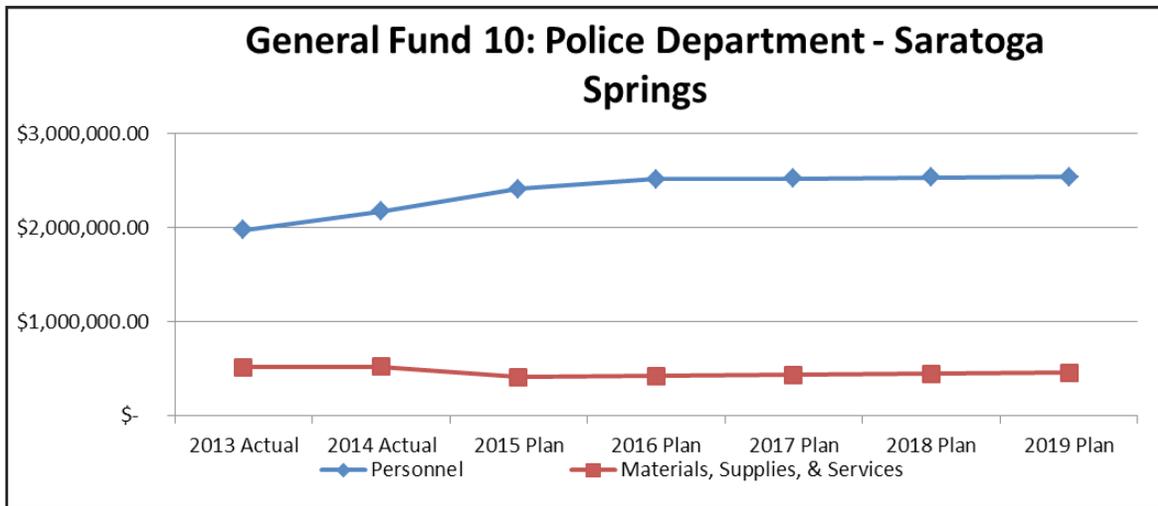


Figure 37 (above) represents Personnel, Materials, Services, and Supplies (MSS), and Capital expenses between 2013 and 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). Also, in FY 2015 an officer is anticipated to be added to the budget, in association with .5 FTE of a detective that was approved in a FY2014 budget amendment.

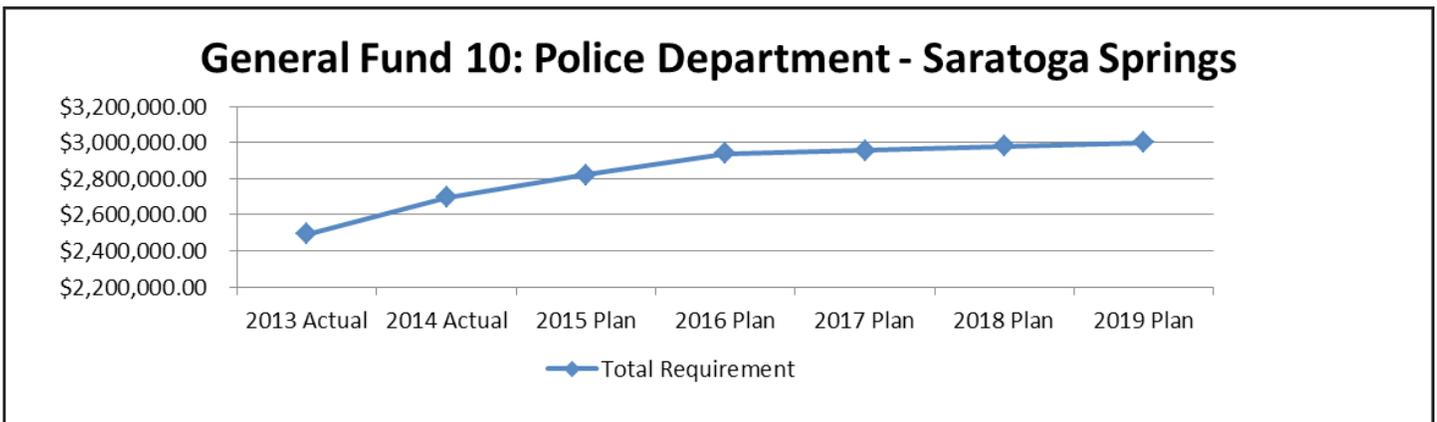


Figure 38 (above) represents total departmental requirements from fiscal years 2013-2019.

Materials, Supplies and Services are expected to decrease by 21.1% in FY2015. This is mainly due to the removal of the vehicle lease payments in the department. This amount was removed and placed as an inter-fund transfer to the capital fund for the vehicle replacement program. At this time all leases and purchases of police vehicles will be handled through the vehicle replacement program.



General Fund 10: Police Department - Bluffdale							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	564,408	538,628	614,552	615,433	616,356	617,322	618,335
Materials, Supplies, & Services	136,722	168,802	174,125	180,607	187,413	194,560	202,065
Capital	-	-	-	-	-	-	-
Total Requirement	701,130	707,430	788,677	796,041	803,770	811,882	820,399
% Change from Prior Period	385%	1%	11%	1%	1%	1%	1%

Table 41 (above) represents the police department's (Bluffdale portion) actual expenditures for 2013, approved budget for 2014, tentative budget for 2015, and budget plan for 2016 – 2019.

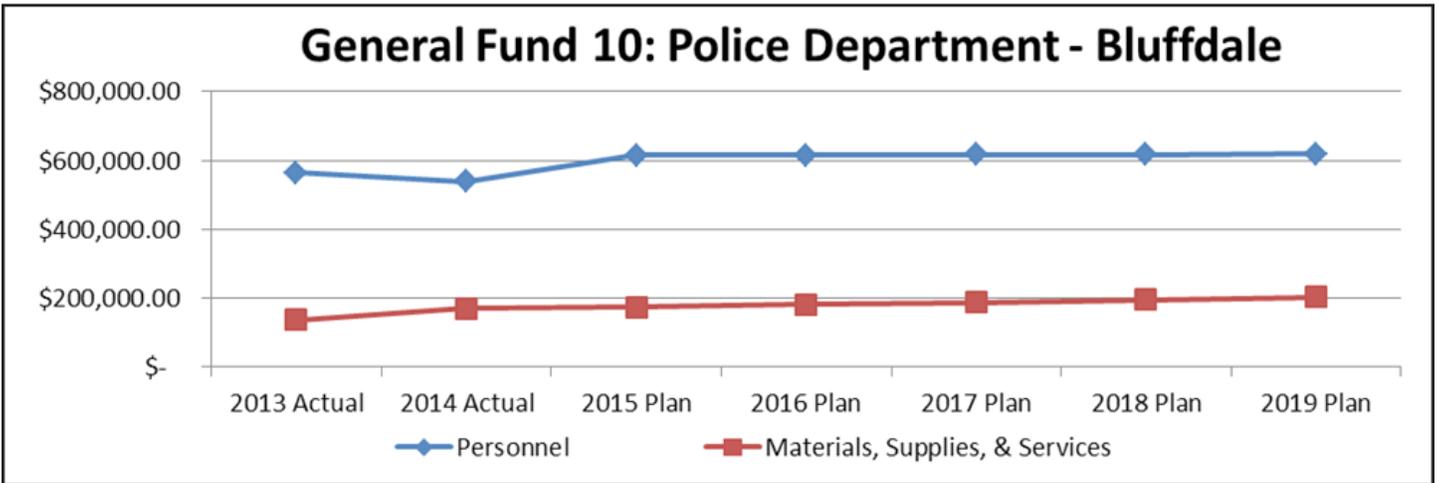


Figure 39 (above) represents Personnel, Materials, Services, and Supplies (MSS), and Capital expenses between 2013 and 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). Also, as a budget amendment in FY2014 a .5 FTE detective was approved for the Bluffdale contract.

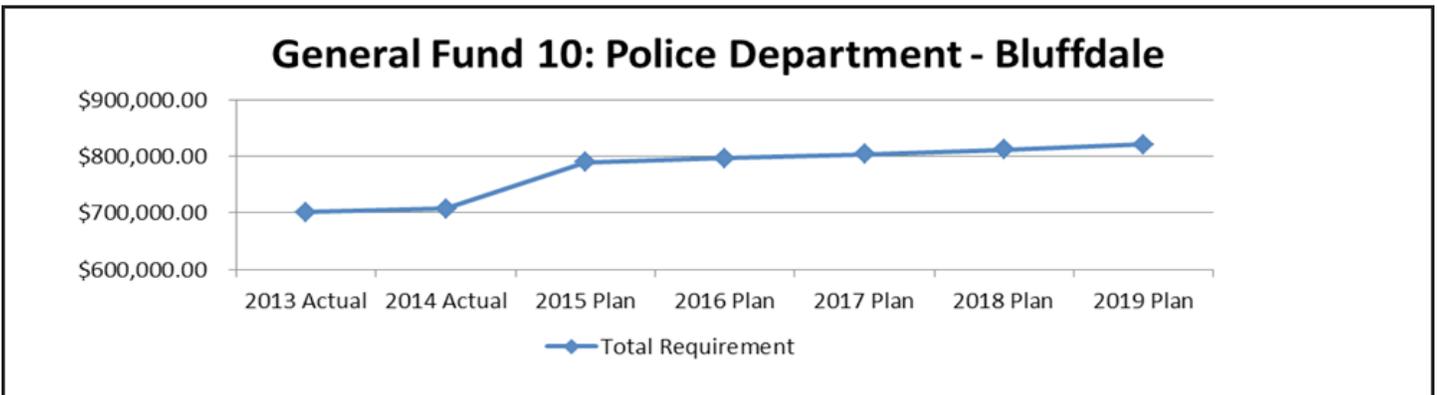
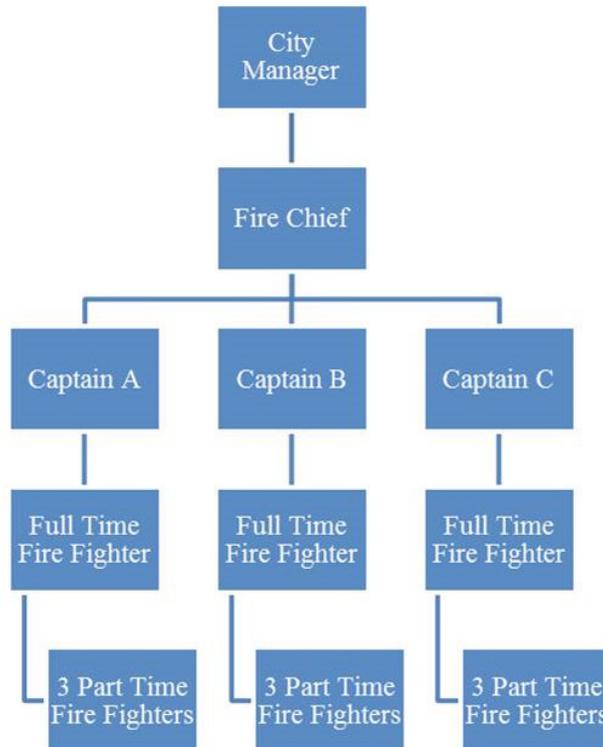


Figure 40 (above) represents total Police Department (Bluffdale) departmental requirements.

Materials, Supplies and Services increased slightly between FY 2014 and FY 2015 due to increases in contract dispatch fees, this increase is being offset by increased revenue from Bluffdale City.

Police Department Performance Measures	Target 2014-15
Total Officer generated incidents	1200
Response time for priority 1 calls	<7 min
Clear all assigned cases within 6 months	100%
Teach DARE classes to elementary school students	450 students
Serve all victims who request help from Victim Services	100%
# of Citizen Academies per year	1
# of new Volunteers in Police Service (VIPS)	3
VIPS Volunteer Hours	1200
# Scheduled neighborhood outreach meetings	100
# of Explorers	8-12
# of Explorer advisors	2
# of Explorer hours of service	200
# of hours of training per officer per year	80
Supervision 24/7 and min 2 officers at all times	100%
# hours of bike patrols per week during summer	6
% of vacation checks completed daily	100%
Provide 5.5 hours of crossing guard service per elem. school per day	100%

Table 42 – Police Performance Measures



Mission

The mission of the Saratoga Springs Fire Department is to provide a wide range of services to the community designed to protect and preserve life, property and the environment, through planning, prevention, education and response. We are committed to excellence in the delivery of these services:

“Proudly We Serve.”

Department Overview

The Saratoga Springs Fire provides paramedic and fire protection/prevention services. Fire services include fire protection, fire suppression, training, inspections, code enforcement, and HAZMAT. Additionally, the City is covered by a series of Mutual Aid Agreements with the County and other neighboring agencies. The Mutual Aid Agreement requires that in the event of an emergency other jurisdictions will respond to the emergency in our community.

The Department is staffed with 7 Full-time including the Fire Chief, and 48 Part-time Firefighter/Paramedics and AEMT’s. Five Firefighter/Paramedics and AMET’s are on duty 24/7. The Firefighter/Paramedics and AMET’s are trained to a minimum of AEMT (Advanced Emergency Medical Technician) and firefighter II levels of certification.

Fiscal Year 2013-14 Accomplishments and Highlights

Completed several overall goals and objectives; specifically the successful completion of all physical requirements that have been implemented by all current and new personnel for both structural and wild land fitness testing. This was a benchmark that was established in April of 2012. A total of 210 man hours were spent on duty in preparation for the implementation of this new condition of employment that was placed into policy April 12, 2012.

We spend 1825 man hours in preparing for and conducting the annual process now, and it is mandated



that 90 minutes each shift be dedicated to physical fitness, whether in a formal fashion like a gym setting; or in a combination of training and physical fitness workouts.

As a condition of employment with Saratoga Springs Fire and Rescue: Concluded second round of Train the Trainer instruction for Water and Ice Rescue and provided training to 95% of personnel. There was a total of 1804 man hours for Ice Rescue, 1580 for Water Rescue. Conducted 1050 man hours in fire training to include live fire training. 1178 hours for CEU's in EMS training and compliance.

315 man hours in maintaining the new safety program in all the elementary schools in Saratoga Springs. Presented students with awards and provided breakfast for them and their families at the fire station is now an event that is much anticipated and looked forward to!

The following are trainings provided to both external and internal customers:

- 102 man hours teaching Boy Scouts first aid
- 387 man hours in Public Relations events. (Splash, Polar Plunge, Parades, Safety Weeks, fire and medical)
- 162 man hours in providing 38 public tours of our stations
- 184 man hours in teaching CPR to public, and 150 man hours in teaching First-aid to the public.
- First-aid and CPR taught to every member of Public Works.
- 6 Babysitting classes to young men and woman in our community.
- CPR awareness and First-aid taught to 408 young women preparing for girls camps.
- Hand Only CPR to 1150 people in our community, our goal is 3000 annually.
- 1122 Fire Hydrants tested and flowed.
- 297 Business inspections and new building inspections of sprinkler and alarm systems.
- Ran a total of 867 911 Emergency calls for service.

A new Type III Engine was placed into service. Acquired two more additional water craft at no cost to the City under a relationship developed with Yamaha. Continue to upkeep and update as much of our fleet as possible. Prepare to present fleet replacement schedule for the rest of the aging fleet.

General Fund 10: Fire Department							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	1,018,466	1,107,329	1,242,759	1,267,011	1,267,397	1,267,797	1,268,212
Materials, Supplies, & Services	377,194	373,582	291,748	307,524	298,868	284,990	276,699
Total Requirement	1,395,660	1,480,911	1,534,507	1,574,535	1,566,265	1,552,787	1,544,911
% Change from Prior Period	#DIV/0!	6%	4%	3%	-1%	-1%	-1%

Table 44 (above) represents the Fire Department's actual expenditures for 2013, 2014 adjusted budget, 2015 tentative budget, and 2016– 2019 budget plan.

Fire Department Performance Measures	Target FY 2014	FY 2014 Actuals
% of required annual business inspections completed	80	82
% of annual performance evaluations completed	90	100
# of times per year capital assets are inventoried	1	1
% of times daily weekly vehicle checks completed	100	98

Table 45 (above) represents the Fire Department's performance measures.

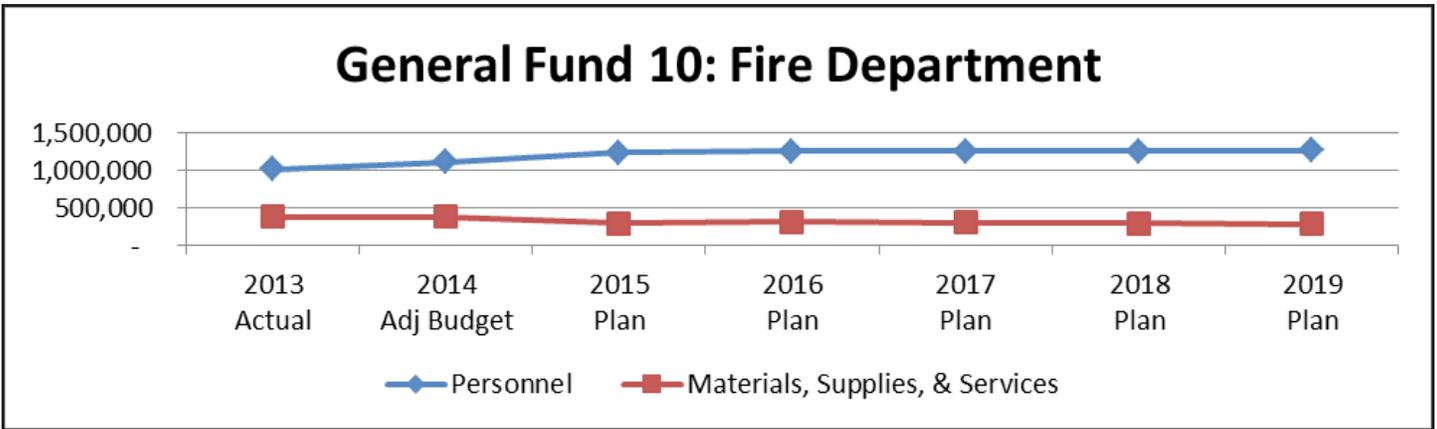


Figure 41 (above) represents Personnel, Materials, Supplies, and Services, and Capital Outlay major requirements from fiscal years 2013 - 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). The main increase in personnel is for the requested 3rd part-time position in the south fire station. This will be a placeholder in the budget until we can apply for the SAFER grant for full-time positions as directed by council.

Materials, Supplies and Services (MSS) shows constant from fiscal years 2015 to 2019.

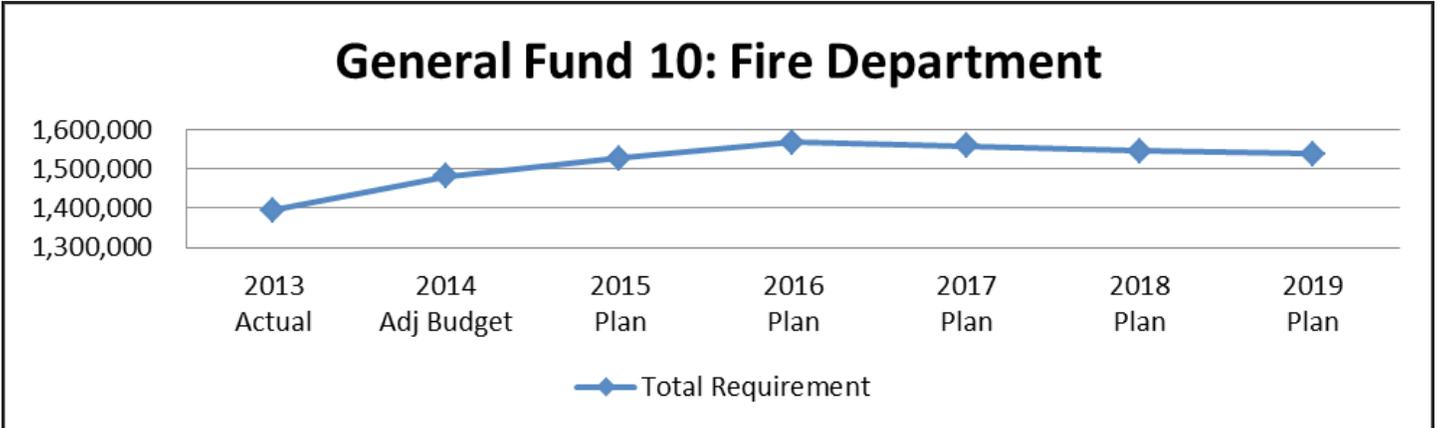
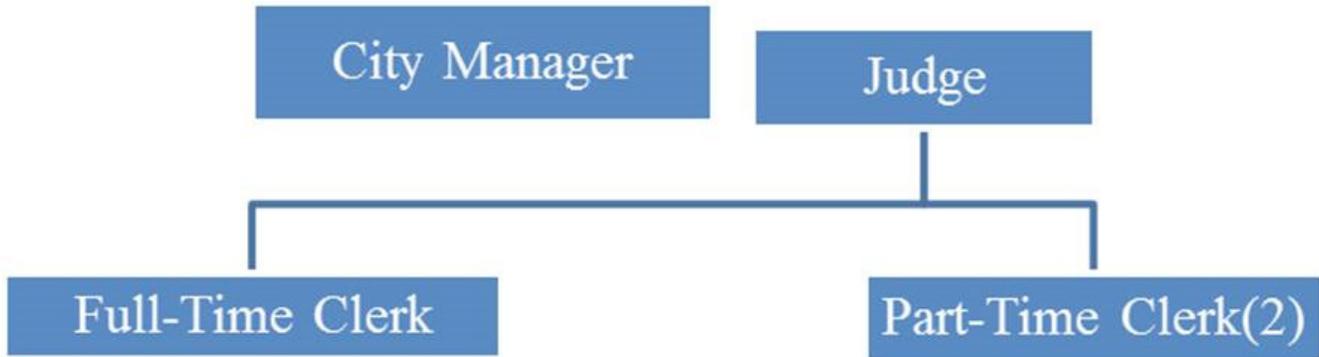


Figure 42 (above) represents total departmental requirements.



Mission

Consistent with the Utah Courts, the mission of the Saratoga Springs Court is to provide the people an open, fair, efficient and independent system for the advancement of justice under the law.

Vision

- The position of the Court is to educate people regarding their rights and duties under the law; to teach respect for the law and the importance of safety to persons and property as a result of compliance with the law.
- To render fair and speedy justice at a local level.
- Provide the proper atmosphere for the efficient administration of justice.
- To represent the administration of the City as well as the people of Saratoga Springs, in a professional manner through effective punishment and wise admonition.
- Every individual has worth and the right to be treated with dignity.

The Justice Court, a Class III Court, has jurisdiction over class B and C misdemeanors, local ordinance violations and infractions committed within their territorial jurisdictions.

General Fund 10: Justice Court							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	138,385	120,936	115,566	115,605	115,648	115,693	115,743
Materials, Supplies, & Services	115,605	107,380	107,380	107,380	107,380	107,380	107,380
Total Requirement	253,990	228,316	222,946	222,985	223,028	223,073	223,123
% Change from Prior Period	233%	-10%	-2%	0%	0%	0%	0%

Table 46 (above) represents the Court’s actual expenditures for 2013, 2014 adjusted budget, 2015 tentative budget, and 2016 – 2019 budget plan.

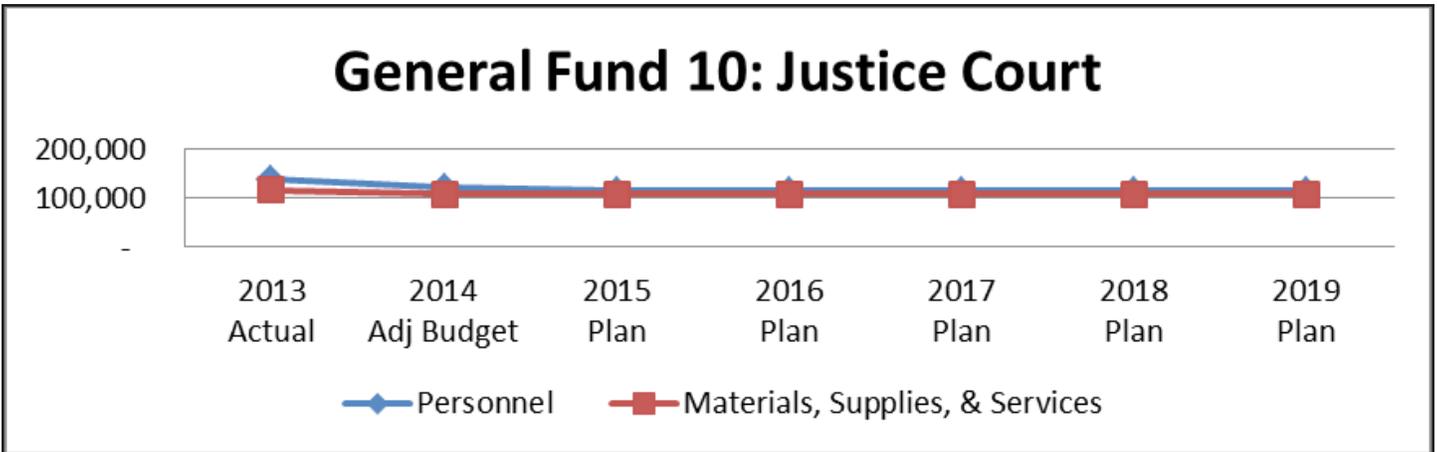


Figure 43 (above) represents Personnel, Materials, Services, and Supplies (MSS) major requirements from fiscal years 2013 – 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training).

Positions funded in the Justice Court Department include the Judge and court clerk positions (1 full-time, 2 part-time). Full-time equivalents are expected to remain the same at 3.

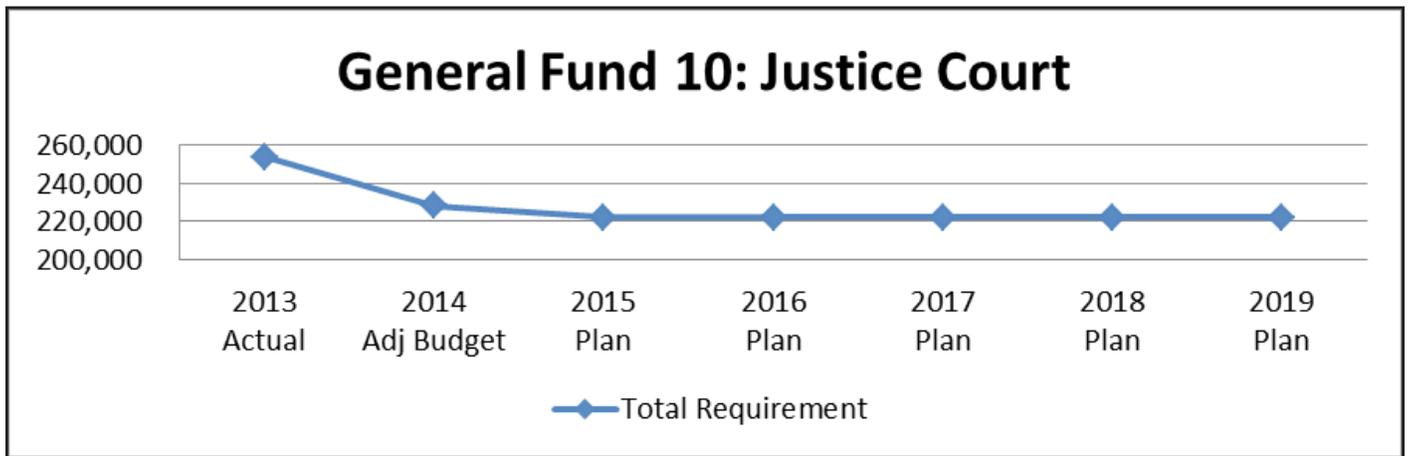


Figure 44 (above) represents total departmental requirements from fiscal years 2013 – 2019.

Materials, Supplies and Services are expected to stay constant from 2015-2019.

Justice Court Performance Measure	Target 2013	FY 2014 Actuals
# of weeks bail notices mailed out	52	49
# of of weeks delinquent notices mailed	52	12
# of months warrants on citations issued	12	12
% of time bench warrants on criminal FTA issued within one week of court date	100%	100%
Submit case summary report to State by 10th each month	12	12
# of complete annual warrant audit	1	1

Table 47 (above) represents the Municipal Court Department’s performance measures.



Highlights FY 2014

- City Code amendments:
 - o Comprehensive amendments were made to Title 19 last year. Many of the amendments added criteria to language that was arbitrary and capricious because there were no criteria for granting/denying certain types of uses. These modifications were significant as they will help protect the City in the future.
 - o While changes to Title 19 are constant and never-ending, the changes passed last year will pay dividends as they set the tone for future amendments with having clear criteria for making land use decisions.
- ACE Amendments:
 - o Our office accomplished comprehensive Title 20 amendments.
 - o The amendments cleaned up Title 20 and made it consistent with current procedures.
 - o We also developed forms used in code enforcement.
- Police training:
 - o During the last year, our office has worked diligently towards improving police training.
 - o Our office has performed at least quarterly trainings/legal updates for the police department.
 - o Over the last three years, we have seen significant improvement with 4th amendment issues. While there are other reasons for the improved police training, our efforts have had a significant impact in this area.
- Finish code amendments:
 - o We have made amendments to Title 2 (City Manager responsibilities), Title 3 (City Recorder responsibilities, Finance Manager changes necessitated by Utah Code), Title 8 (water and septic amendments), 18 (grading permit requirements), 19 (numerous changes), and 20 (numerous changes).
- Establish policies and procedures for bonds:
 - o We have worked closely with the engineering departments and Recorder's office to streamline our processes. We have seen significant improvement in this area.
 - o We are working towards a final draft of a policies and procedure manual that will help streamline our policies for processing and calling bonds.
- Court:
 - o In-court services were enhanced through the development of a plea sheet, which

decreased amount of time citizens have waited in court for their case to be heard.

- o Additionally, notice of wait time is now included on each Summons.
- o Screening: amount of time between submission and screening/filing was reduced to typically no more than 2 weeks.
- o Caseload: significant reduction in the amount of open cases by addressing backlog of old cases and then appropriately resolving.

2015 Attorney Goals

- Recreation:
 - o Tighten up Code so that developers are held responsible for their open space obligations.
 - o Give Council options for funding as far as bonding, fee-in-lieu, service/utility fees, and using general fund.
 - o Rather than give Council open-ended options, give Council clear recommendations.
 - o Tighten up master plans to eliminate unnecessary amenities.
 - o Prioritize parks to focus on areas lacking recreational amenities.
 - o Work towards creating adequate alternatives so that regional parks are developed.
- Economic Development:
 - o Improve communication with developers to eliminate misunderstanding.
 - o Improve master planning.
 - o Streamline processes so that approvals are more efficient.
 - o Tighten up Code so developers have a clear understanding of our processes and standards.
- Long Range Planning:
 - o Work on master plans.
 - o Eliminate Code and General Plan inconsistencies.
 - o Educate Council on funding options.
- Lakefront:
 - o Work on Code to encourage and require lakefront development.
 - o Consider funding options.
- Communication:
 - o Work on and update website.
 - o Coordinate with Owen with providing relevant public information.
 - o Return phone calls within 24 hours.
 - o Show compassion to residents with concerns.
 - o Communicate with employees often so that expectations are met.
 - o Update forms and templates for criminal cases.
 - o Define ACE procedures better.
 - o Set up billing for ACE in Caselle or CityWorks.
 - o Victim services:
 - o Work with Victim Coordinator to create better communication between to keep victims updated with their cases.
 - o Find an effective method of communication with Victim Coordinator regarding when hearings are to be held, whether victim has been contacted, and summary of any conversations.
- Staff:
 - o Reward employees with expressing appreciation, encouragement, and rewards.
 - o Ensure that employees are receiving the training they need.
 - o More frequent staff meetings.
 - o Encourage goal setting with performance incentives.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). Positions funded in the attorney department include the City Attorney, part-time legal assistant, a part-time Prosecutor, and a part-time Clerk. Full-time equivalents are expected to remain steady at 2.5.

General Fund 10: Attorney							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	165,260	216,055	223,031	223,031	223,031	223,031	223,031
Materials, Supplies, & Services	31,143	45,210	45,455	45,704	45,959	46,219	46,484
Total Requirement	196,403	261,265	268,485	268,735	268,990	269,250	269,515
% Change from Prior Period	36%	33%	3%	0%	0%	0%	0%

Table 48 (above) represents the Attorney Department’s actual expenditures for 2013, 2014 adjusted budget, tentative 2015 budget, and 2016-2019 budget plan.

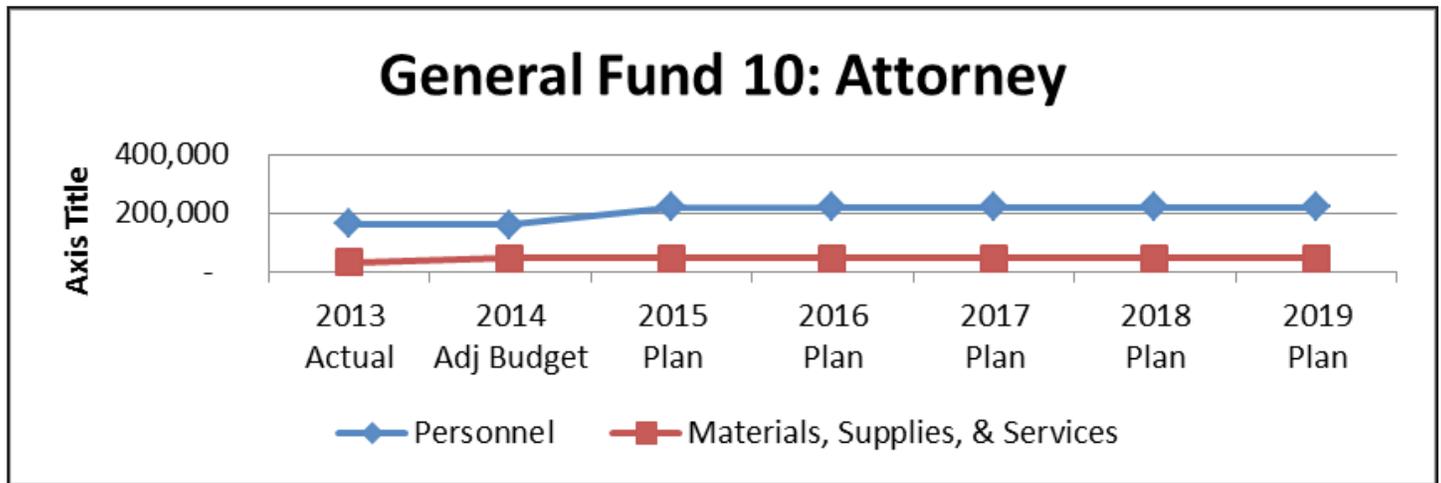


Figure 45 (above) represents Personnel, Materials, Services, and Supplies (MSS) major requirements from fiscal years 2013 – 2019.

Materials, Supplies and Services are expected to remain fairly stable from 2015-2018.

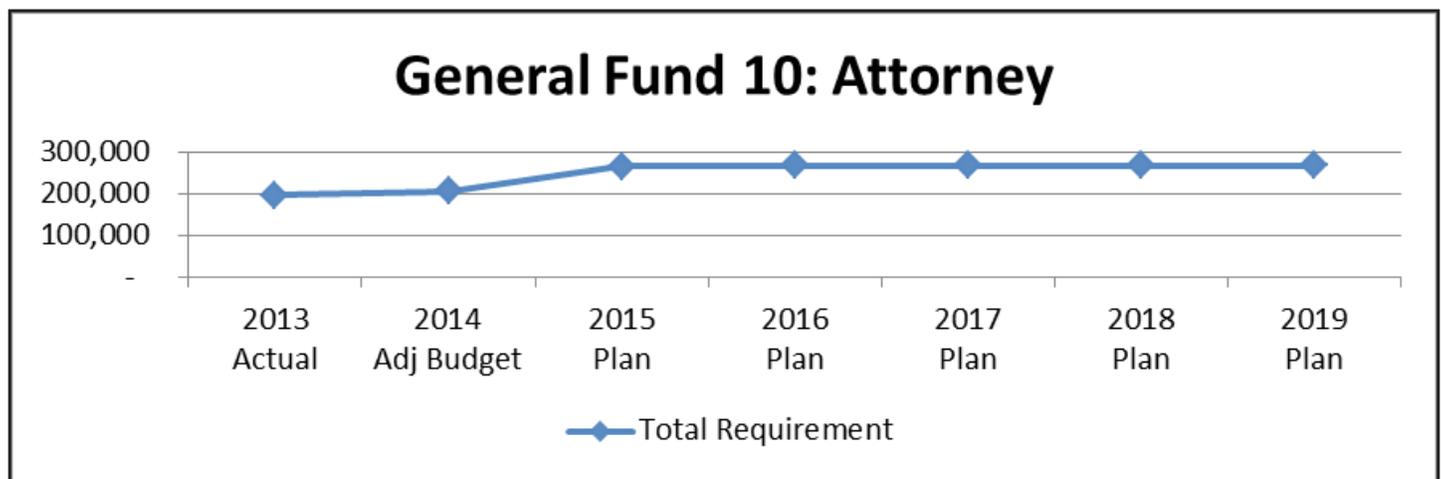
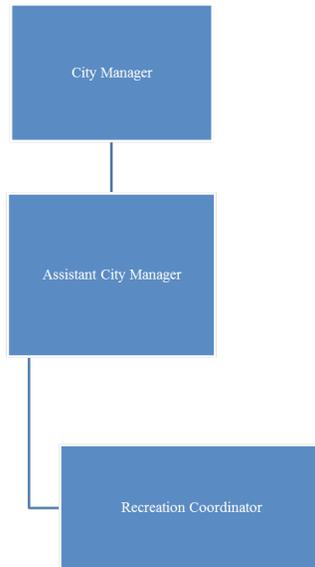


Figure 46 (above) represents total departmental requirements from fiscal years 2012 – 2018.

Performance Measure	Target 2014	FY 2014 Actuals
% of phone calls returned within 24 hours	100	100



Mission

To provide the citizens of the City of Saratoga Springs with meaningful recreation activities and facilities geared toward improving the physical, mental and social well-being of the participants; and to help them foster a greater sense of community.

Vision

To provide recreational opportunities that are professional, safe, fulfilling and unique in fulfilling its mission.

Goals

- To strengthen public perceptions of the recreation department activities and programs as a whole.
- To develop partnerships within the community in delivering recreation services.
- To continue to increase revenue sources and seek other means of funding for the recreation programs and facilities..
- To improve existing recreation programming .
- To continue to introduce new recreational programs where there is a demonstrated demand.
- Promote community pride and relations through special events and programs.

Department Overview

The Leisure Services Department develops and organizes the recreation, leisure and community programs/events.

Recreation

General Fund 10: Recreation							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	81,064	107,549	104,191	104,191	104,191	104,191	104,191
Materials, Supplies, & Services	68,992	75,111	75,111	75,111	75,111	75,111	75,111
Total Requirement	150,056	182,660	179,302	179,302	179,302	179,302	179,302
% Change from Prior Period	38%	18%	-2%	0%	0%	0%	0%

Table 49 (above) represents Recreation actual expenditures for 2013, adjusted budget for 2014, 2015 tentative budget, and budget plan for 2016 – 2019.

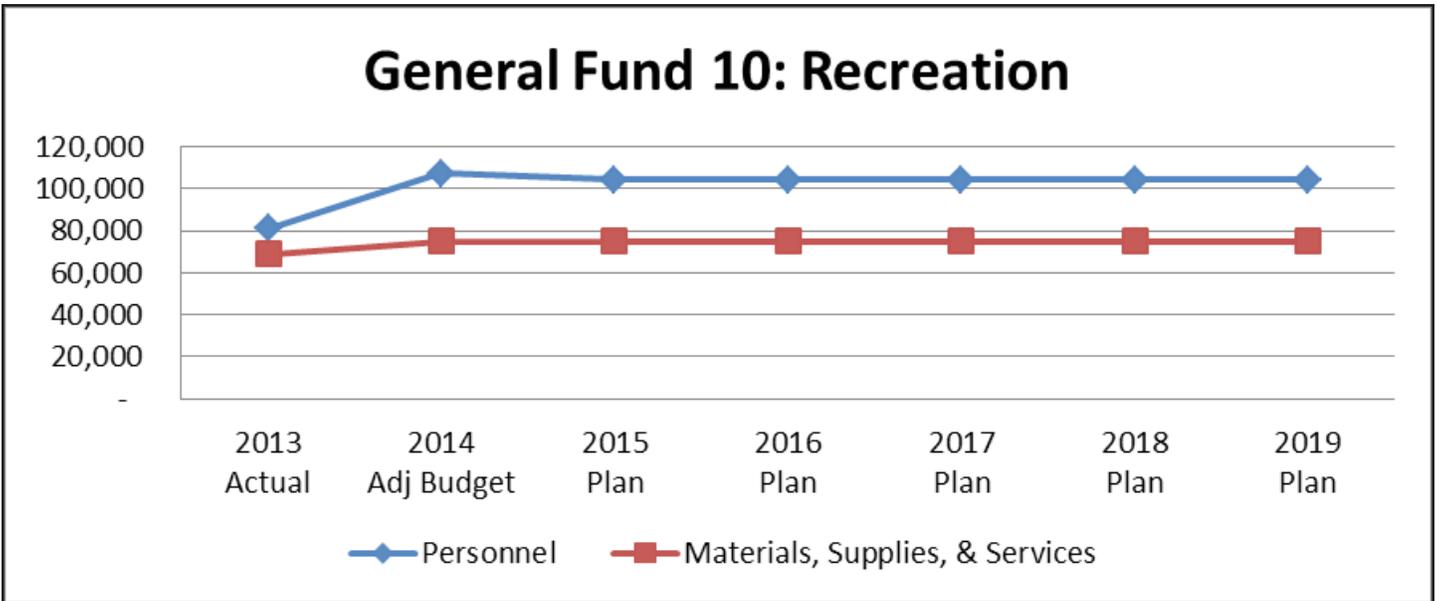


Figure 47 (above) represents Personnel and Materials, Services, and Supplies (MSS) major requirements.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA). Positions funded in the Recreation include the Recreation Coordinator, recreation referees. In FY 2015 the department was separated from Civic Events and Communities that Care.

Materials, Supplies and Services requirements are expected to increase by an average of 3 percent between 2014 and 2017.

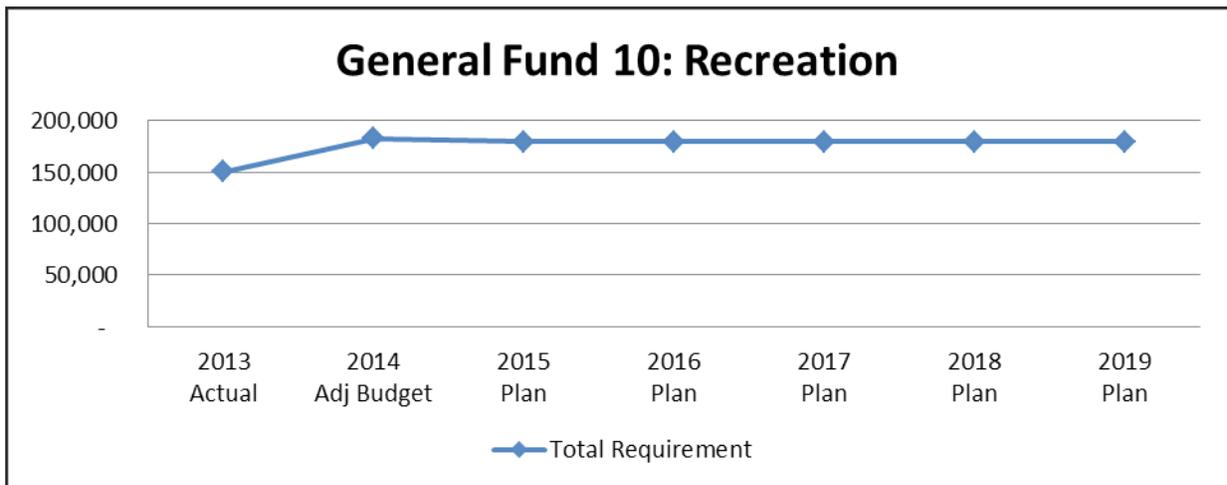
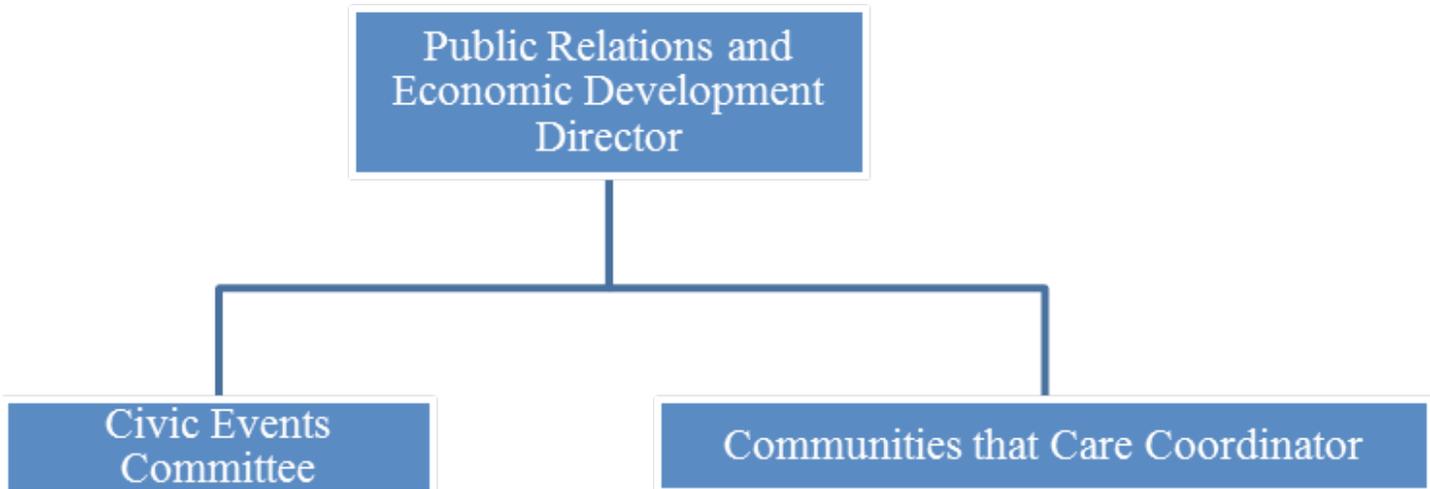


Figure 48 (above) represents total departmental requirements.

Performance Measure	FY 2014
# of months articles or announcements are in newsletter	7
% of times department webpage updated once a month	75
# of new programs/activities	0
% of programs that break even	100%
% increase in recreation participation	14%

Table 50 (above) represents the Leisure Services performance measures for fiscal year 2014.

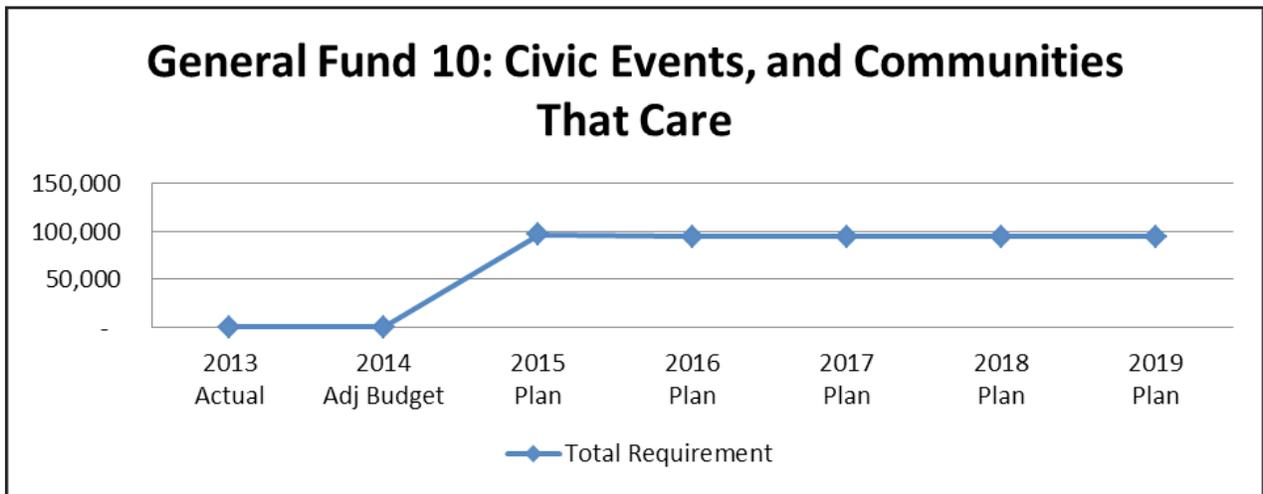
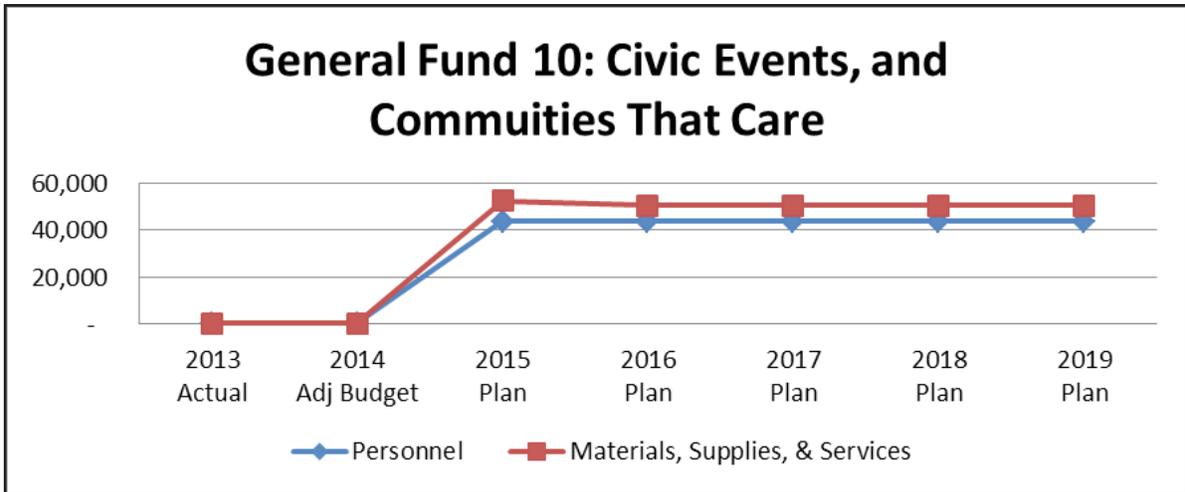


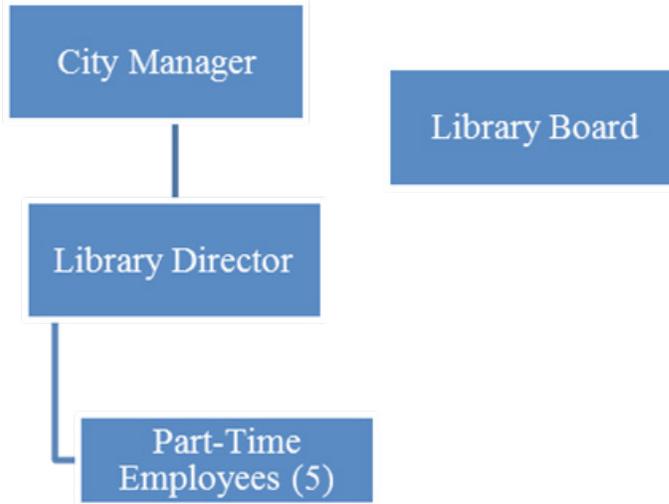
General Fund 10: Recreation							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	81,064	107,549	104,191	104,191	104,191	104,191	104,191
Materials, Supplies, & Services	68,992	75,111	75,111	75,111	75,111	75,111	75,111
Total Requirement	150,056	182,660	179,302	179,302	179,302	179,302	179,302
% Change from Prior Period	38%	18%	-2%	0%	0%	0%	0%

Personnel in FY 2015 the department was separated from Recreation and included the Civic Event coordinator and Communities that Care Coordinator.

FY 2014 Highlights
First Winter Festival at the City Marina Added more activities to Splash including: <ul style="list-style-type: none"> • Midway games • More rides (including walk on water, zip line, etc.) • Better entertainment on the Stage at Saturdays Carnival More citizen participation for most of our Splash events Started the first Saratoga Springs Youth Council

FY 2014 Performance Measures	FY 2015 Targets
Work with the library to provide 3 educational programs to the community such as parenting classes, and relationship classes.	3
The Arts Council will have 2 visual arts performances.	2
Respond to resident phone calls/ emails within 24 hours.	90%
Post on the Civic Events Facebook page 2-3 times a week.	90%





FY 2014 Library Highlights
Received Utah State Library Certification
Expanded operating hours to 41 hours per week
Added the Literacy Center and Chinese Collections to total collection amounts
Increased number of activities per week to 7

Performance Measures	FY 2014
Number of hours open to the public	41 hours per week
Average circulation per month	8,227
New patrons	1,234
Average use of computers per month	250
Items in collection	31,702
Special program attendance	10,331
Total visits	45,301

General Fund 10: Library Services							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	17,714	110,238	123,353	123,353	123,353	123,353	123,353
Materials, Supplies, & Services	44,912	33,510	33,510	33,510	33,510	33,510	33,510
Capital	-	11,235	-	-	-	-	-
Total Requirement	62,626	154,983	156,863	156,863	156,863	156,863	156,863
% Change from Prior Period	100%	147%	1%	0%	0%	0%	0%

Table 51 (above) represents Library Services adjusted budget for 2014, 2015 tentative budget, and budget plan for 2016 – 2019.

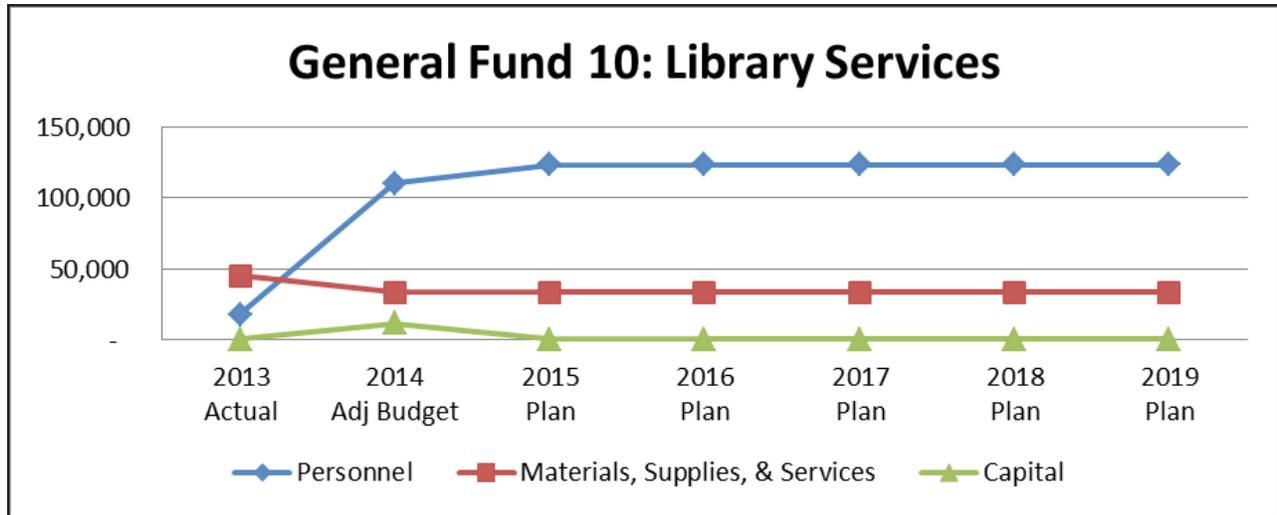


Figure 49 (above) represents Personnel, Materials, Services, and Supplies (MSS) and Capital major requirements

Personnel include a full-time librarian, and part-time librarians for total FTE's of 3.0

Materials, Supplies and Services requirements are expected to remain relatively flat in beginning in fiscal year 2015.

Capital requirements are expected to continue to roll forward with the unused amounts.

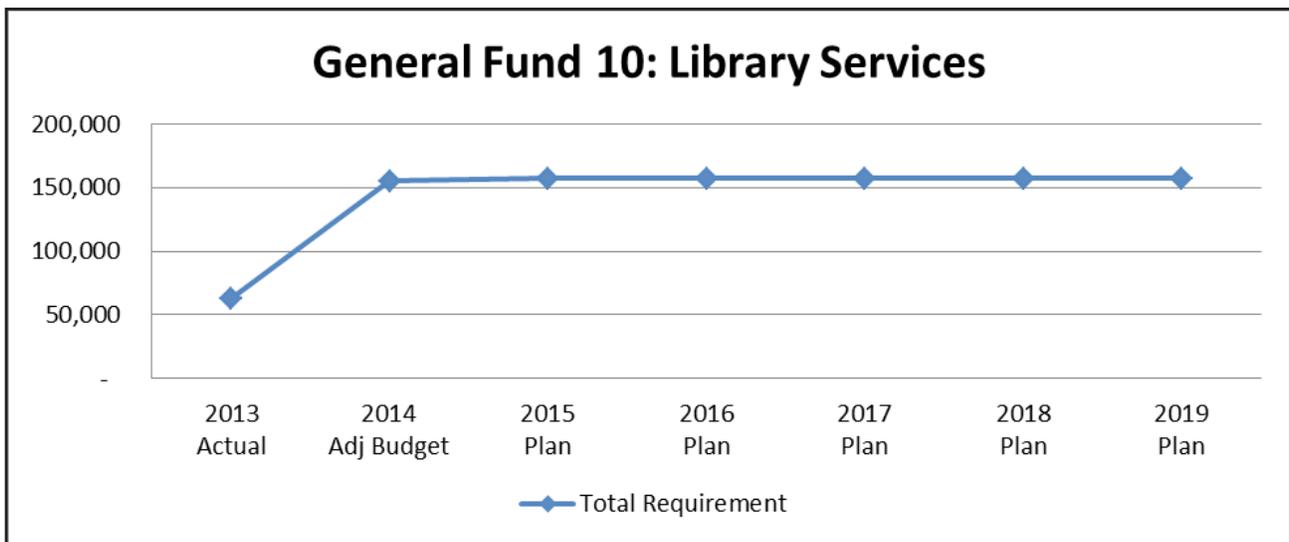
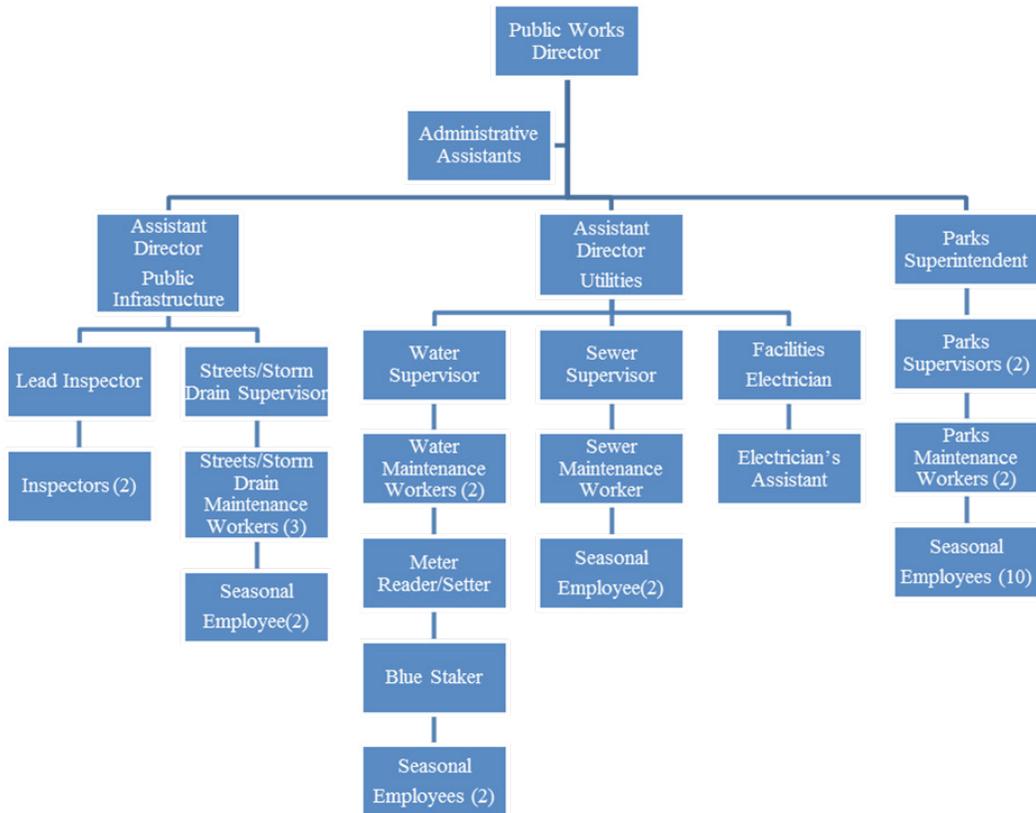


Figure 50 (above) represents total department requirements.



Mission

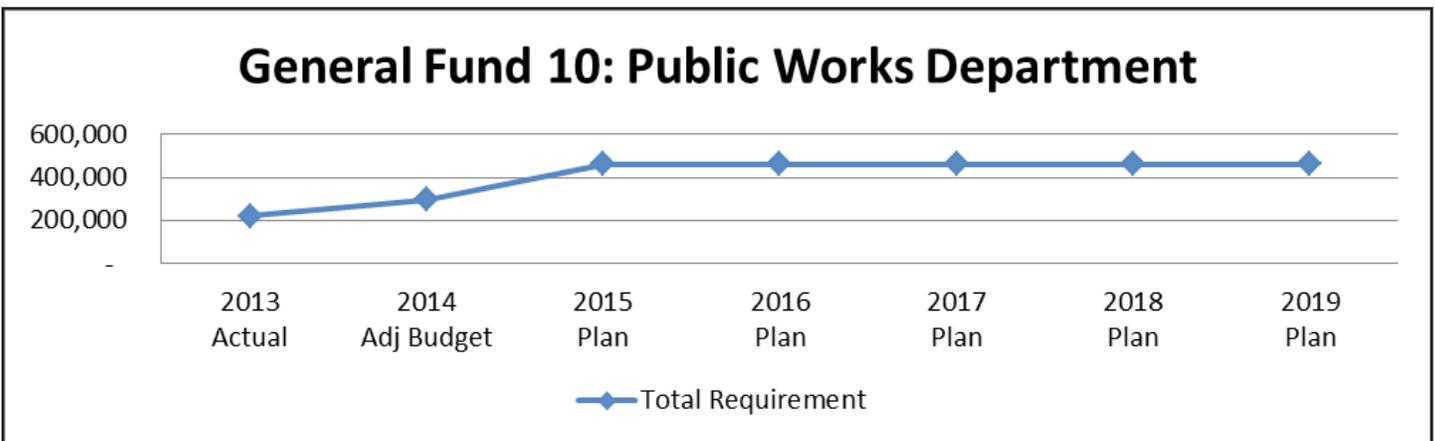
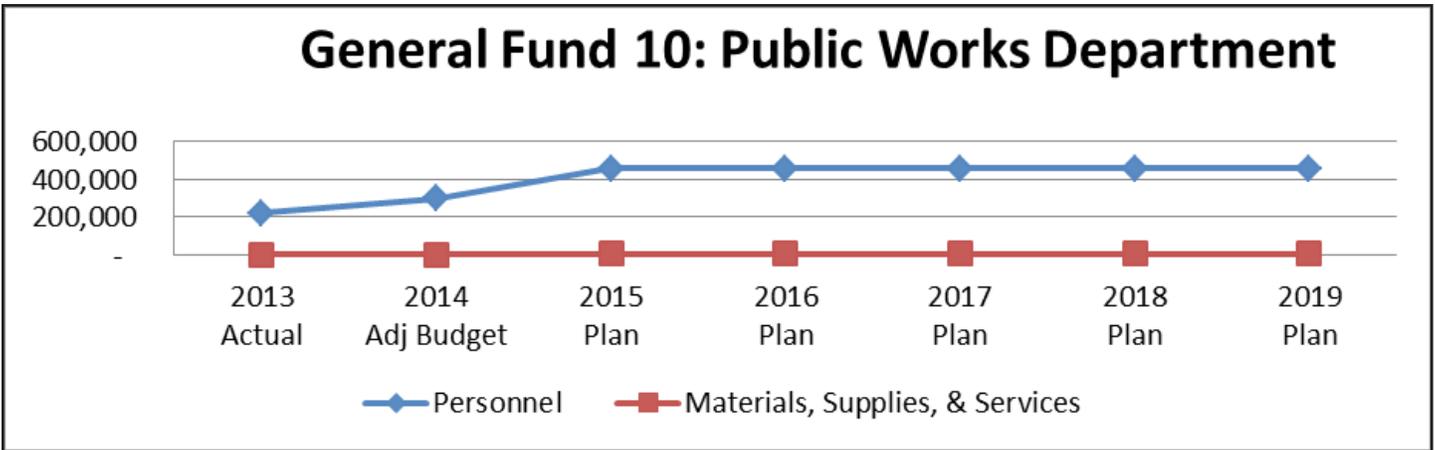
To provide the citizens of Saratoga Springs with the best possible service in regards to water, sewer, storm drain, streets, and parks. Be responsive and courteous to all calls, questions and complaints. Be honest and upfront with answers concerning our services and realistic when offering a solution to any problem brought to us. Present a clean and professional appearance when dealing with the public in an official capacity.

Services and Program Overview

The Saratoga Springs Public Works Department is responsible for the maintenance and compliance of the culinary water, sanitary sewer, storm drain, parks, and road systems.

General Fund 10: Public Works Department							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	219,564	295,767	461,925	461,925	461,925	461,925	461,925
Materials, Supplies, & Services	-	-	3,000	3,000	3,000	3,000	3,000
Total Requirement	219,564	295,767	464,925	464,925	464,925	464,925	464,925
% Change from Prior Period		100%	57%	0%	0%	0%	0%

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA). Also, with the city reorganization, the assistant city manager was added to this budget for FY 2015.



Public Works Department Performance Measures	Target FY 2014	Actuals FY 2014
# of calls for service		921
# of blue stake locates		6,032
Maintain water system certification from DDW	100	100
% of employees successfully pass water cert. exam	90	0
# of fire hydrants not in service	0	29
% of fire hydrants operational	100	98
# of water line breaks	0	35
Maintain sewer system per DWQ and local req.	100	100
# of sewer backups	0	0
# of sewer backups due to blocked mains	0	0
% of known potholes repaired within 2 weeks	80	
% of streets plowed after major storm in 6 hours	100	70
% of streets plowed after minor storm in 4 hours	100	85
# of times in the year city streets are swept	1	1
# of secondary water breaks	0	51

Table 53 Fiscal year 2014 Public Works performance measures



General Fund 10: Highways and Public Works Departments							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	126,594	233,981	241,282	241,282	241,282	241,282	241,282
Materials, Supplies, & Services	212,513	446,033	418,633	418,633	418,633	418,633	396,533
Total Requirement	339,106	680,014	659,915	659,915	659,915	659,915	637,815
% Change from Prior Period	45%	101%	-3%	0%	0%	0%	-3%

Table 52 (above) represents the Public Works Department’s actual expenditures for 2013, adjusted budget for 2014, 2015 tentative budget, and budget plan for 2016 – 2019.

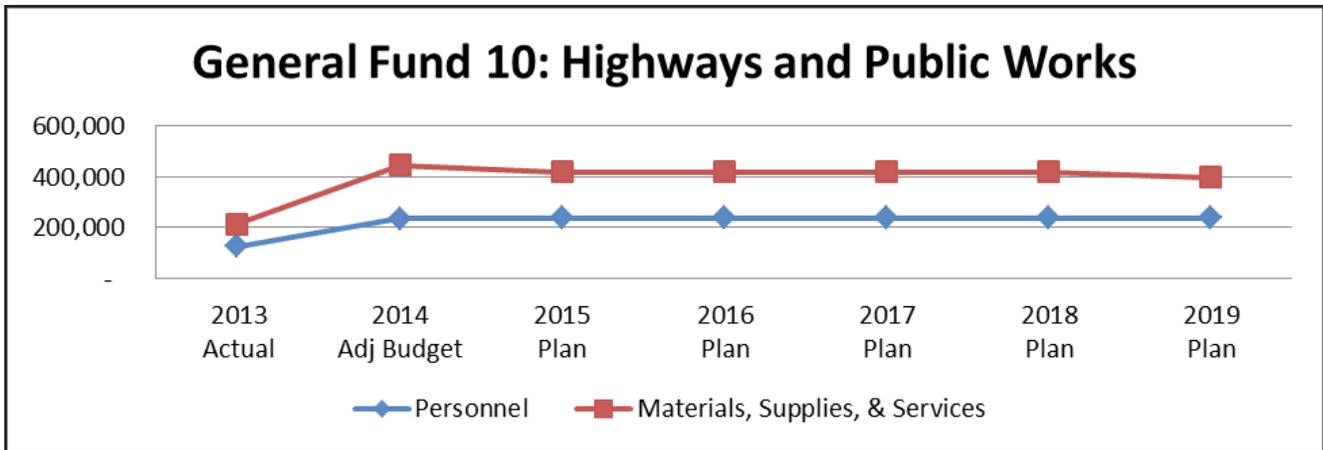


Figure 51 (above) represents Personnel and Materials, Supplies, and Services, (MSS) major requirements for fiscal year 2013 - 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training).

Materials, Supplies, and Services are expected to decrease in 2015 due to a decrease in contract services.

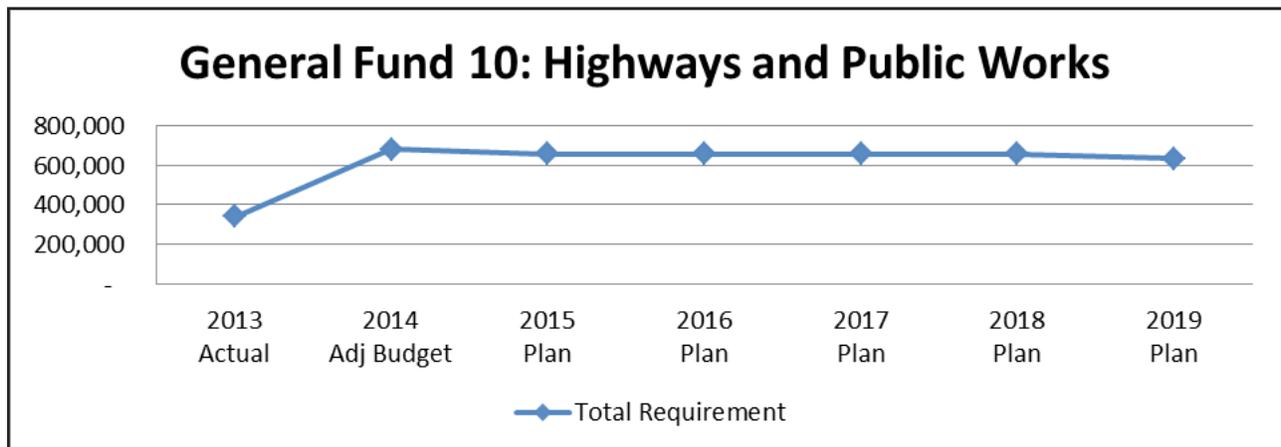


Figure 52 (above) represents total departmental requirements for fiscal years 2013 - 2019.



General Fund 10: Parks & Open Space Department							
Requirements by Major Object	2013 Actual	2014 Adj Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan
Personnel	301,543	490,206	540,339	540,339	540,339	540,339	540,339
Materials, Supplies, & Services	185,820	233,701	339,329	282,918	272,940	275,440	275,440
Capital							
Total Requirement	487,362	723,907	879,668	823,257	813,279	815,779	815,779
% Change from Prior Period	56%	49%	22%	-6%	-1%	0%	0%

Table 54 (above) represents the Parks and Open Space’s actual expenditures for 2013, adjusted budget for 2014, 2015 tentative budget, and budget plan for 2016 – 2019.

Personnel costs account for market position adjustments (if necessary), staffing levels, and employee benefits (i.e. retirement, health care, FICA, training). With the addition of .25 FTE as a marina attendant starting in FY 2015.

Materials, Supplies and Services are expected to increase in 2015. This is mainly due some capital expenses that are budgeted.

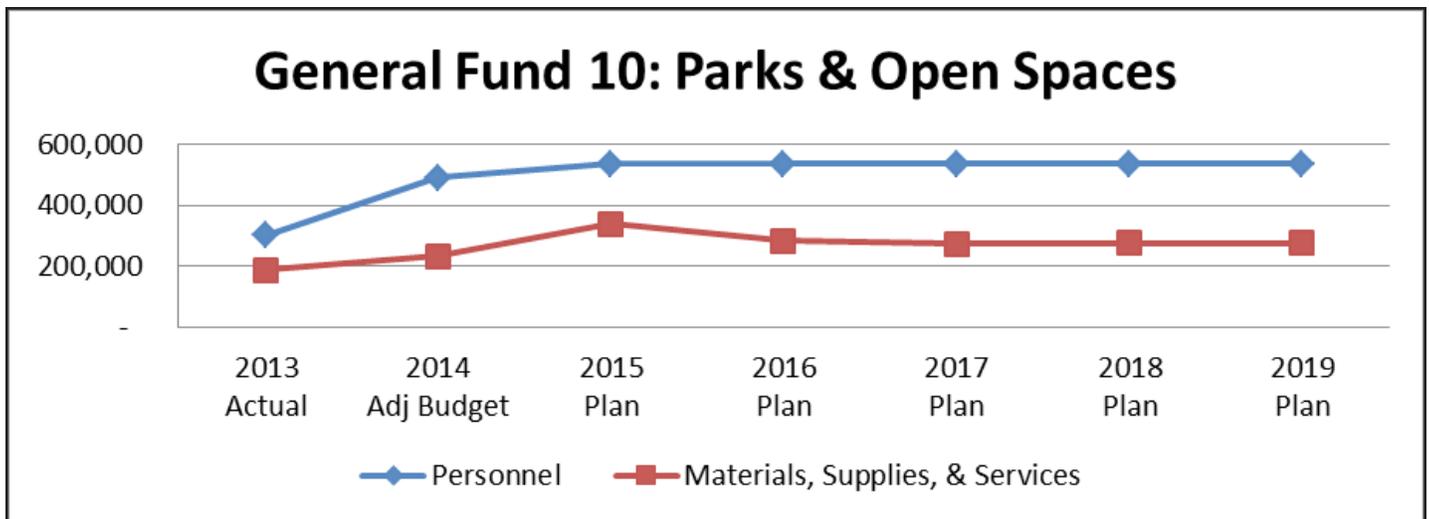


Figure 53 (above) represents Personnel, Materials, Supplies, and Services, (MSS), and Capital major requirements for fiscal year 2013 - 2019.

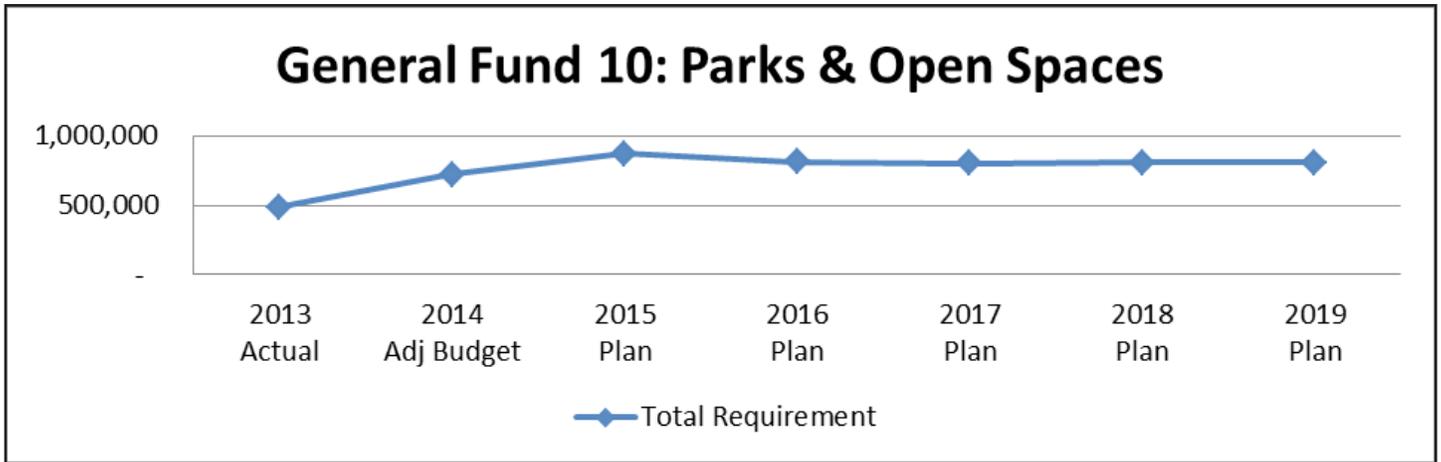


Figure 54 (above) represents total departmental requirements for fiscal years 2013 - 2019.

Performance Measures	Target FY 2014	Actuals FY 2014
% of park equipment safe and operational	100	95
% of park maintenance equipment operational	100	90

C I T Y O F



BUDGET SUMMARIES

SARATOGA SPRINGS



General Fund 10: Resources & Requirements							
Resources	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Tax	5,988,154	5,773,595	5,960,150	6,067,334	6,176,662	6,288,176	6,401,920
Licenses & Permits	648,974	482,100	582,100	582,724	583,360	584,010	584,672
Intergovernmental	757,047	782,202	782,202	711,202	691,702	691,702	691,702
Charges for Services	1,484,397	1,252,495	1,528,778	1,532,928	1,534,619	1,536,327	1,538,053
Other Revenue	1,362,097	1,282,274	1,365,500	1,380,430	1,380,763	1,381,100	1,381,440
Contributions and Transfers	1,309,782	1,308,658	2,038,738	2,026,831	2,046,709	2,066,785	2,087,060
Fund Operating Revenues	11,550,452	10,881,324	12,257,468	12,301,449	12,413,815	12,548,100	12,684,847
% Change From Prior Period	3%	-6%	13%	0%	1%	1%	1%
Requirements							
Legislative	103,529	96,349	115,771	116,942	118,162	119,435	120,763
Administrative	477,091	552,969	555,188	556,088	556,988	557,888	558,788
Utility Billing	74,478	76,478	141,723	143,603	145,567	147,620	149,764
Treasurer	126,135	143,552	148,183	151,312	154,594	158,035	161,644
Recorder	88,687	110,543	124,210	134,380	124,557	134,741	124,934
Attorney	196,403	261,265	268,485	268,735	268,990	269,250	269,515
Justice Court	253,990	228,316	222,946	222,985	223,028	223,073	223,123
Non-Departmental	441,223	317,175	352,133	360,473	369,213	378,373	387,974
General Gov't Buildings & Grounds	143,240	181,293	186,248	191,375	193,680	202,172	207,856
Planning and Zoning	218,147	316,673	345,027	345,202	344,837	347,622	347,757
Communications & Economic Development	31,116	109,918	109,510	109,510	109,510	109,510	109,510
Police	3,193,194	3,408,709	3,615,047	3,739,138	3,766,340	3,794,815	3,824,629
Fire	1,392,437	1,585,061	1,638,657	1,678,685	1,670,415	1,656,937	1,649,061
Building	361,085	399,155	564,256	563,298	539,344	539,393	539,447
Highways	339,106	680,014	659,915	659,915	659,915	659,915	637,815
Engineering	601,981	723,404	432,801	432,912	433,027	433,145	433,267
Public Improvements	-	-	488,834	438,834	438,834	438,834	438,834
Public Works	219,564	295,767	464,925	464,925	464,925	464,925	464,925
Parks & Open Space	487,362	723,907	879,668	823,257	813,279	815,779	815,779
Recreation	150,056	182,660	179,302	147,714	147,714	147,714	147,714
Economic Development	31,116	109,918	109,510	109,510	109,510	109,510	109,510
Library Services	62,626	154,983	158,179	158,179	158,179	158,179	158,179
Miscellaneous Expenses	-	-	-	-	-	-	-
Total Fund Operating Requirements	8,992,567	10,658,109	11,760,518	11,816,971	11,810,607	11,866,864	11,880,786
Transfers and Other Uses	2,811,343	217,758	400,746	390,273	509,003	587,030	709,857
Total Fund Requirements	11,803,910	10,875,867	12,161,264	12,207,244	12,319,610	12,453,894	12,590,643
% Change From Prior Period	6%	-8%	12%	0%	1%	1%	1%

Table 55 – General Fund Resources and Requirements

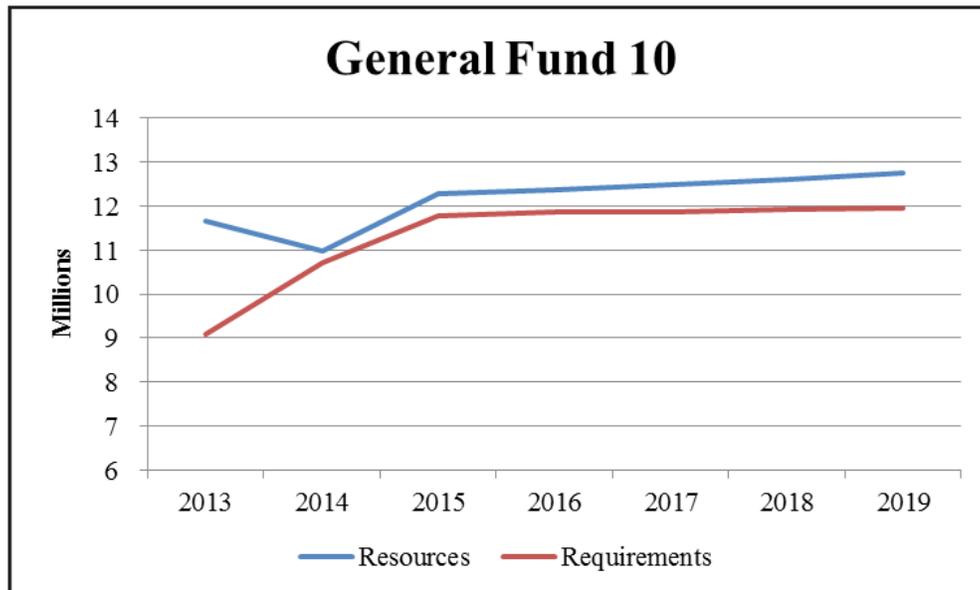


Figure 55 – General Fund Resources and Requirements by Year



Street Lighting SID Funds 22 and 23: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	162,052	147,500	157,500	162,225	167,092	172,105	177,268
Other Revenue	1,769	66,695	70,611	35,810	35,588	35,451	35,409
Fund Operating Revenues	163,821	214,195	228,111	198,035	202,679	207,556	212,677
% Change From Prior Period	17%	31%	6%	-13%	2%	2%	2%

Street Lighting SID Funds 22 and 23: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	-	-	-	-	-	-	-
Materials, Supplies, and Services	96,154	120,789	183,901	151,614	153,938	156,377	158,940
Administrative Charge	28,413	29,394	44,210	46,421	48,742	51,179	53,738
Total Fund Requirements	124,567	150,183	228,111	198,035	202,679	207,556	212,677
% Change From Prior Period	62%	21%	52%	-13%	2%	2%	2%

Table 56 – Street Lighting Resources and Requirements

The Street Lighting activities are managed by the Public Works and Utility Billing departments. While no new major initiatives are currently being planned, maintaining existing streetlight infrastructure is the main focus.

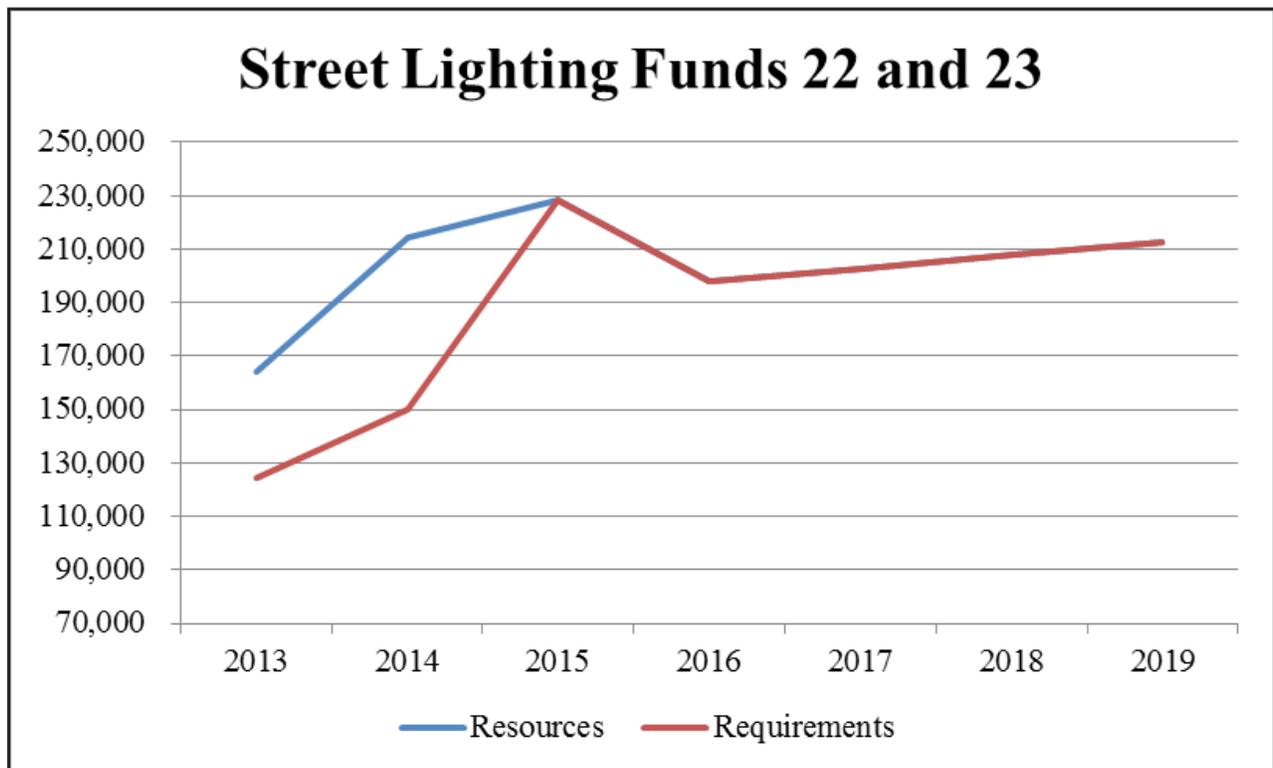


Figure 56 – Street Lighting Resources and Requirements by Year



Parks Capital Projects Fund 32: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	796,143	400,000	450,000	472,500	496,125	520,931	546,978
Intergovernmental	(1,741)	132,891	-	-	-	-	-
Interest Revenue	11,597	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Total Resources	806,000	532,891	450,000	472,500	496,125	520,931	546,978
% Change From Prior Period	73%	-34%	-16%	5%	5%	5%	5%

Parks Capital Projects Fund 32: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	187,261	2,319,254	450,000	70,000	-	-	-
% Change From Prior Period	-85%	1139%	-81%	-84%	-100%	#DIV/0!	#DIV/0!

Table 57 – Parks Capital Projects Resources and Requirements

The Parks Capital Projects Fund activities are managed primarily by the Public Improvements and Engineering department.

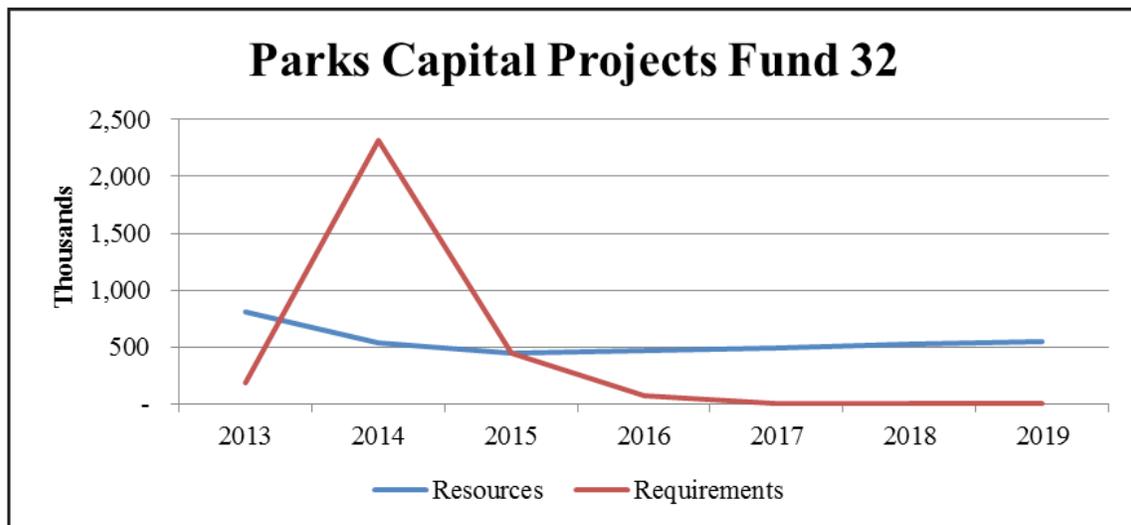


Figure 57 – Parks Capital Projects Resources and Requirements by Year

Roads Capital Projects Fund 33: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	1,055,916	475,000	500,000	505,000	510,050	515,151	520,302
Intergovernmental	-	-	-	-	-	-	-
Other Financing Sources	-	25,000	-	-	-	-	-
Interest Revenue	31,525	-	-	-	-	-	-
Total Resources	1,087,440	500,000	500,000	505,000	510,050	515,151	520,302
% Change From Prior Period	86%	-54%	0%	1%	1%	1%	1%

Roads Capital Projects Fund 33: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	625,119	5,155,223	-	-	-	-	-
% Change From Prior Period	-89%	725%	-100%	#DIV/0!			

Table 58 – Roads Capital Projects Resources and Requirements

The Roads Capital Projects Fund activities are managed primarily by the Public Improvements and Engineering department.

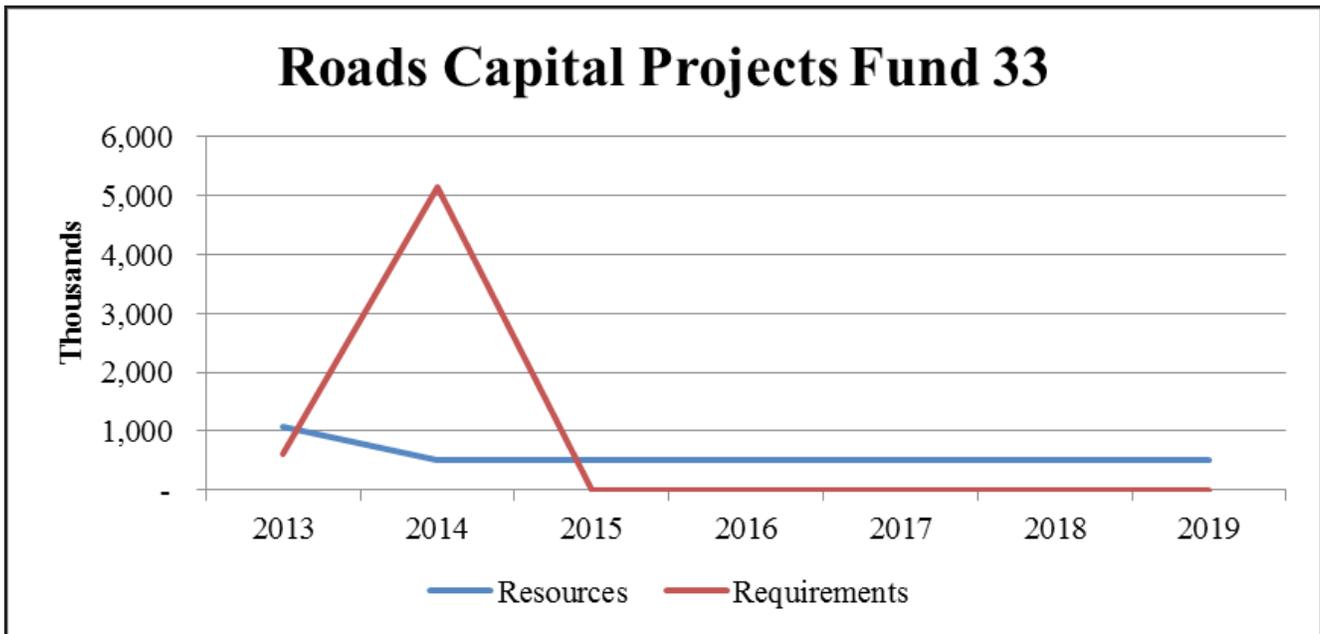


Figure 58 – Roads Capital Projects Resources and Requirements by Year

Public Safety Capital Projects Fund 34: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	390,700	250,000	300,000	303,000	306,030	309,090	312,181
Interest Revenue	5,212	-	-	-	-	-	-
Total Resources	395,912	250,000	300,000	303,000	306,030	309,090	312,181
% Change From Prior Period	77%	-37%	20%	1%	1%	1%	1%

Public Safety Capital Projects Fund 34: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	7,220	830,000	-	-	-	-	5,000,000
% Change From Prior Period	-100%	11396%	-100%	#DIV/0!			

Table 59 – Public Safety Capital Projects Fund Resources and Requirements

The Public Safety Capital Projects fund activities are primarily managed by the Public Improvements and Engineering department.

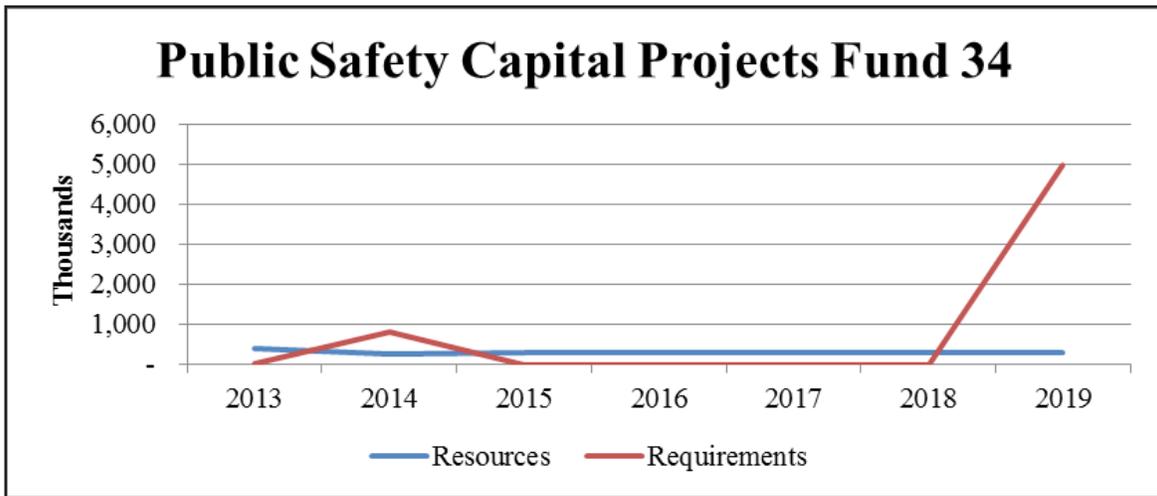


Figure 59 – Roads Capital Projects Resources and Requirements by Year

Capital Projects (General) Fund 35: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Transfers In	2,366,616	1,935,488	1,303,434	1,303,434	1,303,434	1,303,434	1,303,434
Other Revenue	16,139	1,827,969	-	-	-	-	-
Total Resources	2,382,755	3,763,457	1,303,434	1,303,434	1,303,434	1,303,434	1,303,434
% Change From Prior Period	1136%	58%	-65%	0%	0%	0%	0%

Capital Projects (General) Fund 35: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	1,733,580	5,824,789	1,040,325	989,045	989,045	989,045	989,045
% Change From Prior Period	78879%	236%	-82%	-5%	0%	0%	0%

Table 60 – General Capital Projects Fund Resources and Requirements

The General Capital Projects Fund activities are primarily managed by the Public Improvements and Engineering department. Resources are expected to increase in fiscal year 2015. This is primarily due to one-time revenue received in 2014 being used for capital purchases in 2015. Requirements are also expected to decrease by in 2015, largely due to carryover projects.

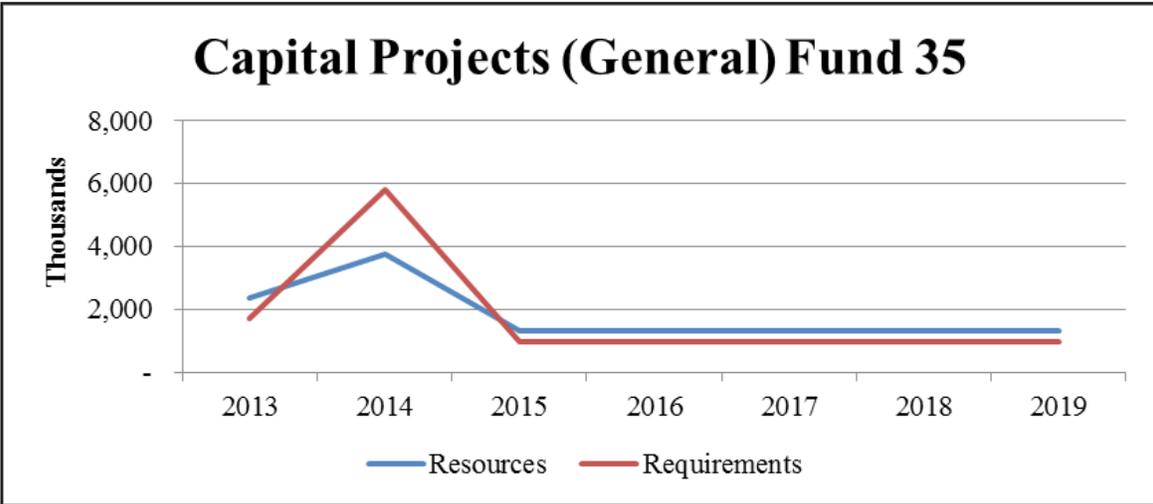


Figure 60 – General Capital Projects Fund Resources and Requirements by Year



Debt Service Fund 40: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Transfers In	221,375	291,800	292,450	292,950	293,300	293,500	294,001
% Change From Prior Period			0%	0%	0%	0%	0%

Debt Service Fund 40: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Debt Service	289,134	289,300	289,950	290,450	290,800	291,000	291,501
Materials, Supplies, and Service	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total Requirements	291,634	291,800	292,450	292,950	293,300	293,500	294,001
% Change From Prior Period			0%	0%	0%	0%	0%

Table 61 – Debt Service Fund Resources and Requirements

The Debt Service Fund activities are primarily managed by the Administrative Services department. This fund was created in fiscal year 2012 to account for debt service payments on the 2011 Sales Tax Revenue Bond. Resources and requirements are expected to remain steady through fiscal year 2018.

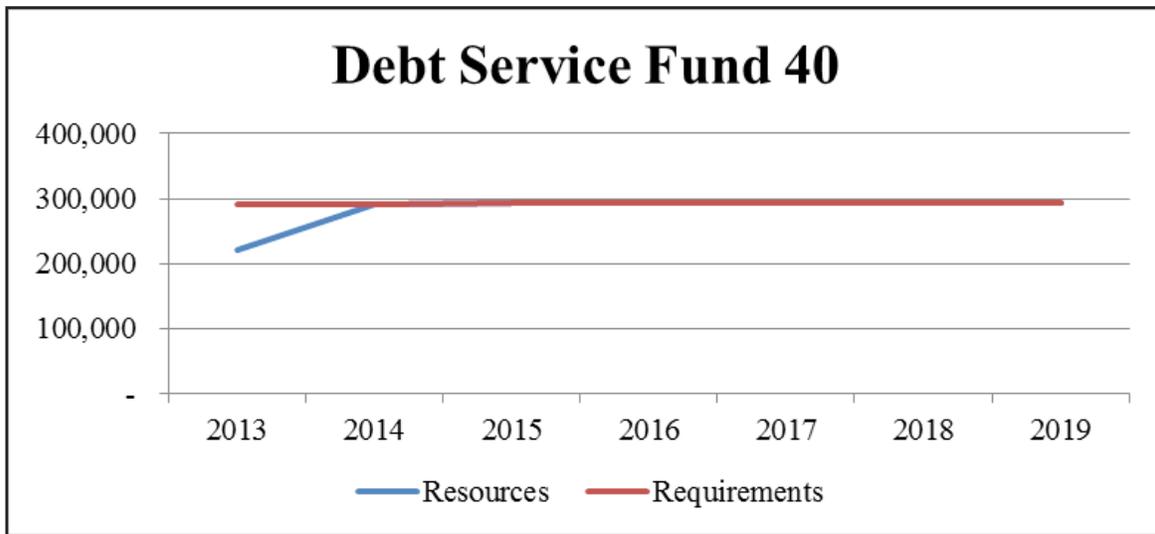


Figure 61 – Debt Service Fund Resources and Requirements by Year



Water Utility Fund 51: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	2,750,508	2,495,850	3,285,500	3,279,210	3,375,694	3,475,035	3,577,318
Other Revenue	68,214	55,000	55,000	56,100	57,222	58,366	59,534
Fund Operating Revenues	2,818,722	2,550,850	3,340,500	3,335,310	3,432,916	3,533,402	3,636,851
% Change From Prior Period	9%	-10%	31%	0%	3%	3%	3%

Water Utility Fund 51: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	434,499	422,965	492,113	490,493	490,493	490,493	490,493
Materials, Supplies, and Services	856,754	1,207,462	1,131,508	1,300,589	1,325,634	1,315,837	1,323,701
Capital Outlay	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Administrative Charge	745,906	694,367	1,049,688	1,070,682	1,092,095	1,113,937	1,136,216
Total Fund Requirements	2,037,159	2,324,794	2,673,309	2,861,764	2,908,223	2,920,268	2,950,411
% Change From Prior Period	-6%	14%	15%	7%	2%	0%	1%

Table 62 – Water Utility Fund Resources and Requirements

The Water Utility is primarily managed by the Public Works and Utility Billing Departments. Resources are expected to increase in fiscal year 2015. This is primarily due to increases in water utility rates and growth in customer accounts.

Requirements are expected to increase between fiscal year 2014 and 2015. Transfers out are expected to increase in 2015 mainly due to debt service requirements for the 2011 Sales Tax Revenue Bond.

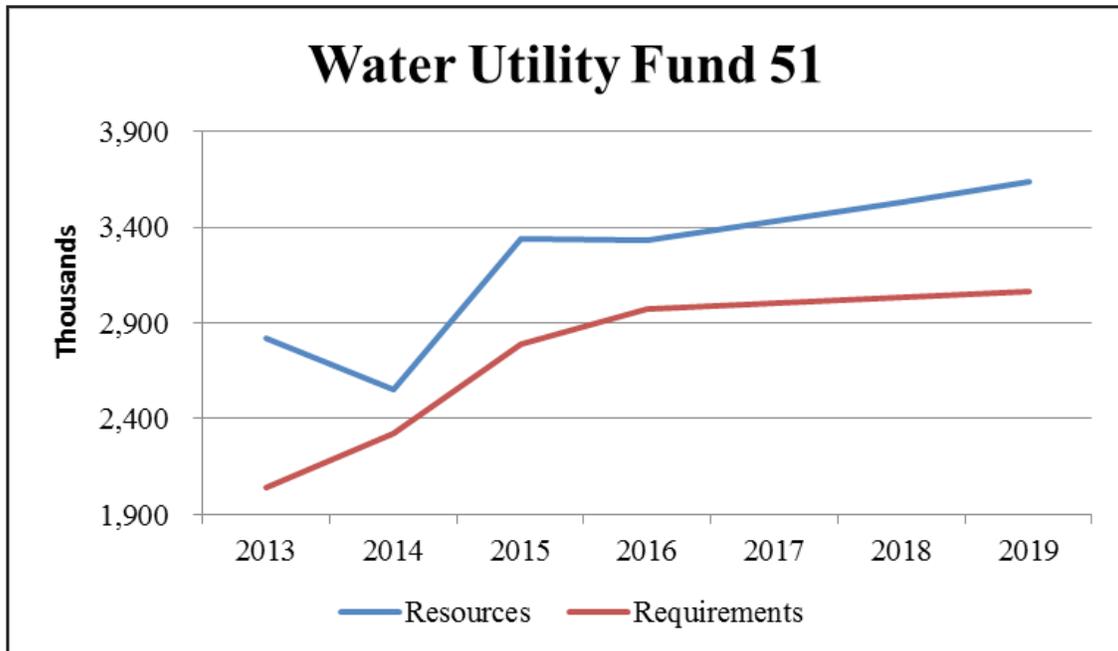


Figure 62 – Water Utility Fund Resources and Requirement by Year



Culinary Water Impact Fee Fund 56: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fee Revenue	1,519,661	900,000	900,000	903,000	906,030	909,090	912,181
Other Revenue	1,014,834	-	-	-	-	-	-
Transfers	-	705,112	-	-	-	-	-
Fund Operating Revenues	2,534,495	1,605,112	900,000	903,000	906,030	909,090	912,181
% Change From Prior Period	221%	-37%	-44%	0%	0%	0%	0%

Culinary Water Impact Fee Fund 56: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	-	507,116	1,180,000	-	-	-	-
Developer Reimbursements	-	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service	-	380,019	382,000	380,635	379,937	379,955	379,955
Depreciation	-	-	-	-	-	-	-
Total Fund Requirements	-	1,387,135	2,062,000	880,635	879,937	879,955	879,955
% Change From Prior Period	-100%	#DIV/0!	49%	-57%	0%	0%	0%

Table 63 – Culinary Water Impact Fee Fund Resources and Requirements

Resources for the culinary water impact fee fund are expected remain constant in 2015. The City saw a significant increase in impact revenue in 2013 but wants to remain conservative in its forecast for 2015.

Requirements are expected to increase, mainly due to capital projects planned for the future.

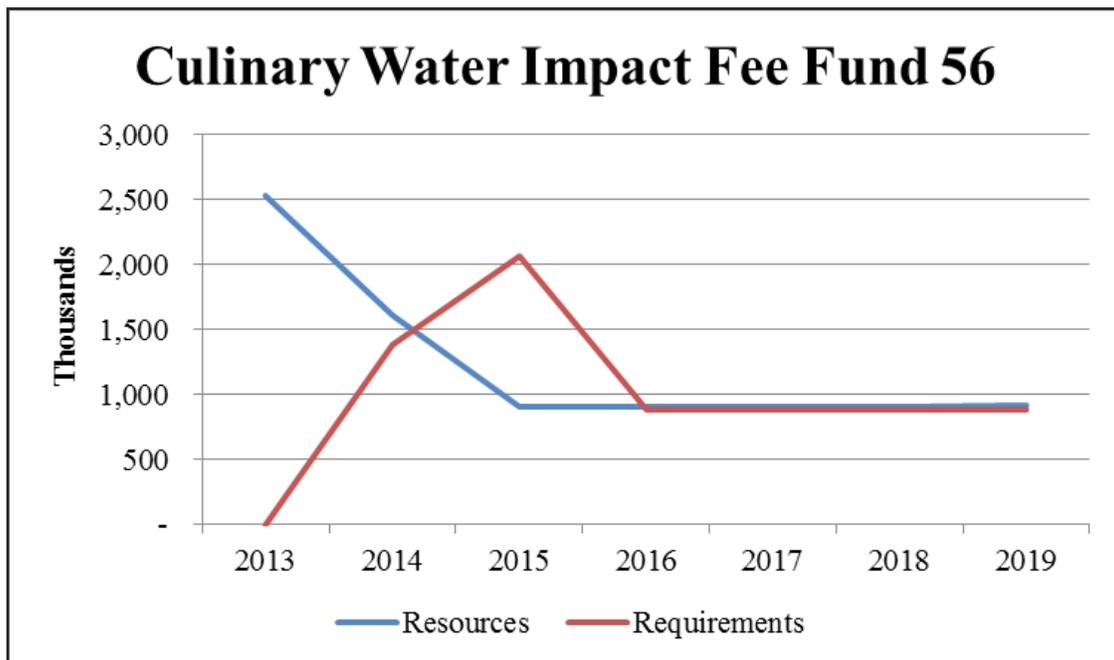


Figure 63 – Culinary Water Impact Fee Fund Resources and Requirements by Year



Secondary Water Impact Fee Fund 57: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fee Revenue	349,849	200,000	200,000	200,000	200,000	200,000	200,000
Other Revenue	360	-	-	-	-	-	-
Transfers	-	5,477	-	-	-	-	-
Fund Operating Revenues	350,210	205,477	200,000	200,000	200,000	200,000	200,000
% Change From Prior Period	380%	-41%	-3%	0%	0%	0%	0%

Secondary Water Impact Fee Fund 57: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	109,885	48,866	-	-	-	-	-
Debt Service	30,167	76,330	78,000	74,250	72,086	69,840	69,840
Transfers	-	-	-	-	-	-	-
Depreciation	231,061	-	-	-	-	-	-
Total Fund Requirements	371,113	125,196	78,000	74,250	72,086	69,840	69,840
% Change From Prior Period	137%	-66%	-38%	-5%	-3%	-3%	0%

Table 64 – Secondary Water Impact Fee Fund Resources and Requirements

Resources for the secondary water impact fee fund are anticipated to remain constant in 2015.

Requirements are anticipated to increase 2015 as the City undertakes an expansion of the secondary water system.

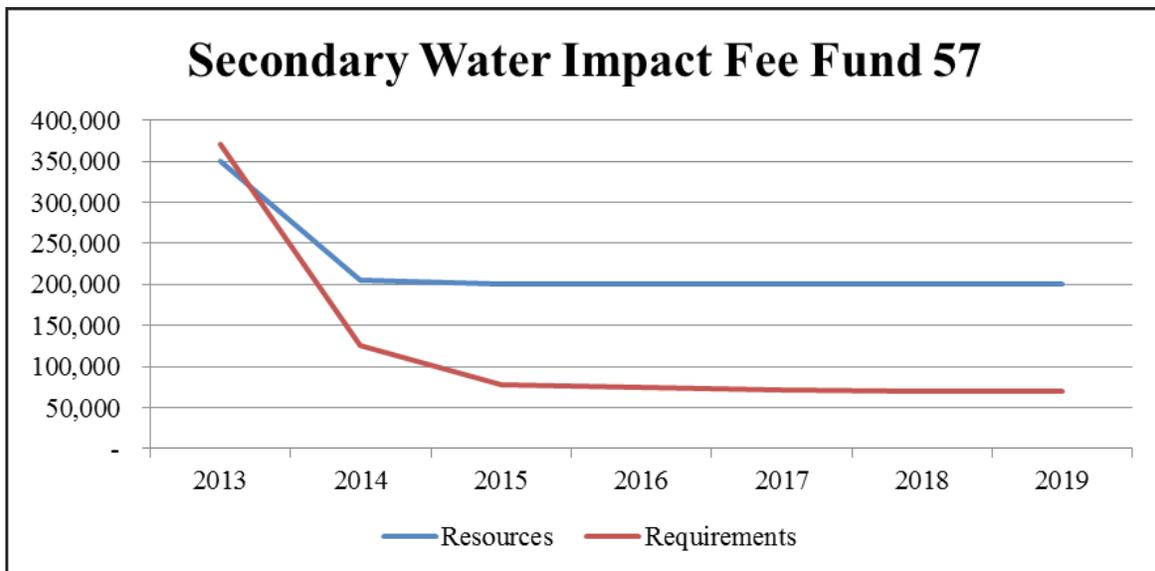


Figure 64 – Secondary Water Impact Fee Fund Resources and Requirements by Year



Sewer Utility Fund 52: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	2,193,261	2,016,000	2,186,500	2,230,230	2,274,835	2,320,331	2,366,738
Other Revenue	-	-	-	-	-	-	-
Fund Operating Revenues	2,193,261	2,016,000	2,186,500	2,230,230	2,274,835	2,320,331	2,366,738
% Change From Prior Period	29%	-8%	8%	2%	2%	2%	2%

Sewer Utility Fund 52: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	118,497	137,799	134,319	134,319	134,319	134,319	134,319
Materials, Supplies, and Services	1,338,637	1,674,007	1,652,271	1,618,641	1,620,050	1,621,498	1,622,593
Depreciation	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Administrative Charge	389,046	340,725	536,768	547,503	558,453	569,622	581,015
Total Fund Requirements	1,846,180	2,152,531	2,323,358	2,300,464	2,312,823	2,325,440	2,337,927
% Change From Prior Period	0%	17%	8%	-1%	1%	1%	1%

Table 65 – Sewer Fund Resources and Requirements

The Sewer Utility is primarily managed by the Public Works and Utility Billing departments. Resources are expected to increase in 2015 due to growth in the number of customers. Fund requirements are expected to remain constant in FY 2015.

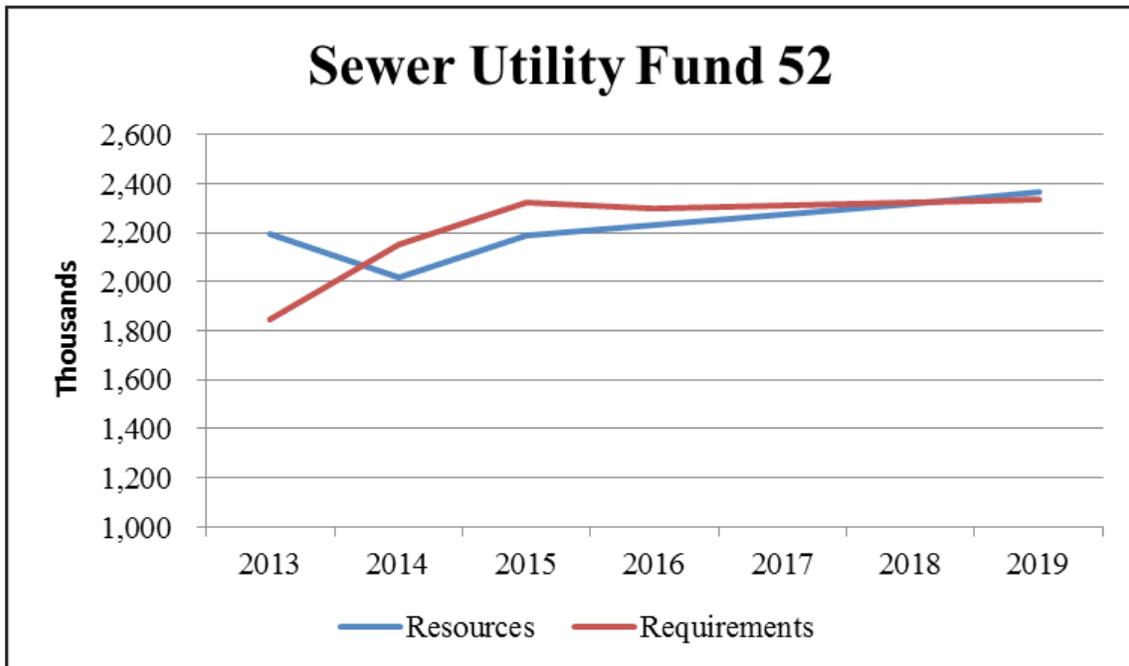


Figure 65 – Sewer Fund Resources and Requirements by Year



Wastewater Impact Fee Fund 53: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fee Revenue	492,124	365,000	365,000	368,650	372,337	376,060	379,820
Other Revenue	4,819	-	-	-	-	-	-
Transfers	-	282,836	-	-	-	-	-
Fund Operating Revenues	496,943	647,836	365,000	368,650	372,337	376,060	379,820
% Change From Prior Period	92%	30%	-44%	1%	1%	1%	1%

Wastewater Impact Fee Fund 53: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	124,411	332,068	-	-	-	-	-
Developer Reimbursements	168,665	140,000	-	-	-	-	-
Depreciation	91,049	-	-	-	-	-	-
Total Fund Requirements	384,125	472,068	-	-	-	-	-
% Change From Prior Period	347%	23%	-100%	0%	0%	0%	0%

Table 66 – Wastewater Impact Fee Fund Resources and Requirements

Resources for the wastewater impact fee fund are expected to remain constant in 2015.

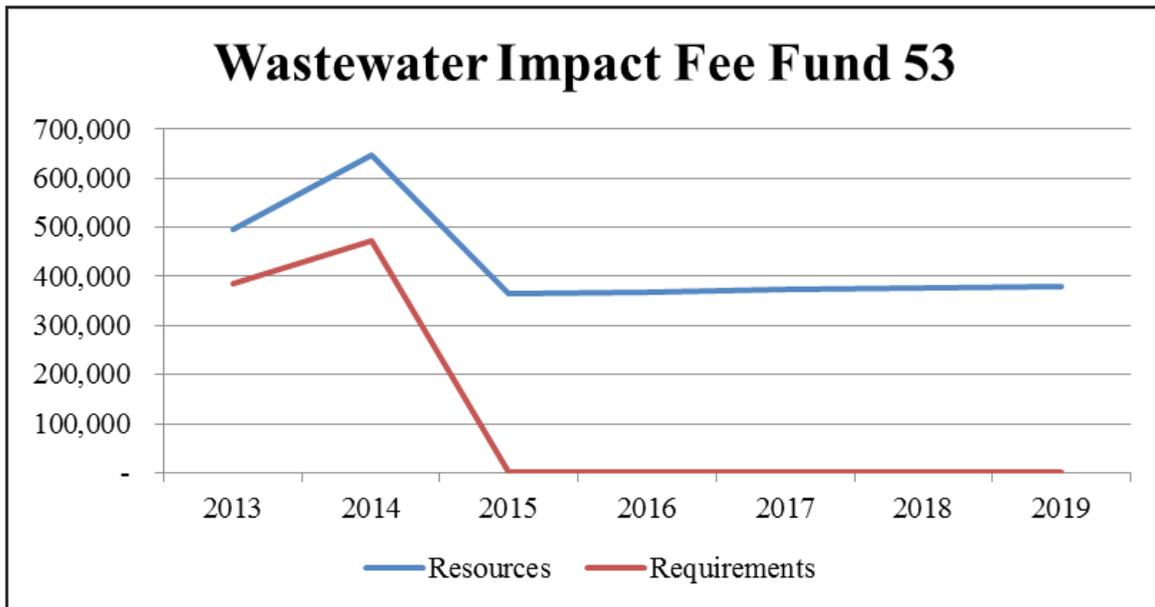


Figure 66 – Wastewater Impact Fee Fund Resources and Requirements by Year



Storm Drain Utility Fund 54: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	385,521	361,000	400,000	404,000	408,040	412,120	416,242
Other Revenue	1,386	-	195,554	2,500,000	492,378	391,658	1,147,038
Fund Operating Revenues	386,908	361,000	595,554	2,904,000	900,418	803,778	1,563,280
% Change From Prior Period	49%	-7%	65%	388%	-69%	-11%	94%

Storm Drain Fund 54: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	-	1,667	75,167	74,167	74,167	74,167	74,167
Materials, Supplies, and Services	12,713	44,283	45,397	45,084	45,188	45,297	45,412
Capital Outlay	-	25,000	-	292,827	298,683	304,657	310,750
Depreciation	409,510	-	-	-	-	-	-
Transfers	-	(47,607)	(47,713)	(47,795)	(47,852)	(47,885)	(47,885)
Administrative Charge	256,984	209,377	287,085	292,827	298,683	304,657	310,750
Total Fund Requirements	679,206	232,720	359,936	657,109	668,869	680,893	693,194
% Change From Prior Period	0%	-66%	55%	83%	2%	2%	2%

Table – 67 Storm Drain Fund Resources and Requirements

The Storm Drain Utility Fund is managed primarily by the Public Works and Utility Billing departments. Resources are anticipated to increase in 2015. This is due to an increase in the number of customers. Requirements are also expected to increase with the addition of a utility worked as well as the administrative charge increases slightly from 2015-2019.

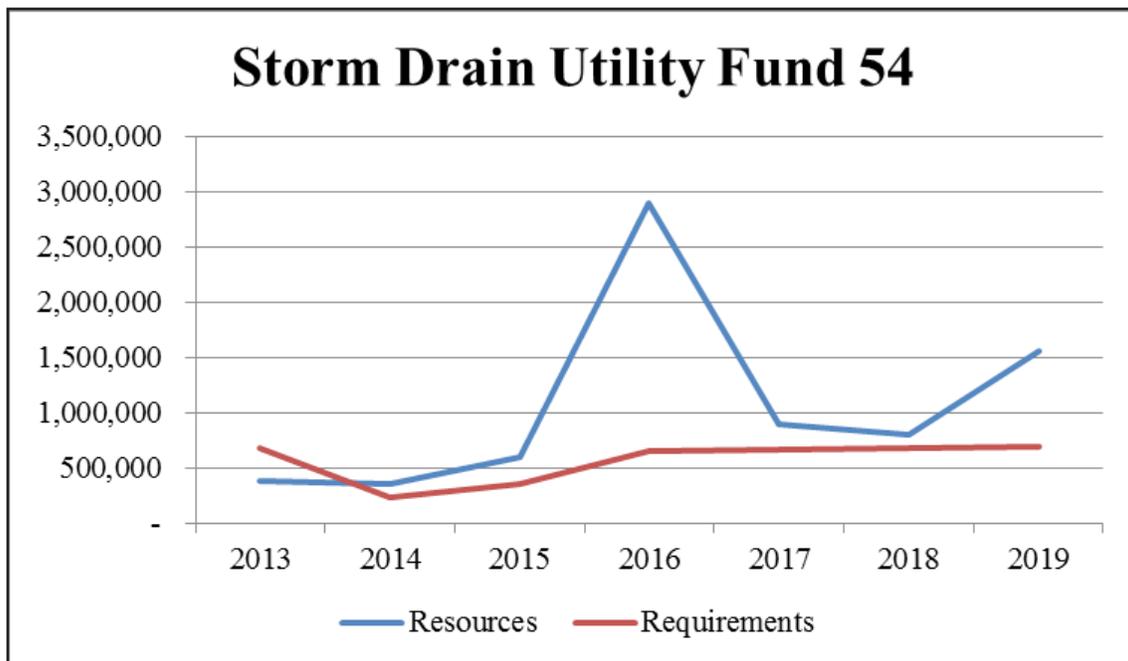


Table – 67 Storm Drain Fund Resources and Requirements



Storm Drain Capital Projects Fund 31: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	253,786	259,062	250,000	250,000	250,000	250,000	250,000
Interest Revenue	7,111	5,000	5,000	5,000	5,000	5,000	5,000
Vehicle Equipment Rent	-	19,200	-	-	-	-	-
Total Resources	260,897	283,262	255,000	255,000	255,000	255,000	255,000
% Change From Prior Period	10%	9%	-10%	0%	0%	0%	0%

Storm Drain Capital Projects Fund 31: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	12,203	913,973	496,048	144,530	40,203	-	747,200
% Change From Prior Period	-27%	7390%	-46%	-71%	-72%	-100%	0%

Table 68 – Storm Drain Capital Projects Fund Resources and Requirements

Resources for the storm water fund are expected to be constant in 2015 because impact fee revenue is expected to stay the same from 2013.

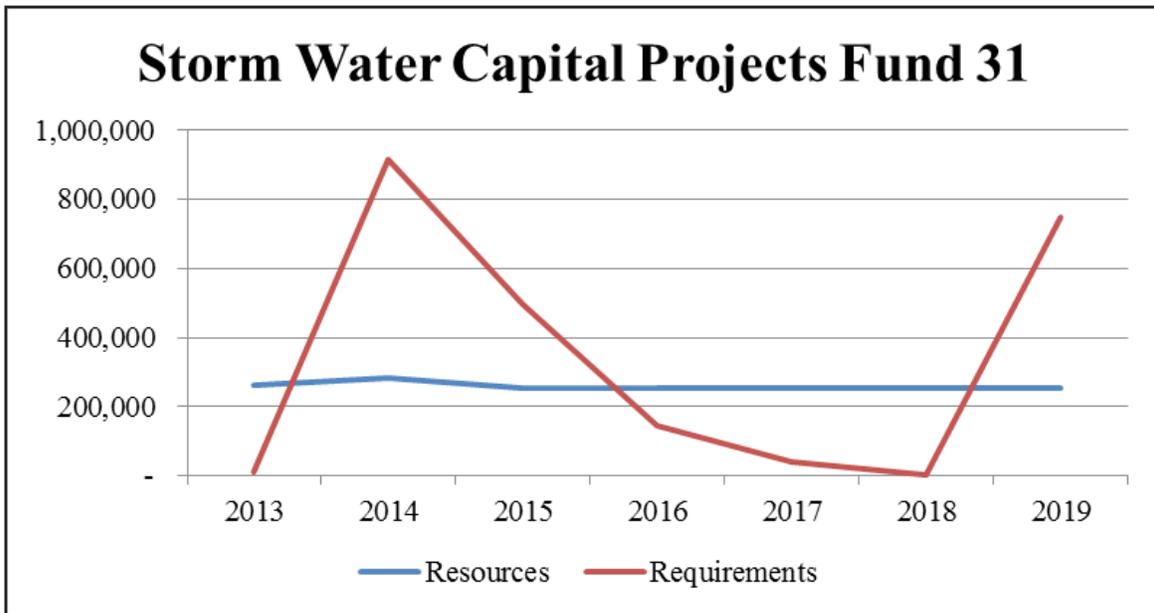


Figure 68 – Storm Drain Capital Projects Fund Resources and Requirements by Year



Garbage Utility Fund 55: Resources							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	897,809	851,768	851,785	860,303	868,906	877,595	886,371
% Change From Prior Period	32%	-5%	0%	1%	1%	1%	1%

Garbage Utility Fund 55: Requirements							
Major Object	2013	2014	2015	2016	2017	2018	2019
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	-	-	-	-	-	-	-
Materials, Supplies, and Services	787,098	719,510	733,369	747,507	761,929	776,642	791,650
Administrative Charge	35,008	35,008	50,293	51,299	52,325	53,371	54,439
Total Fund Requirements	822,106	754,518	783,662	798,806	814,254	830,013	846,089
% Change From Prior Period	27%	-8%	4%	2%	2%	2%	2%

Table 69 – Garbage Utility Fund Resources and Requirements

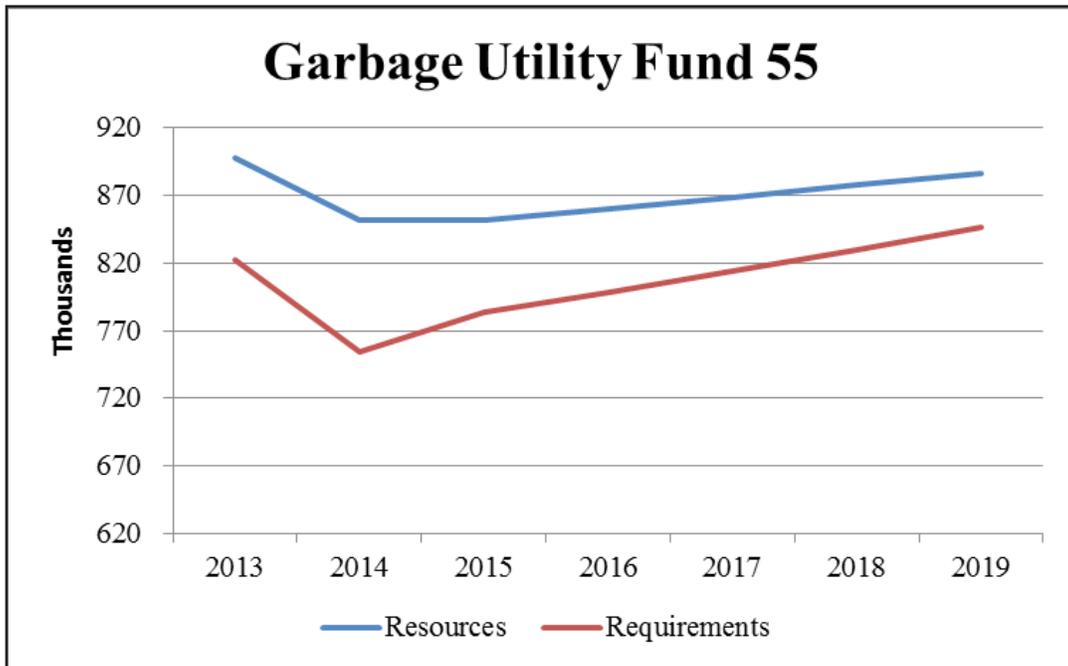


Figure 69 – Garbage Utility Fund Resources and Requirements by Year

C I T Y O F



POLICIES AND OBJECTIVES

SARATOGA SPRINGS

This section of the Budget outlines the City's Policies and Objectives as they relate to the municipal budget. The City of Saratoga Springs recognizes its duty to its citizens and other interested parties to vigilantly account for public funds and resources. The Policies and Objectives hereinafter are set forth to establish guidelines for fiscal accountability, full disclosure, and planning. These financial management policies provide a basic framework for the overall fiscal management of the City. These policies represent a foundation to address changing circumstances and conditions, and to assist in the decision making process. In addition, these policies represent guidelines for evaluating both current and future activities.

The financial policies represent long-standing principles and practices that have enabled the City to maintain financial stability. The policies are reviewed annually to represent current public policy decisions. These policies are adopted annually by the Council as part of the budget process.

BUDGET ORGANIZATION

- A. Through its financial plan (Budget), the City is committed do the following:
1. Identify citizens' needs for essential services.
 2. Organize programs to provide essential services.
 3. Establish program policies and goals that define the type and level of program services required.
 4. List suitable activities for delivering program services.
 5. Propose objectives for improving the delivery of program services.
 6. Identify available resources and appropriate the resources needed to conduct program activities and accomplish program objectives.
 7. Set standards to measure and evaluate the following:
 - a. The output of program activities.
 - b. The accomplishment of program objectives.
 - c. The expenditure of program appropriations.
- B. All requests for increased funding or enhanced levels of service should be considered together during the budget process, rather than in isolation.
- C. The City Council will review and amend appropriations, if necessary, during the fiscal year.
- D. The City will use a multi-year format (five years for operations and capital improvement plan) to give a longer-range focus to its financial planning.
1. The emphasis of the budget process in the first year is on establishing expected levels of services, within designated funding levels, projected over a five-year period, with the focus on the budget.
 2. The emphasis in the second year are reviewing necessary changes in the previous fiscal plan and developing long term goals and objectives to be used during the next three-year budget process. The focus is on the financial plan. In the second year, operational budgets will be adjusted to reflect unexpended balances from the first year and create the subsequent year's budget plan.
- E. Through its financial plan, the City will strive to maintain structural balance; ensuring basic service levels are predictable and cost effective. A balance should be maintained between the services provided and the local economy's ability to pay.
- F. The City will work to improve their program service levels and expenditures by insuring:



1. New/growth related service levels: The provision of new/growth related services should be offset with new or growth related revenues or a corresponding reduction in service costs in other areas.
 2. Fee dependent services: If fees do not cover the services provided, Council should consider which of the following actions to take: 1) reduce services, 2) increase fees or 3) determine the appropriate subsidy level of the general fund.
 3. Consider all requests at once: Council should consider requests for service level enhancements or increases as part of the budget process, rather than in isolation.
 4. Consider ongoing costs associated with one-time purchases/expenditures: Significant ongoing costs, such as insurance, taxes, utilities and maintenance should be determined before an initial purchase is made or a capital project is constructed. Capital and program decisions should not be made unless staff has provided a five-year analysis of ongoing maintenance and operational costs where applicable.
 5. Re-evaluate decisions: Political, economic and legal changes necessitate reevaluation to ensure Council goals are being met. Staff and Council should use the budget process to review programs.
 6. New service implementation: Prior to implementing a new service, the City Council should consider a full assessment of staffing and funding requirements.
 7. Benchmarking and performance measurement: The City will strive to measure its output and performance.
- G. The City will strive to improve productivity, though not by the single-minded pursuit of cost savings. The concept of productivity should emphasize the importance of quality and quantity of output as well as quantity of resource input.

GENERAL REVENUE MANAGEMENT

- A. The City will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one-revenue source.
- B. The City will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt.
- C. One-time revenue sources will not be used for ongoing expenses unless specifically approved by the City Council.

USER FEE COST RECOVERY GOALS

- A. User Fee Cost Recovery Levels. In establishing user fees and cost recovery levels, the following factors will be considered:
 1. **Community-Wide versus Special Benefit**. The level of user fee cost recovery should consider the community-wide versus special service nature of the program or activity. The use of general purpose revenues is appropriate for community-wide services, while user fees are appropriate for special benefit purposes to easily identified individuals or groups.
 2. **Service Recipient versus Service Driver**. After considering community-wide versus special benefit of the service, the concept of service recipient versus service driver should also be considered. For example, it could be argued that the applicant is not the beneficiary of the City's development review efforts; the



community is the primary beneficiary. However, the applicant is the driver of development review costs, and as such, cost recovery from the applicant is appropriate.

- 3. Effect of Pricing on the Demand for Services.** The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that the City is providing services for which there is genuinely a market that is not overly stimulated by artificially low prices. Conversely, high levels of cost recovery will negatively impact on the delivery of services to lower income groups. This negative feature is especially pronounced and works against public policy, if the services are specifically targeted to low income groups.
- 4. Feasibility of Collection and Recovery.** Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.
- 5. Factors Favoring Low Cost Recovery Levels.** Low cost recovery levels are appropriate under the following circumstances:
 - a. There is no intended relationship between the amount paid and the benefit received. Almost all "social service" programs fall into this category as it is expected that one group will subsidize another.
 - b. Collecting fees is not cost-effective or will significantly impact the efficient delivery of the service.
 - c. There is no intent to limit the use of (or entitlement to) the service. Again, most "social service" programs fit into this category as well as public safety (police and fire) emergency response services. Historically, access to neighborhood and community parks would also fit into this category.
 - d. The service is non-recurring, generally delivered on a "peak demand" or emergency basis, cannot reasonably be planned for on an individual basis, and is not readily available from a private sector source. Many public safety services also fall into this category.
 - e. Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City. Many small-scale licenses and permits might fall into this category.
- 6. Factors Favoring High Cost Recovery Levels.** The use of service charges as a major source of funding service levels is especially appropriate under the following circumstances:
 - a. The service is similar to services provided through the private sector. An example of this is the City's water and sewer fund.
 - b. Other private or public sector alternatives could or do exist for the delivery of the service.
 - c. For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received.
 - d. The use of the service is specifically discouraged. Police responses to disturbances or false alarms might fall into this category.
 - e. The service is regulatory in nature and voluntary compliance is not expected to be the primary method of detecting failure to meet regulatory requirements. Building permit, plan



checks and subdivision review fees for large projects would fall into this category.

- 7. General Concepts Regarding the Use of Service Charges.** The following general concepts will be used in developing and implementing service charges:
- a. Revenues should not exceed the reasonable cost of providing the service. When setting service charges, consideration will be given for the reserves necessary to shield the service during an economic downturn or extraordinary events.
 - b. Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and organization-wide support costs such as accounting, personnel, data processing, vehicle maintenance and insurance.
 - c. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
 - d. Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
 - e. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.
- 8. Low Cost-Recovery Services.** Based on the criteria discussed above, the following types of services should have very low cost recovery goals. In selected circumstances, there may be specific activities within the broad scope of services provided that should have user charges associated with them. However, the primary source of funding for the operation as a whole should be general purpose revenues, not user fees.
- a. Delivering public safety emergency response services such as police and fire services.
 - b. Maintaining and developing public facilities that are provided on a uniform, communitywide basis such as streets, parks, and general purpose buildings.
 - c. Providing social service programs and economic development activities.
- 9. Recreation Programs.** The following cost recovery policies apply to the City's recreation programs:
- a. Cost recovery for activities directed to adults should be relatively high.
 - b. Cost recovery for activities directed to youth and seniors should be relatively low. In those circumstances where services are similar to those provided in the private sector, cost recovery levels should be higher. Although ability to pay may not be a concern for all youth and senior participants, these are desired program activities, and the cost of determining need may be greater than the cost of providing a uniform service fee structure to all participants. Further, there is a community-wide benefit in encouraging high-levels of participation in youth and senior recreation activities regardless of financial status.
 - c. Cost recovery goals for recreation activities guidelines are set as follows:
 - High-Range Cost Recovery Activities (80 percent to 100 percent)
 1. Classes (Adult & Youth)
 2. Adult athletics (volleyball, basketball, softball, baseball)
 3. Facility rentals



Mid-Range Cost Recovery Activities (50 percent to 80 percent)

4. Special events (5k run, other City-sponsored special events)
5. Minor league baseball
6. Youth basketball

Low-Range Cost Recovery Activities (0 to 50 percent)

7. Youth services
8. Senior services

- d. For cost recovery activities of less than 100 percent, there should be a differential in rates between residents and non-residents when administratively feasible.
- e. Charges will be assessed for use of ball fields, special-use areas, and recreation equipment for activities not sponsored or co-sponsored by the City. Such charges will generally conform to the fee guidelines described above.
- f. A vendor charge of at least 10 percent of gross income will be assessed from individuals or organizations using City facilities for money-making activities.
- g. The Recreation Department will consider waiving fees only when the City Manager determines in writing that an undue hardship exists.

10. Development Review Programs. The following cost recovery policies apply to the development review programs:

- a. Services provided under this category include:
 1. Planning (planned development permits, tentative tract and parcel maps, rezoning, general plan amendments, variances, use permits).
 2. Building and safety (building permits, structural plan checks, inspections).
 3. Engineering (public improvement plan checks, inspections, subdivision requirements, encroachments).
 4. Fire plan check.
- b. Cost recovery for these services should generally be very high. The City's cost recovery goal shall be 100 percent.
- c. However, in charging high cost recovery levels, the City shall clearly establish and articulate standards for its performance in reviewing developer applications to ensure that there is "value for cost".

11. Comparability with Other Communities. In setting user fees, the City should consider fees charged by other agencies in accordance with the following criteria:

- a. Surveying the comparability of the City's fees to other communities provides useful background information in setting fees for several reasons:
 1. They reflect the "market" for these fees and can assist in assessing the reasonableness of the City's fees.
 2. If prudently analyzed, they can serve as a benchmark for how cost-effectively the City provides its services.
- b. However, fee surveys should never be the sole or primary criteria in setting City fees as there are many factors that affect how and why other communities have set their fees at their levels. For example:

1. What level of cost recovery is their fee intended to achieve compared with our cost recovery objectives?
2. What costs have been considered in computing the fees?
3. When was the last time that their fees were comprehensively evaluated?
4. What level of service do they provide compared with our service or performance standards?
5. Is their rate structure significantly different than ours and what is it intended to achieve?

These can be very difficult questions to address in fairly evaluating fees among different communities. As such, the comparability of our fees to other communities should be one factor among many that is considered in setting City fees.

ENTERPRISE FUND FEES AND RATES

- A. Fees and Rates.** The City will set fees and rates at levels which fully cover the total direct and indirect costs—including operations, capital outlay, and debt service of the following enterprise programs: water, sewer, refuse and storm drain. Adequate reserves will also be considered when setting fees and rates.
- B. Franchise and In-Lieu Fees.** The City will treat the enterprise funds in the same manner as if they were privately owned and operated. In addition to setting rates at levels necessary to fully cover the cost of providing water and sewer service, charging reasonable franchise and property tax in-lieu fees will be considered. Franchise fees will be considered for water, sewer, garbage and storm drain.
- C. Ongoing Rate Review.** The City will review and update fees and rate structures at least annually to ensure that they remain appropriate and equitable based on factors such as the impacts of inflation, other cost increases, the adequacy of coverage of costs and current competitive rates.

VENTURE FUND

The City Council may authorize a sum of money to encourage innovation and to realize opportunities not anticipated in the regular program budgets. The current budget does not include any funding currently for this purpose. When funds are authorized, the City Manager is to administer the money awarding it to programs or projects within the municipal structure (the money is not to be made available to outside groups or agencies). Generally, employees are to propose expenditures that could save the City money or improve the delivery of services. The City Manager will evaluate the proposal based on the likelihood of a positive return on the “investment,” the availability of matching money from the department, and the advantage of immediate action. Employees may receive up to 10 percent or up to \$500 of the savings or revenue brought in from the proposal on a one-time basis.

BALANCED BUDGET POLICY

Per state law, the City is required to pass a balanced budget annually. The City considers a budget balanced when beginning fund balance (revenues on hand at the beginning of the year) and revenues received during the year are equal to the expenditures for the year and the ending fund balance (or the revenues on hand at the end of the year).

CAPITAL FINANCING AND DEBT MANAGEMENT

Capital Financing

- A. The City will consider the use of debt financing only for one-time, capital improvement projects and only under the following circumstances:
 - 1. When the project's useful life will exceed the term of the financing.
 - 2. When project revenues or specific resources will be sufficient to service the long term debt.
- B. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax, or bond anticipation notes is excluded from this limitation.
- C. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes, impact fees or developer agreements when benefits can be specifically attributed to users of the facility.
- D. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing for capital improvement funding:

Factors That Favor Pay-As-You-Go

- 1. When current revenues and adequate fund balances are available or when project phasing can be accomplished.
- 2. When debt levels adversely affect the City's credit rating.
- 3. When market conditions are unstable or present difficulties in marketing.

Factors That Favor Long-Term Financing

- 1. When revenues available for debt service are deemed to be sufficient and reliable so that long-term financing can be marketed with investment grade credit ratings.
- 2. When the project securing the financing is of the type which will support an investment grade credit rating.
- 3. When market conditions present favorable interest rates and demand for City financing.
- 4. When a project is mandated by state or federal requirements and current revenues and available fund balances are insufficient.
- 5. When the project is immediately required to meet or relieve capacity needs.
- 6. When the life of the project or asset financed is 10 years or longer.
- 7. Spread the cost of the asset to those who benefit from it now and in the future
- 8. Acquire assets as needed rather than wait until sufficient cash has built up.

Factors That Favor Short-Term Financing

- 1. To meet interim financing needs of construction projects if the full cost of the project is not yet known.
- 2. Borrow short-term and refinance with long-term debt once a project is completed. Used when issuer believes that market conditions favor delaying issuance of long-term bonds is more advantageous, i.e. falling long-term rates.

Debt Management

- A. The City will not obligate the General Fund to secure long-term financing except when marketability can be significantly enhanced and/or interest rates can be decreased.
- B. Direct debt will not exceed 4 percent of assessed valuation.
- C. An internal feasibility analysis will be prepared for each long-term financing activity that analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
- D. The City will generally conduct financing on a competitive basis. However, negotiated financing may be used due to market volatility or the use of an unusual or complex financing or security structure.
- E. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and credit enhancements, such as letters of credit or insurance, when necessary for marketing purposes, availability and cost-effectiveness.
- F. The City will annually monitor all forms of debt, coinciding with the City's budget preparation and review process, and report concerns and remedies, if needed, to the Council.
- G. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- H. The City will maintain good communications with bond rating agencies regarding its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus:
 - Purposes for which debt will be issued
 - Types of debt that may be issued
 - Limitations on indebtedness
 - Debt maturity schedule or other structural features
 - Method of sale
 - Method of selecting consultants and professionals
 - Refunding policies
 - Disclosure practices

Purpose of this debt policy is to integrate the issuance of debt and other financing sources with the City's long-term planning and objectives and provide guidance on acceptable levels of indebtedness.

Policies flexible to permit City to take advantage of market opportunities or to respond to changing conditions without jeopardizing essential public services.

FUND BALANCE AND RESERVES

General Fund. Section 10-6-116 of the Utah Code limits the accumulated balance or reserves that may be retained in the General Fund. The use of the balance is restricted as well. General Fund balance retained cannot exceed 25 percent of estimated total ensuing year's budgeted fund revenues and may be used for the following purposes only:

- A. To provide working capital to finance expenditures from the beginning of the budget year until other revenue sources are collected;
- B. To provide resources to meet emergency expenditures in the event of fire, flood, earthquake, etc.; and
- C. To cover a pending year-end excess of expenditures over revenues from unavoidable shortfalls in revenues.

Utah Code further limits the minimum General Fund balance to be maintained at 5 percent of the total, estimated, ensuing years budgeted revenues. No appropriations may be made against the 5 percent mandated minimum.

The General Fund balance reserve is an important factor in the City's ability to respond to unforeseen and unavoidable emergencies and revenue shortfalls. Alternative uses of excess fund balance must be carefully weighed. Over the next two years, the City will strive to maintain the General Fund Balance at the legal maximum of 25 percent. The City Council may appropriate fund balance as needed to balance the budget for the current fiscal year as in compliance with State Law. Provision will be made to transfer any remaining General Fund balance to the City's Capital Improvement Projects Fund to be designated for projects included in the City's Capital Facilities Plan.

In the General Fund, any fund balance in excess of projected balance at year end will be appropriated to the current year budget as necessary. The money will be allocated to building the reserve for capital expenditures, including funding equipment replacement reserves and other capital projects determined to be in the best long-term interest of the City.

Capital Improvement Funds

The City may, in any budget year, appropriate from estimated revenues or fund balances to a reserve for capital improvements, for the purpose of financing future specific capital improvements under a formal long-range capital plan adopted by the governing body.

- A. The City will establish and maintain an equipment replacement program to provide for timely replacement of vehicles and equipment. The amount added to this fund, by annual appropriation, will be the amount required to maintain the fund at the approved level after credit for the sale of surplus equipment and interest earned by the replacement program.
- B. The City will establish and maintain a computer replacement program to provide for timely replacement of computer equipment. The amount added to this fund, by annual appropriation will be the amount required to maintain the fund at the approved level after credit for the sale of surplus equipment and interest earned by the replacement program.
- C. The City may accumulate funds, as it deems appropriate for capital and equipment replacement costs.
- D. The City will, prior to making capital project appropriations, consider any and all operational and maintenance costs associated with said project to determine fiscal impacts on current and future budgets.

Enterprise Funds

The City will maintain a balance in the Enterprise Funds equal to at least the minimum debt ratio requirements identified in its bond obligations.

- A. This level is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for the following:
 1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
 2. Contingencies for unseen operating or capital needs.



3. Cash flow requirements.

B. In addition to the designations noted above, fund balance levels will be sufficient to meet the following:

1. Funding requirements for projects approved in prior years that are carried forward into the new year;
2. Debt service reserve requirements;
3. Reserves for encumbrances; and
4. Other reserves or designations required by contractual obligations or generally accepted accounting principles.

RECESSION / REVENUE SHORTFALL PLAN

A. The City intends to establish a plan, including definitions, policies, and procedures to address financial conditions that could result in a net shortfall of revenues and resources as compared to requirements. The Plan is divided into the following three components:

Indicators - Serve as warnings that potential budgetary impacts are increasing in probability. The City will monitor major revenue sources such as sales and franchise tax, property tax, and building permits, as well as inflation factors and national and state trends. A set of standard indicators will be developed.

Phases - Serve to classify and communicate the severity of the situation, as well as identify the actions to be taken at the given phase.

Actions - Preplanned steps to be taken in order to prudently address and counteract the anticipated shortfall.

B. The recession plan and classification of the severity of the economic downturn will be used in conjunction with the City's policy regarding the importance of maintaining reserves to address economic uncertainties. As any recessionary impact reduces the City's reserves, corrective action will increase proportionately. Following is a summary of the phase classifications and the corresponding actions that may be taken.

1. **ALERT:** A reduction in total budgeted revenues of 2 percent. The actions associated with this phase would best be described as delaying expenditures where reasonably possible, while maintaining the "same level" of service. Each department will be responsible for monitoring its individual budgets to ensure only essential expenditures are made.
2. **MINOR:** A reduction in total budgeted revenues of 3 percent. The objective at this level is still to maintain "same level" of service where possible. Actions associated with this level would be as follows:
 - a. Implementing the previously determined "same level" Budget.
 - b. Intensifying the review process for large items such as contract services, consulting services, and capital expenditures, including capital improvements.
 - c. Closely scrutinizing hiring for vacant positions, delaying the recruitment process and using temporary help to fill in where possible.
3. **MODERATE:** A reduction in total budgeted revenues of 4 to 5 percent. Initiating cuts of



service levels by doing the following:

- a. Requiring greater justification for large expenditures.
- b. Deferring capital expenditures.
- c. Reducing CIP appropriations from the affected fund.
- d. Hiring to fill vacant positions only with special justification and authorization.
- e. Closely monitoring and reducing operating and capital expenditures.

4. MAJOR: A reduction in total budgeted revenues of 6 percent or more. Implementation of major service cuts:

- a. Instituting a hiring freeze.
- b. Reducing the temporary work force.
- c. Deferring wage increases.
- d. Further reducing operating and capital expenditures.
- e. Preparing a strategy for reduction in force.

5. CRISIS: Reserves must be used to cover operating expenses.

- a. Implementing reduction in force or other personnel cost-reduction strategies.
- b. Eliminate programs/services.
- c. Eliminate/defer capital improvements.

C. If an economic uncertainty is expected to last for consecutive years, the cumulative effect of the projected reduction in reserves will be used for determining the appropriate phase and corresponding actions.

CAPITAL IMPROVEMENT MANAGEMENT

A. The public Capital Improvement Plan (CIP) will include the following:

1. Public improvement projects that cost more than \$10,000.
2. Capital purchases of new vehicles or equipment (other than the replacement of existing vehicles or equipment) that cost more than \$10,000.
3. Capital replacement of vehicles or equipment that individually cost more than \$50,000.
4. Any project that is to be funded from building-related impact fees.
5. Alteration, ordinary repair, or maintenance necessary to preserve a public improvement (other than vehicles or equipment) that cost more than \$25,000.

B. The purpose of the CIP is to systematically plan, schedule and finance capital projects to ensure cost-effectiveness, as well as conformance with established policies. The CIP is a five-year plan, reflecting a balance between capital replacement projects that repair, replace or enhance existing facilities, equipment or infrastructure and capital facility projects that significantly expand or add to the City's existing fixed assets or infra-structure.

C. The Impact Fees Act requires that a city or district serving a population of 5,000 or greater have a Capital Facilities Plan prepared in coordination and compliance with its General Plan that identifies the demands that will be placed upon the existing and future facilities by new development and the means that the City will use to accommodate the additional demand. A Capital Facilities Plan, completed in compliance with Utah State legislation, has been prepared and will be adopted in conjunction with the Impact Fee Ordinance and Impact Fee Analysis.

The written impact fee analysis is required under the Impact Fees Act and must identify the impacts placed on the facilities by development activity and how these impacts are reasonably related to the new development. The written impact fee analysis must include a proportionate share analysis, as described below, and clearly detail all cost components and the methodology used to calculate each impact fee.

The Impact Fees Act requires that the written analysis include a Proportionate Share Analysis which is intended to equitably divide the capacity and costs of each facility identified in the Capital Facilities Plan between future and existing users relative to the benefit each group will receive from the improvement.

Fees are collected to pay for capital facilities owned and operated by the City (including land and water rights) and to address impacts of new development on the following service areas: water, streets, public safety, recreation, and open space/parks. The fees are not used for general operation or maintenance. The fees are established following a systematic assessment of the capital facilities required to serve new development. The city will account for these fees to ensure that they are spent within six years, and only for eligible capital facilities. In general, the fees first collected will be the first spent. During the budget review process, adjustments to impact fee related projects may need to be made. Any changes made to these projects should be updated in the impact fee analysis and included in future impact fee studies.

HUMAN RESOURCE MANAGEMENT

- A. The City will manage the growth of the regular employee work force without reducing levels of service or augmenting ongoing regular programs with temporary employees, except as provided in sections E and F below.
- B. The budget will fully appropriate the resources needed for authorized regular staffing and limit programs to the regular staffing authorized.
- C. Staffing and contract service cost ceilings will limit total expenditures for regular employees, temporary employees, and independent private contractors hired to provide operating and maintenance services.
- D. Regular employees will be the core work force and the preferred means of staffing ongoing, year-round program activities that should be performed by City employees, rather than independent contractors. The City will strive to provide competitive compensation and benefit schedules for its authorized regular work force. Each regular employee will do the following:
 - 1. Fill an authorized regular position.
 - 2. Receive salary and benefits consistent with the compensation plan, state compensation laws and federal laws.
- E. To manage the growth of the regular work force and overall staffing costs, the City will follow these procedures:
 - 1. The City Council will authorize all regular positions.
 - 2. The Human Resources Department will coordinate the hiring of all regular and temporary employees. The City Manager will approve the hiring of the final candidate.
 - 3. All requests for additional regular positions will include evaluations of the following:



- a. The necessity, term and expected results of the proposed activity.
 - b. Staffing and materials costs including salary, benefits, equipment, uniforms, clerical support and facilities.
 - c. The ability of private industry to provide the proposed service.
 - d. Additional revenues or cost savings that may be realized.
 - e. Periodically, and prior to any request for additional regular positions, programs will be evaluated to determine if they can be accomplished with fewer regular employees.
- F. Temporary employees will include all employees other than regular employees, elected officials, appointed officials and volunteers. Temporary employees will augment regular City staffing only as extra-help employees, seasonal employees, and work-study assistants. The City will encourage the use of temporary employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than regular, year-round staffing is required.
- G. Contract employees will have written contracts and do not receive regular City employee benefits. Contract employees will occasionally be used to staff programs with unusual operational characteristics or certification requirements, such as recreation programs. The services of contract employees will be discontinued upon completion of the assigned project, program or activity.
- H. The hiring of temporary employees will not be used as an incremental method for expanding the City's regular work force.
- I. Independent contractors will not be considered City employees. Independent contractors may be used in the following two situations:
1. Short-term, peak workload assignments to be accomplished through the use of personnel contracted through an outside temporary employment agency (OEA). In this situation, it is anticipated that City staff will closely monitor the work of OEA employees and minimal training will be required; however, they will always be considered the employees of the OEA, and not the City. All placements through an OEA will be coordinated through the Human Resources Department and subject to the approval of the City Manager.
 2. Construction of public works projects and the provision of operating, maintenance or specialized professional services not routinely performed by City employees. Such services will be provided without close supervision by City staff, and the required methods, skills and equipment will generally be determined and provided by the contractor.
- J. Department Heads will be responsible to:
1. Ensure that work is not performed by an independent contractor until:
 - a. A written contract between the City and the contractor has been entered into and signed by both parties.
 - b. The City Recorder has received the contract.
 - c. The signed written contract has been co-signed by the City Manager.
 - d. Funds have been budgeted for the project.
 2. Each contract with an independent contractor should contain indemnity/hold harmless clauses, which provide that:
 - a. All contracts must contain indemnity and defense provisions in which the contractor



- assumes all liability arising out of work performed by the contractor or their officers, employees, agents and volunteers.
- b. All independent contractors must provide evidence that they have acquired and maintain comprehensive general liability coverage, including liability insurance covering the contract concerned, prior to the execution of the contract.
 - c. The City and its officials, employees, agents and volunteers must be named as “additional insured” on the liability insurance policy.
3. Each contract with an independent contractor should contain provisions that ensure the contractor is carrying workers’ compensation insurance coverage. The City shall require evidence of Workers Compensation insurance (or evidence of qualified self- insurance) from all contractors.

CONTRACTING AND PURCHASING POLICY

Purpose. These rules are intended to provide a systematic and uniform method of purchasing goods and services for the City. The purpose of these rules is to ensure that purchases made and services contracted are in the best interest of the public and acquired in a cost-effective manner.

Authority of City Manager or Designee. The City Manager or designate shall be responsible for the following:

1. Ensure all purchases for services comply with these rules;
2. Review and approve all purchases of the City;
3. Establish and amend procedures for the efficient and economical management of the contracting and purchasing functions authorized by these rules. Such procedures shall be in writing and on file in the office of the manager as a public record;
4. Maintain accurate and sufficient records concerning all City purchases and contracts for services;
5. Maintain a list of contractors for public improvements and personal services who have made themselves known to the City and are interested in soliciting City business;
6. Make recommendations to the City Council concerning amendments to these rules.

General Policies. All City purchases for goods and services and contracts for goods and services shall be subject to the following:

1. No contract or purchase shall be so arranged, fragmented or divided with the purpose or intent to circumvent these rules.
2. No purchase shall be contracted for, or made, unless sufficient funds have been budgeted in the year for which funds have been appropriated.
3. All purchases of capital assets and services in excess of \$25,000 must be awarded through a formal sealed bidding process.
4. When it is advantageous to the City, annual contracts for services and supplies regularly purchased should be initiated.
5. All purchases and contracts in excess of \$5,000 must be approved by the City Manager. Amounts to be paid by the City of less than \$5,000, may be approved and authorized by the respective department heads consistent with other city procurement policies and procedures.
6. The City Attorney prior to entering into any such contract shall review all contracts for services.
7. The following items require City Council approval unless otherwise exempted in these following rules:
 - a. All contracts (as defined) over \$25,000.



- b. All contracts and purchases awarded through the formal bidding process.
 - c. Accumulated “change orders” which would overall increase a previously approved contract by:
 - i. The lesser of 20 percent or \$25,000 for contracts of \$250,000 or less;
 - ii. More than 10 percent for contracts over \$250,000.
8. Acquisition for undertaking building improvement or public works projects may require public requests for bids (UCA 11-39-103).
- a. All contracts for building improvements over the amount specified by state code, specifically:
 - i. For each year after 2003 (\$40,000 for the year 2003), the amount of the bid limit for the previous year, plus an amount calculated by multiplying the amount of the bid limit for the previous year by the lesser of 3 percent or the actual percent change in the CPI during the previous calendar year.
 - b. All contracts for public works projects over the amount specified by state code, specifically:
 - i. For each year after 2003 (\$125,000 for the year 2003), the amount of the bid limit for the previous year, plus an amount calculated by multiplying the amount of the bid limit for the previous year by the lesser of 3 percent or the actual percent change in the CPI during the previous calendar year.
 - c. Contracts for grading, clearing, demolition or construction undertaken by the Community Redevelopment Agency shall adhere to the procedures prescribed by State law.
9. Amounts to be paid by the City of less than \$5,000 that are budgeted, may be approved and authorized by the respective department heads. Purchases under this policy must be allocated in the specific budget.

Exceptions. Certain contracts for goods and services shall be exempt from bidding provisions. The manager shall determine whether or not a particular contract or purchase is exempt as set forth herein.

1. Emergency contracts which require prompt execution of the contract because of an imminent threat to the safety or welfare of the public, of public property, or of private property; circumstances which place the City or its officers and agents in a position of serious legal liability; or circumstances which are likely to cause the City to suffer financial harm or loss, the gravity of which clearly outweighs the benefits of competitive bidding in the usual manner. The City Council shall be notified of any emergency contract that would have normally required their approval as soon as reasonably possible. The City Council shall ratify any emergency contract at the earliest possible time.
2. Purchases made from grant funds must comply with all provisions of the grant.

General Rules

1. **Purchases of Materials, Supplies and Services** are those items regularly purchased and consumed by the City. These items include, but are not limited to, office supplies, janitorial supplies and maintenance contracts for repairs to equipment, asphalt, printing services, postage, fertilizers, pipes, fittings and uniforms. These items are normally budgeted within the operating budgets. Purchases of this type do not require “formal” competitive quotations or bids.



2. **Purchases of Capital Assets** are “equipment type” items which would be included in a fixed asset accounting system having a material life of one year or more and costing in excess of \$5,000. These items are normally budgeted within the normal operating budgets. Purchases of this type do not require “formal” bids. Attempt shall be made to obtain at least three written quotations on all purchases of this type.
3. **Contracts for Professional Services** are usually contracts for services performed by an independent contractor in a professional capacity that produces a service predominately of an intangible nature. These include, but are not limited to, the services of an attorney, physician, engineer, accountant, architectural consultant, technical analyst, dentist, artist, appraiser or photographer.

Professional service contracts are exempt from competitive bidding. The selection of professional service contracts shall be based on an evaluation of the services needed the abilities of the contractors, the uniqueness of the service and the general performance of the contractor. The lowest quote need not necessarily be the successful contractor. Usually, emphasis will be placed on quality, with cost being the deciding factor when everything else is equal. The manager shall determine which contracts are professional service contracts and may bid professional services as approved. Major professional service contracts (\$25,000 and over) must be approved by the City Council.

4. **Conflicts of Interest.** All contracts or transactions for goods or services, in which the contracting or transaction party is an employee or related to an employee of the City, must be competitively bid.
5. **Contracts for Public Improvements** are usually those contracts for the construction or major repair of roads, highways, parks, water lines and systems (i.e. Public Works Projects); and buildings and building additions (i.e. Building Improvements). Where a question arises as to whether or not a contract is for public improvement, the manager shall make the determination.
6. **Minor public improvements (less than the amount specified by state code).** The department shall make an attempt to obtain at least three written competitive quotations. A written record of the source and the amount of the quotations must be kept. The manager may require formal bidding if it is deemed to be in the best interest of the City.
7. **Major public improvements (greater than or equal to the amount specified by state code).** Unless otherwise exempted, all contracts of this type require competitive bidding.

Bidding Provisions

1. **Bid Specifications.** Specifications for public contracts shall not expressly or implicitly require any product by any brand name or make, nor the product of any particular manufacturer or seller, unless the product is exempt by these regulations or the City Council.
2. **Advertising Requirements.** An advertisement for bids is to be published at least once in a newspaper of general circulation and in as many additional issues, publications and locations as the manager may determine at least five days prior to the opening of bids. Advertising for bids relating to Class B and C road improvement projects shall be published in a newspaper of general circulation in the county at least once a week for three consecutive weeks.



All advertisements for bids shall state the following:

- a. The date and time after which bids will not be accepted;
- b. The date that pre-qualification applications must be filed, and the class or classes of work for which bidders must be pre-qualified if pre-qualification is a requirement;
- c. The character of the work to be done or the materials or things to be purchased;
- d. The office where the specifications for the work, material or things may be seen;
- e. The name and title of the person designated for receipt of bids;
- f. The type and amount of bid security if required;
- g. The date, time and place that the bids will be publicly opened.
- h. The City retains the right to accept/reject/modify all or a portion of all bids.
- i. The City will not reimburse bidders for bid related expenses.
- j. The City reserves the right to accept or reject all or a portion of any bid as the City determines to be in its best interest.

3. Requirements for Bids. All bids made to the city shall comply with the following requirements:

- a. In writing;
- b. Filed with the manager or his designee;
- c. Opened publicly by the manager or designee at the time designated in the advertisement and filed for public inspection;
- d. Have the appropriate bid security attached, if required.
- e. "Sealed" bids does not preclude acceptance of electronically sealed and submitted bids or proposals in addition to bids or proposals manually sealed and submitted.

4. Award of Contract. After bids are opened, and a determination made that a contract be awarded, the award shall be made to the lowest responsible bidder or the bid as stipulated in the published RFP.

The successful bidder shall promptly execute a formal contract and, if required, deliver a bond, cashier's check, or certified check to the Treasurer in a sum equal to the contract price, together with proof of appropriate insurance. Upon execution of the contract, bond, and insurance, the bid security shall be returned. Contractors have no more than seven (7) business days to execute a formal contract with the City. Failure to execute the contract, bond or insurance shall result in forfeit of the bid security.

5. Rejection of Bids. The manager or the City Council may reject any bid not in compliance with all prescribed requirements. The City also reserves the right to reject all or a portion of any and all bids if it is determined to be in the best interest of the City.

6. Disqualification of Bidders. The manager, upon investigation, may disqualify a bidder if he or she does not comply with any of the following:

- a. The bidder does not have sufficient financial ability to perform the contract;
- b. The bidder does not have equipment available to perform the contract;
- c. The bidder does not have key personnel available, of sufficient experience, to perform the contract;
- d. The person has repeatedly breached contractual obligations with public and private agencies;
- e. The bidder fails to comply with the requests of an investigation by the manager.



- 7. Pre-qualification of Bidders.** The City may require pre-qualification of bidders. Upon establishment of the applicant's qualifications, the manager shall issue a qualification statement. The statement shall inform the applicant of the project for which the qualification is valid, as well as any other conditions that may be imposed on the qualification. It shall advise the applicant to notify the manager promptly if there has been any substantial change of conditions or circumstances, which would make any statement contained in the pre-qualification application no longer applicable or untrue.

If the manager does not qualify an applicant, written notice to the applicant is required, stating the reasons the pre-qualification was denied, and informing the applicant of his right to appeal the decision within five business days after receipt of the notice. Appeals shall be made to the City Council. The manager may, upon discovering that a pre-qualified person is no longer qualified, revoke pre-qualification by sending notification to the person. The notice shall state the reason for revocation and inform the person that revocation will be effective immediately.

- 8. Pre-Qualification Process.** When the City determines it is in its best interest to pre-qualify bidders for a project the City shall:
- a. Identify the information required for prequalification as part of the bid announcement including submission time, date and information that must be submitted for pre-qualification.
 - b. Identify in the bid documents a reasonable time whereby a prospective bidder shall be informed of their pre-qualification status. The manager shall investigate information provided by prospective bidders in a timely manner. In most cases two weeks prior to bid opening.
 - c. Information requested from bidders shall be used to determine the qualifications and abilities of the prospective bidder. Information requested might include, but not be limited, to any information that may be necessary to determine the ability of a prospective bidder to complete the project. Examples of information that may be requested are demonstrated below.
 - i. Demonstrated financial ability to complete contract.
 - ii. Information on prior and pending litigation.
 - a. List of all lawsuits and arbitration to which the bidder has been a party in the 5 years preceding the bid opening date.
 - b. Name or Title of the litigation
 - c. Civil Number
 - d. Status and or result of the case
 - e. County in which the litigation was filed
 - f. Amount in question
 - iii. Equipment and materials available to complete project.
 - iv. Qualifications, work history, and references for critical personnel assigned to project.
 - v. Referrals from past clients (5 years).
 - vi. Work History for projects with comparable scope and financial implications.
 - vii. History of change order requests from prospective bidder.
 - viii. Demonstrated history of successfully completing governmental projects.
 - ix. These examples are not intended to be an exhaustive list. The City reserves the right to identify any pre-qualification items that it may find useful in its bid processes.



- d. Failure to provide, or producing inaccurate, information may lead to the rejection of a bidder and termination of contact with associated penalties on the part of the neglect bidder. Prospective bidders have the ability to appeal their rejected pre-qualification to the Council as outlined in the appeals section of this policy.

9. **Appeals Procedure.** Any supplier, vendor or contractor who determines that the City, in violation of these regulations, has made a decision adversely to them, may appeal that decision to the City Council.

The complainant contractor shall promptly file a written appeal letter with the manager, within five working days from the time the alleged incident occurred. The letter of appeal shall state all relevant facts of the matter and the remedy sought. Upon receipt of the notice of appeal, the manager shall forward the appeal notice, his investigation of the matter, and any other relevant information to the City Council. The City Council may conduct a hearing on the matter. A written decision shall be sent to the complainant at the conclusion of the hearing.

INVESTMENTS

1. **Policy** The City of Saratoga Springs seeks to invest public funds in securities and deposits that provide a high degree of safety and liquidity along with a competitive yield based on prevailing market conditions while meeting the daily cash flow demand of the city. All investments and deposits are placed subject to applicable City and State ordinances and laws pertaining to investment of public funds in the State of Utah, specifically the Utah Money Management Act, which provisions are hereby incorporated as part of this policy.
2. **Scope.** This investment policy covers investment of all financial assets reported in the Comprehensive Annual Financial Report for The City of Saratoga Springs. The scope includes the General, Special Revenue, Capital Projects, Enterprise, Debt Service, Special Assessment and Internal Service funds for the City and include:
 - 10 General Fund
 - 22 Street Lighting SID Fund
 - 23 SSD Street Light SID S.R. Fund
 - 24 Zone 2 Water Improvement SID Fund
 - 31 Storm Drain- Capital Projects Fund
 - 32 Parks- Capital Projects Fund
 - 33 Park- Capital Projects Fund
 - 34 Public Safety- Capital Projects Fund
 - 35 Capital Projects Fund
 - 51 Water Fund
 - 52 Sewer Fund
 - 53 Wastewater Capital Projects Funds
 - 54 Storm Drain Enterprise Fund
 - 55 Garbage Utility Fund
 - 56 Culinary Water Capital Projects Fund
 - 57 Secondary Water Capital Projects Fund

Any new funds created will also be subject to this investment policy, to State statute and rulings of the State Money Management Council.



- 3. Prudence.** The standard of prudence applied by the City's investment officials is the "prudent person" and/or "prudent investor" rule. "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well, as the probable benefits to be derived, and the probable duration for which such investment may be made, and considering the investment objectives specified in section 4.0" This standard shall be applied in the context of managing the overall investment portfolio of the City. The City Treasurer acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- 4. Objectives.** Funds of the City will be invested in accordance with the Utah Money Management Act found at U.C.A. Chapter 51 Title 7. These objectives of the Money Management Act and the City in order of priority are:

 - A. Safety of Principal.** Safety of principal/capital is the foremost objective of the investment program. Investments shall be made to ensure the preservation of capital in the overall portfolio. Investments will be diversified by security type, by industry, by issuer, and maturity date to spread potential investment risks.
 - B. Liquidity.** The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. Efforts to achieve this objective will be focused on matching the term to maturity of investments with the period of availability of funds.
 - C. Return on Investment.** The investment portfolio will be designed with the objective to earn a market rate of return throughout budget years and economic cycles, taking into account investment risk, legal requirements and cash flow needs.
- 5. Delegation of Authority.** Authority to manage the City's investment program is derived from Utah Annotated, 10-6-141 1953, as amended. The City Council and Mayor have assigned the responsibility for conducting investment transactions to the City Treasurer. The City Treasurer is responsible for investment decisions and activities. The City Treasurer shall develop and maintain administrative procedures for the operation of the investment program consistent with these policies. In the event of an emergency and the unavailability of the City Treasurer, the Finance Director is authorized to conduct the City's investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the general policies and procedures as adopted by the City.

 - A. Investment Procedures.** The City Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. A copy will be on file in the City Treasurer's office and will be reviewed and updated regularly. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.



- 6. Ethics and Conflicts of Interest.** Those involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.
- 7. Authorized Financial Dealers and Institutions.** Financial institutions and investment broker/dealers who desire to become qualified bidders or qualified depositories must be certified through the State and meet all requirements imposed by the Utah State Department of Financial Institutions and the requirements of the Utah Money Management Council, and Act (Rule 16). The Utah Money Management Council quarterly issues a list of certified dealers, and a list of qualified depositories authorized by state statute to conduct transactions with public treasurers. Transactions involving authorized deposits or investments of public funds may be conducted only through Issuers of securities authorized by Section 51-7-11(3), Qualified Depositories included in the current state list, or Certified Dealers included in the current state list. All securities purchased from a certified dealer are required to be delivered to the City Treasurer or to the City's safekeeping bank.
- 8. Authorized and Suitable Investments.** The City may place public money in investments/deposits authorized by the Utah Money Management Act (U.C.A. 51-7-11). The Treasurer shall ensure that all purchases and sales of securities are settled within 15 days of the trade date. In general these investments can be any of the following subject to restrictions specified in the Act: Obligations of the U.S. Treasury and most Government-Sponsored Agencies
- Commercial paper
 - Bankers Acceptances
 - Publicly traded fixed rate corporate obligations
 - Certain variable rate securities and deposits
 - Deposits with the State Public Treasurer's Investment Fund
 - Certain fixed rate negotiable deposits with a certified depository
 - Master Repurchase Agreement:
 - Repurchase and Reverse-repurchase Agreements are not allowed by this policy. The City of Saratoga Springs shall not enter into a Master Repurchase Agreement, a repurchase agreement, or a reverse-repurchase agreement.
- 9. Investment Pools/Mutual Funds.** The City upon thorough investigation of the pool/fund will require the following from the Utah Public Treasurers' Investment Fund or similar qualified pool/fund prior to any investing with said pool:
- A. Monthly statement detailing all transactions on each investment account held by the city such as:
 - Date and account number for each account.
 - Reference date for each transaction.
 - All deposits and withdrawals listed by date.
 - Report period covered.
 - Balance for each account.



- Account summary: Beginning balance, deposits in the period, withdrawals in period, ending balance, gross earnings, fee (0 percent), net earnings, average daily balance, gross earnings rate, net earnings rate.
 - B. Every six months, provide a statement of how the Pool/Fund invests said funds and how often the Pool/Fund is audited.
 - C. A current copy, at least annually, of the State Money Management Act and Rules of the State Money Management Council.
 - D. Receive quarterly, a copy of the approved list of depository institutions that have been Qualified as depositories to receive public funds. Also included will be a listing of allowable Maximum Amount of Public Funds allowed per institution.
 - E. Receive quarterly, a copy of the listing of Certified Dealers and their Agents who are certified to receive Public Funds.
- 10. Collateralization.** In the State of Utah, the collateralization of public funds is not required.
- 11. Safekeeping and Custody.** All security transactions by the City of Saratoga Springs shall be conducted on a delivery-versus-payment basis. All security transactions shall be held in safekeeping by a third-party institution which has been certified by the Utah Money Management Council and designated by the City Treasurer. Securities held in safekeeping will be evidenced by a safekeeping receipt issued to the City Treasurer within a few business days following the purchase.
- 12. Diversification.** Investments entered into by the City will be diversified by security type, industry, institution and maturity to spread potential investment risk and return among many classes of investments. As measured by cost, the portfolio will be invested no more than 50 percent in any one class of investments (This restriction does not apply to U.S. Treasury Bonds, Notes and Bills; U.S. Government Agency Obligations; and the Utah State Public Treasurer's Investment Fund). Diversification of investments with a single institution must comply with applicable rules of the Act, specifically;
- A. No more than 20 percent of funds may be invested in any one permitted qualified out-of-state depository institution. (Rule 10, 5)
 - B. No more than 10 percent of the total portfolio with a single Commercial Paper or corporate Notes issuer if the portfolio is \$10,000,000 or less (Rule 17, 5)
 - C. No more than \$1,000,000 in a single Commercial paper or Corporate Notes issuer if the portfolio is greater than \$10,000,000 but less than \$20,000,000 (Rule 17, 5)
 - D. No more than 5 percent of the total portfolio with a single Commercial Paper or corporate Notes issuer if the portfolio is \$20,000,000 or more (rule 17, 5)

Further, for issuers which are not covered by rules or statute, the City will restrict its investments to no more than 20 percent with a single issuer with the exception of funds invested with the Utah State Treasurers' Pool (referred to hereafter as "The State Pool"), U.S. Treasury securities, U.S. Government Agency Securities or funds held in trust (i.e. construction, sinking, or reserve bond funds, etc.).

- 13. Maximum Maturities.** As stated in the Utah State Money Management Act, "the remaining term to maturity of the investment may not exceed the period of availability of the funds to be invested." The operating and capital funds of the City are pooled to obtain maximum return on investment and to simplify administration of the investment program. Recognizing the overall short-term (one year and under) duration of the budget cycle and normally anticipated cash



flow, maturities will not exceed a maximum of three years and will most often be one year or less.

- 14. Internal Control.** The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the funds of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the City Treasurer shall establish a process for independent review by such means as established by the general financial policies and procedures of the City. This review shall address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Written confirmation of transactions for investment and wire transfers.
- Development of a wire transfer agreement with the lead bank and third-party custodian.

- 15. Performance Standards.** Market yields will be sought throughout the budget and economic cycle consistent with the overriding objectives stated. In keeping with the State of Utah statutes and the city's investment strategy, funds will be placed for investment and not speculation, (i.e. technically referred to as a passive investment strategy). The benchmark standard for rate of return on the City portfolio will be the average rate of return on similar investments and portfolios such as 6-month U.S. Treasury bills and the Utah State Public Treasurer's Investment Fund.

- 16. Reporting.** Management reports on the City's portfolio are generated and distributed monthly to all City department heads, the City Manager and the Mayor and City Council for review and comment. The first report gives a breakdown of the balances and allocation of interest for each city fund which has money invested through the City Investment Fund (exhibit F). The second report is the current month copy of the list of investments and deposits as sent to the state semi-annually (exhibit G). The third report lists the G/L account balances in the Investment Fund and associated earnings (exhibit H). The list of investments and deposits is provided semi-annually to the Utah Money Management Council for compliance review as required by 51-7-15 of the Money Management Act. The investment portfolio and deposits are included in the Comprehensive Annual Financial Report for the City.

- 17. Investment Policy Adoption.** Investment policies are developed by the City Treasurer and reviewed with the Administrative Services Director, City Manager, Mayor and City Council subject to the rules of the Money Management Act. The City's investment policy shall be adopted by the City of Saratoga Springs Council. Any modifications made to this policy must be approved by the City Council.

NSF CHECKS

Purpose. To define procedures for processing nonsufficient funds checks.

Procedures. When a check is returned for nonsufficient funds (NSF), an NSF check fee will be assessed. The amount of the fee will be based on the City's current fee schedule. Utility billing payments will be reversed off the customer's utility billing account and court payments will be charged back on the defendant's case. No checks will be accepted from a customer after 2 returned checks within a one-year period. This restriction will last for one year beginning with the date of the second nonsufficient check. After sufficient collection efforts, checks that are not paid within 120 days are written off to the general ledger department/fund that originally received the check. The City Treasurer will approve checks to be written off. At the Treasurer's discretion, NSF checks may be sent to the City's collection agency. If a recovery is made (either through the City or the collection agency), the revenue will be credited to the department/fund the writeoff was charged to.

JOURNAL ENTRIES

Purpose. To define procedures for implementing accounting changes to the City's general ledger through the journal entry process.

Responsibilities. Employees are authorized to perform journal entries through the City Manager or Assistant City Manager. Proper journal entry backup is required for all journal entries. Journal entries must also comply with any applicable City policies and procedures.

Approval. The finance department will prepare a journal entry report for the City Manager or Assistant City Manager monthly. This report will show the effective date of the journal entry, journal entry number, general ledger account numbers, description and debit/credit amount. The journal entry report must be in sequential journal entry number. Any sequence gaps should be noted and explained in the report. Any journal entry with debits in excess of \$50,000 (excluding account reclassifications) must first be approved by the City Manager or Assistant City Manager before entry.

FIXED ASSET AND INVENTORY POLICY

Criteria for Fixed Asset Capitalization and Control. The City will maintain fixed asset lists for financial reporting and physical control purposes. Individual fixed assets with useful lives in excess of one year and valued or costing at or above \$5,000 will be maintained on the fixed asset list for financial reporting purposes. Individual fixed assets with useful lives in excess of one year and valued or costing at below \$5,000 will be maintained on fixed asset lists for physical control purposes. These lists will be the responsibility of each department to maintain.

Inventory. Inventory consists of many items with nominal costs that are used as needed by departments. Inventory counts are not a control feature for the safeguard of the items but merely a summarization for the financial statements. Due to the relatively small amounts invested in the inventory and the modest changes in value from year-to-year, the City will eliminate reporting inventory on the financial statements but will continue to track and monitor inventory for internal purposes only. The total dollar amount of inventory will be reviewed annually to ensure that it should not be reported on the financial statements.

Criteria for Fixed Asset Depreciation. Assets appearing on the financial reporting fixed asset list are subject to depreciation. The City employs the straight-line depreciation method on all depreciable fixed assets unless the finance department and the appropriate department head deem another depreciation method more appropriate and accurate for a particular asset class. If an alternate method is chosen, this will be disclosed in the City's financial statement notes. The City utilizes reasonable estimated useful lives established by the finance department and the appropriate department head with consultation from other professionals and outside publications.

SALVAGE POLICY

This policy establishes specific procedures and instructions for the disposition of surplus property, not to include the sale/disposal of real property. The sale of real property will strictly follow the specific procedures and instructions as governed by Utah Code Ann. Sec. 10-8-2.

Personal Property of the City is a fixed asset. It is important that accounting of fixed assets is accurate and timely. Personal property, as defined by this policy will include, but not limited to: rolling stock, machinery and equipment, furniture and fixtures, tools, and electronics. This property has been purchased with public money. It is important that the funds derived from the sale be accounted for and disposed properly.

Responsibility for Property Inventory Control. It is the responsibility of each department to maintain an inventory of all department property. The departments shall be responsible for submitting to the finance department an updated inventory log of all changes to assets costing greater than \$5,000 at least annually. The finance department will assist in the disposition of all personal property.

Disposition of an Asset. Department heads shall identify surplus property within the possession of their departments and report such property to the finance department for disposition consideration. The department head shall clearly identify age, value, comprehensive description, condition and location. Other departments in the City will be given first consideration for the items. For property valued at \$5,000 or greater, the finance department shall present to the City Council a listing of property to be declared surplus. The finance department shall, after approval by the City Council, dispose of the assets. The City Manager has final authority on the method of disposition, with or without advertisement or bids. The finance department shall, after the disposal of surplus property, notify the City's insurance liability carrier to ensure that all items disposed of are removed from the City's liability coverage (if applicable).

Conveyance for Value. Conveyance of property shall be based upon the highest and best economic return to the City. City-owned surplus property may be offered preferentially to units of government and non-profit. The highest and best economic return to the city shall be estimated by one or more of the following methods:

1. Public auction
2. Sealed competitive bids
3. Evaluation by qualified and disinterested consultant
4. Professional publications and valuation services
5. Informal market survey by the Finance Manager in case of items of personal property possessing readily, discernable market value.

Sales of City personal property shall be based, whenever possible, upon competitive sealed bids. The City Manager has final authority on the method used. In all cases the City retains the right to accept,

reject, or modify all or a portion of all bids.

Revenues. All monies derived from the sale of personal property shall be credited to the general fund of the City, unless the property was purchased with money derived from an enterprise fund, special revenue fund, or internal service fund. In this case, the money shall be deposited in the fund of the enterprise, special revenue, or internal service fund that made the original purchase. Any fees associated with selling the property (such as auction fees) will be netted against the proceeds received.

Advertised Sealed Bids. A notice of such public auction or invitation for sealed bids shall be published at least once in a newspaper of general circulation or the City newsletter and shall be posted at the public information bulletin board at City Hall. The notice shall describe the property to be sold, the terms of the sale, and the place and time of the auction or bid opening.

Employee Participation: City employees and their direct family members are not eligible to participate in the disposal of surplus property unless;

1. Property is offered at public auction or public sealed bids;
2. If sealed bids are required and no bids are received from general public, a re-bidding may occur with employee participation.

Compliance. Failure to comply with any part of this policy may result in disciplinary action.

BENCHMARKING

Philosophy. The city has been participating in the Utah Benchmarking Project. The philosophy behind benchmarking, as defined by the group, is to enable comparisons between and among organization processes in an attempt to discover best practices that, once imported, will improve all operations for the city. Benchmarking with Utah's participating communities will help in the efforts to provide the most appropriate level of service to the citizens of Saratoga Springs at the lowest possible cost while achieving the best possible efficiencies of effort.

Purpose. The purpose of benchmarking for the city emulates the projects goal which is to provide the city with a service delivery management tool that supports the cities decision-making processes in strategic planning and accountability. Through benchmarking the city can better determine where success is coming from in other cities, and find ways to make city services better and more cost effective. Through this process, the city can focus on its goals for city improvement, partnering to share information, and adapting to the needs of the citizens.

Selection. For comparison purposes, the city will continue to use the same "benchmark" group that was previously predetermined by the City Council for the wage analysis study. These cities were chosen based on a variety of factors such as; geography, demographics, population size, and finances.

For the purposes of benchmarking, the following cities were chosen:

- Centerville
- Clinton
- Draper
- Farmington
- Lehi



- North Ogden
- Pleasant Grove
- Riverton
- South Jordan
- South Ogden
- South Salt Lake City
- Washington

SPECIAL EVENT SERVICES

For special events and other services that have been or will be developed for the City, the City may be required to provide:

- Park Services (Field maintenance, ground maintenance, trash pick-up)
- Parking Services (Parking enforcement)
- Special Events and Facilities Services

In many cases these services can be provided without incremental cost or loss of revenues. In the event special event services do have an impact on departmental budgets, the procedures for amending departmental budgets is in line with the City-wide procedures for amending departmental budgets.

Events Managed Under Multi-Year Contracts. The procedure for this type of special contract is as follows: the department will request budget adjustments during the first budget opening following the agreement signing. These budget adjustments will be based upon the level of services outlined in the special event contract and will remain in the budget for the term of the contract.

Year-to-Year or One Time Events. For those events for which long term agreements do not exist the costs for providing services shall be estimated and included within Council's or the City Manager's review of the proposal.

Special Event Funding. Special events may be funded in the following manners: vendor fees, corporate donations, directly through the general fund or a transfer, and special event participant fees.

Vendor Fees. Any vendor wishing to sell products or provide services at any special event must pay a vendor fee. Vendor fees will be set based upon type of event, number of expected vendors and any cost incurred by the City associated with hosting vendors.

Corporate Donations. The City will solicit corporate donations from businesses when appropriate. Any corporate donation will directly pay for any cost incurred by the City for the special event.

General Fund Transfer. If necessary and appropriate, a general fund transfer may occur provided that during the budget process for the current fiscal year the City Council approves such a transfer. The transfer may vary from year to year-based on Council's decisions regarding the budget.

Special Event Participant Fees. Any special event may have programs that require a participant fee. The participant fees will directly pay for any incurred costs associated with the special event program. The fee will vary from program to program depending on total cost of the program.

LIBRARY

Fiscal Policy. It is the policy of the City for the library to be primarily funded through donations and miscellaneous revenues (such as the sale of library cards). The City, at its discretion, may appropriate additional funds for one-time and ongoing costs. The library's expenditures will not be allowed to exceed current revenue (donations, miscellaneous revenue, and City contributions) plus beginning fund balance (if any). Monthly revenue and expense reports will be provided to the Library Board for their review.

Purchasing Policy. The library is to follow the City's purchasing policies. All approved expenditures will be paid through the City's accounts payable department.

Revenue Policy. The library must follow any applicable state and local revenue collection policies and procedures.

REPLACEMENT POLICY FOR VEHICLES AND EQUIPMENT

With significant growth, the City's fleet has expanded to include over 100 vehicles and pieces of rolling stock. In anticipation of future growth and in order to increase accountability, streamline approval processes and save taxpayer dollars a fleet replacement schedule has been created. This schedule will give stakeholders the ability to prioritize vehicle replacement and approach fleet management from a strategic perspective. Data used in the analysis includes: an inventory of all equipment, the estimated useful life and projected replacement date, corrective and preventative maintenance schedule and costs, depreciating value and replacement cost.

The vehicle and equipment replacement schedule captures both objective and subjective factors related to a vehicles condition and value. Objectively, the replacement schedule tracks: total mileage/ hours; previous year mileage, parts expense; labor expense; preventative maintenance; corrective maintenance; estimated live expectance; and depreciating value. Subjectively, the replacement schedule captures feedback from the Department Head or their designees related to the condition and quality of the vehicle or piece of equipment. While objective criteria will be applied to every vehicle and piece of rolling equipment, subjective analysis will be weight more heavily for specialized equipment such as fire engines, modified police vehicles and specialty trucks.

Once a vehicle or piece of equipment satisfies this objective and subjective criteria, it is flagged for consideration to be replaced and submitted to the City Manager. The City Manager has signatory authority to approve replacement vehicles and equipment. After a vehicle meets objective and subjective requirements for replacement, the City Manager or designee can determine whether or not a new replacement vehicle should be purchased. This decision requires the City Manager to balance the benefits of replacing a vehicle against budgetary priorities and constraints. This encourages lean management of the City's operations, streamlines the previous approval process and allows Council to retain ultimate approval authority for vehicle replacements during the budget process.

This new approval process does not apply to vehicles and equipment that are being added to the existing fleet. When a vehicle or piece of equipment is being added to, rather than replacing, it will require get specific approval by the City Council.

REPLACEMENT POLICY FOR COMPUTER EQUIPMENT

This policy pertains to the replacement of computer equipment based on a specific set of criteria. The following is the criteria used:

- a. User Needs – a replacement computer should not be based on technological cycles but on the needs of each user.
- b. Warranty Expiration – considers the time spent by staff in maintenance, troubleshooting and repair downtime.
- c. Necessary Upgrades – considers cost of a new system as opposed to on-going support of older software/hardware.
- d. Minimum Computer Configuration Standards – staff may determine what this standard is. For example, considering whether the computer performs adequately when running a standard operating system, web browser, word processor, spreadsheet, desktop database, and Oracle simultaneously.
- e. Refresh Rate – cost of replacement and upgrading parts and the cost of replacement compared with maintenance.

Laptops that are more than three years old and desktops that are more than five years old will be eligible to be considered under the factors above.

The Computer replacement schedule tracks: Staff downtime; maintenance time; troubleshooting time; repair downtime; and the cost of on-going support of older software/hardware. This schedule also captures descriptive feedback from the Department Head or their designees explaining the end users' needs and whether the current computer system is affecting productivity. Subjective criteria is especially valuable in this analysis because the end user's needs are varied, this variance will be captured in the replacement schedule.

Once a computer satisfies the objective and subjective criteria, it is flagged for review by the City Manager. At this point, the City Manager or designee can determine whether or not a new replacement computer should be purchased. This decision requires the City Manager to balance the benefits of replacing a vehicle against budgetary priorities and constraints. When a computer is replaced the older unit is cascaded to an employee that does not require a newer machine in order to maintain productivity. Alternatively, a cascaded computer can be assigned as a back-up unit in a specific area or department.

This new approval process does not apply to computers that are being added to the current allotment of computers.

A

ACRE-FT: Acre Feet

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

B

BALANCED BUDGET: Beginning fund balance (revenues on hand at the beginning of year) and revenues received during year are equal to the expenditures for the year and the ending fund balance (or the revenues on hand at the end of year).

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments; or a predetermined group of cities identified by the Council as a group whereby each pay for performance personnel position may be compared to for salary market analysis.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

BUILDING IMPROVEMENTS: The construction or repair of a public building or structure (Utah Code 11-39-101).

C

CAPITAL EXPENDITURES (REQUIREMENTS): include purchases of land, improvements to land, buildings, building improvements, vehicles, machinery and equipment, infrastructure and all other tangible assets used in operations that have a initial useful life that extends beyond a single reporting period and have a historical cost of \$5,000 and greater.

CAPITAL IMPROVEMENT PROJECTS (CIP): Construction or improvements to capital facilities within the City.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

CHARGES FOR SERVICES: User charges for services provided by the City to those specifically benefiting from those services.

CITY: Washington Terrace City and all other reporting entities controlled by or dependent upon the City's governing body, the City Council.

COLLATERAL: Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies

CONTINGENCY: amount held in reserve each year for unforeseen circumstances.

CONTRACT: An agreement for the continuous delivery of goods and/or services over a period of time greater than fifteen (15) days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City beginning in fiscal year 2012. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

CPI: The Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor.

CUSTODY: A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

C.Y. - Cubic Yard

D

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

D.I.P. - Ductile Iron Pipe

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DUE DILIGENCE: Such a measure of prudence, activity, assiduity, as is properly to be expected from, and ordinarily exercised by, a reasonable and prudent person under the particular circumstances; not measured by any absolute standard, but depending on the relative facts of the special case.

E

EA. – Each

F

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small-business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FIXED ASSET: Fixed assets are tangible property having a significant value and acquired for use over

a long period of time. They are not intentionally acquired for resale, nor are they readily convertible into cash.

FULL TIME EQUIVILANT (FTE): Employee status based on a 40 hour work week 52 weeks of the year for a total of 2080 hours per year.

FUND BALANCE: The difference between assets and liabilities.

FY: Fiscal Year (the fiscal year ends on June 30th of the year stated and begins on July 1st of the previous year)

G

GOALS: broad, general, and timeless

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FmHA mortgages. The term “pass-through” is often used to describe Ginnie Maes.

L

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

LOWEST RESPONSIBLE BIDDER: shall mean the lowest bidder who has substantially complied with all prescribed requirements and who has not been disqualified as set forth herein.

L.S- Lump Sum

M

MANAGER: City Manager or designee.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party’s rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller- borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MCML - Mortar Lined Mortar Coated Pipe

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MULTI-YEAR BUDGET: a document that anticipates revenues and expenditures for two or more consecutive budgetary years.

O

OBJECTIVES: specific, measurable, achievable, realistic, and time bound

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

P

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PUBLIC WORKS PROJECT: The construction of a park, recreational facility, pipeline, culvert, dam, canal, or other system for water, sewage, storm water, or flood control (Utah Code 11-39- 101). "Public Works Project" does not include the replacement or repair of existing infrastructure on private property (Utah Code 11-39-101), or emergency work, minor alteration, ordinary repair, or maintenance necessary to preserve a public improvement (such as lowering or repairing water mains; making connections with water mains; grading, repairing, or maintaining streets, sidewalks, bridges, culverts or conduits).

PURCHASE: The acquisition of goods (supplies, equipment, etc.) in a single transaction such that payment is made prior to receiving or upon receipt of the goods. (Note: Entities are encouraged to include a glossary as part of the investment policy. All words of a technical nature should be included. Following is an example of common treasury terminology.)

PVC – Poly (vinyl chloride) Pipe

Q

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the

payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

R

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

R.C.P. - Reinforced Concrete Pipe

REDEVELOPMENT AGENCY (RDA): a separate body created under the law that is a political subdivision of the state that undertakes or promotes redevelopment, economic development, or education housing development, or any combination and whose development activities are under a specific project area.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

REVENUE: Funds that a government receives as income. These receipts may include tax payments, interest earnings, service charges, grants, and intergovernmental payments. The term designates an increase to a fund’s assets which does not increase liabilities.

S

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

SPECIAL IMPROVEMENT DISTRICT (SID): A district created for the sole purpose of making improvements and levying a special tax against the properties located within the district to pay all or a portion of the costs of making improvements in the district.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, and derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

S.Y. - Square Yard

T

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

TRUTH-IN-TAXATION: State Statute that requires a taxing entity to go through a series of steps and public hearings to properly notify the tax payers of a proposed tax rate increase.

U

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Y

YIELD: The rate of annual income return on an investment, expressed as a percentage.

- (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security.
- (b) **NET YIELD** or **YIELD TO MATURITY:** The current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

APPENDICE A: BUDGET REQUESTS

Fund	Department	Request	FY 2014 Adjusted Budget	FY 2015 Dept. Request	City Manager Recommended
General Fund	Administration	Audit Adj	\$2,700	\$2,700	Yes
General Fund	Administration	Human resource specialist		\$95,705	Yes
General Fund	Administration	Admin Fees for Human resource specialist		-\$47,853	Yes
General Fund	Administration	Utility Billing Specialist		\$52,673	Yes
General Fund	Administration	Admin Fees for Utility Billing Specialist		-\$52,673	Yes
General Fund	Recorder	part time recorder	\$6,000	\$18,000	Yes
General Fund	Recreation	Referee Differential		\$2,000	No
General Fund	Attorney	Increase in hours (5hrs per week) for Asst. City Attorney		\$9,100	No
General Fund	Treasurer	National Treasurer's Conference		\$750	Yes
General Fund	Treasurer	Increase Postage		\$2,000	Yes
General Fund	Treasurer	Admin Bank Fees	\$7,000	\$7,140	Yes
General Fund	Civic Events	Advertising Budget		\$5,000	Yes
General Fund	Civic Events	Float Repair		\$2,000	Yes
General Fund	Civic Events	Reimbursement of money (money earned by pageant committee, previous accountant did not carry forward)	\$4,011		Yes
General Fund	Civic Events	Saratoga Splash Days Parade		\$2,000	Yes
General Fund	Civic Events	Civic Events 5 Hours per week Increase		\$5,318	Yes
General Fund	Civic Events	City Celebrations		\$10,500	Yes
General Fund	Bldgs./Grounds	Bldgs. & Grounds - Supply/Maint (Evergreen)	\$3,000		Yes
General Fund	Bldgs./Grounds	Utilities - Power	\$6,500		Yes
General Fund	Bldgs./Grounds	Utilities - Telephone	\$51,605		Yes
General Fund	Planning	Planning Commission Line Item Increase		\$3,650	Yes
General Fund	Planning	Increase Books and Memberships		\$785	Yes
General Fund	Planning	Increases Education/Training		\$1,000	Yes
General Fund	Planning	Increase Office Supply		\$500	Yes

APPENDICE A: BUDGET REQUESTS

General Fund	Police	Police Officer X 2		\$188,465	partial
General Fund	Police	Police Detective (Saratoga Springs Half)	\$16,000	\$42,875	Yes
General Fund	Police	Police Lieutenant		\$118,800	No
General Fund	Police (Bluffdale)	Police Detective (Bluffdale Half)	\$26,038	\$52,075	Yes
General Fund	Fire	Revenues from Wild Land Engine		-\$84,560	Yes
General Fund	Fire	Training Funds for emergency management		\$48,000	No
General Fund	Fire	Third Part-Time FF for South Station		\$97,359	Yes
General Fund	Fire	Administrative Assistant		\$33,408	partial
General Fund	Building	Part Time Permit Tech		\$24,000	No
General Fund	Building	New Full Time Building Inspector II		\$102,300	Yes
General Fund	Streets	Training		\$1,600	partial
General Fund	Streets	Salter		\$7,500	No
General Fund	Streets	Street Signs		\$10,000	Yes
General Fund	Streets	Vehicle Maintenance		\$5,000	Yes
General Fund	Streets	Employee		\$99,500	No
General Fund	Engineering	Additional Training Budget		\$2,100	Yes
General Fund	Communications	Professional Education and Training		\$2,000	Yes
General Fund	Parks	Replacement of Truck 101		\$25,700	No
General Fund	Parks	Truck Replacement of Truck 106 plow truck		\$50,720	No
General Fund	Parks	Large Area Mower Jacobson R311t		\$69,537	Yes
General Fund	Parks	New Utility Truck for Employee		\$47,000	partial
General Fund	Parks	Lead Marina Attendant		\$15,360	partial
General Fund	Parks	Ventrac 3000 Series Tractor		\$29,960	Yes
General Fund	Parks	Tree Maintenance		\$35,040	partial
General Fund	Parks	Increase in Clothing/PPE		\$500	Yes
General Fund	Parks	Playground Maintenance		\$7,439	Yes
General Fund	Parks	Storage Shed at Marina		\$5,529	No

APPENDICE A: BUDGET REQUESTS

General Fund	Parks	Landscape Equipment Maintenance Increase		\$2,500	Yes
General Fund	Parks	Increase in Fertilizer		\$200	partial
General Fund	Parks	Increase in Sprinkler Maintenance		\$408	Yes
General Fund	Parks	Education and Training		\$4,076	partial
General Fund	Parks	Increase in Gasoline		\$2,120	Yes
General Fund	Parks	Shay Park Expenses		\$29,308	No
General Fund	Public Works	Training		\$3,000	Yes
General Fund	Public Improvements	Inspector		\$110,300	Yes
General Fund	Public Improvements	Inspector		\$110,300	Yes
General Fund	Public Improvements	Additional Hours Admin Assistant		\$6,717	Yes
General Fund	Non-Departmental	Cityworks Annual Maintenance Costs		\$27,000	Yes
General Fund	Transfer to Capital	Vehicle Replacement		\$80,231	Yes
General Fund	Transfer to Capital	Equipment Replacement		\$29,653	Yes
General Fund	Transfer to Capital	Computer Replacement		\$21,602	Yes
Street Light	Citywide	Traffic Signal Maintenance		\$8,604	Yes
Street Light	Citywide	Traffic Signal Material		\$35,400	Yes
Street Light	Citywide	Bucket Truck 147 Tool Allowance		\$1,500	Yes
Street Light	Citywide	Bucket Truck 147 Maintenance Allowance		\$5,000	Yes
Street Light	Citywide	Bucket Truck 147 Diesel Fuel Allowance		\$11,440	Yes
Street Light	SSD	Street Lights in SSD	\$50,000		Yes
Water Operations	Culinary Water	Meters and Erts		\$186,310	Yes
Water Operations	Culinary Water	Utility Maintenance Worker		\$56,239	Yes
Water Operations	Culinary Water	New Motor for Truck 117		\$17,500	No
Water Operations	Culinary Water	Radios for Trucks		\$8,600	No
Water Operations	Culinary Water	Increase Training		\$5,000	partial
Water Operations	Culinary Water	Vehicle Replacement Fund		\$30,486	Yes
Water Operations	Culinary Water	Computer Replacement Fund		\$362	Yes

APPENDICE A: BUDGET REQUESTS

Water Operations	Culinary Water	Admin Fee for HR Specialist		\$14,356	Yes
Water Operations	Culinary Water	Admin Fee for Utility Billing Specialist		\$10,008	Yes
Water Capital	Culinary Water	Meter reading equipment replacement (\$35,785)		\$36,000	Yes
Water Capital	Culinary Water	Gas Chlorination Well #6		\$35,000	Yes
Water Capital	Culinary Water	Transfer Switches		\$30,000	Yes
Water Capital	Culinary Water	Booster #3 Meter		\$10,000	Yes
Water Capital	Culinary Water	Water Table Drop Study		\$15,000	Yes
Water Capital	Culinary Water	Water Table Drop Projects		\$74,000	Yes
Water Operation	Secondary Water	Debt Service For 2011 Sales Tax Revenue Bonds		\$25,000	Yes
Water Operation	Secondary Water	Secondary Residential meters (bond revenue)	\$2,774,000		Yes
Water Operation	Secondary Water	Admin Fee for HR Specialist		\$14,356	Yes
Water Operation	Secondary Water	Admin Fee for Utility Billing Specialist		\$10,008	Yes
Water Capital	Secondary Water	Pond 6 expansion	\$296,331		Yes
Water Capital	Secondary Water	Harvest Hills Transmission	\$46,000		Yes
Culinary Water Impact	Culinary Water	Crossroads Blvd 18 inch water line and booster eng in 2014 (bond revenue funded 2015)	\$101,000	\$1,110,000	Yes
Culinary Water Impact	Culinary Water	RR 18 inch water line eng in 2014 - Bond Revenues	\$50,000	\$603,000	Yes
Culinary Water Impact	Culinary Water	Pioneer Crossing Extension 18 inch water line stub to CUWCD	\$50,000	\$70,000	Yes
Secondary Water Impact	Secondary Water	reallocate existing project funding	(52,615)		Yes
Secondary Water Impact	Secondary Water	Welby Jacobs turnout to Benches (bond revenue)	100,000	\$1,717,000	Yes
Secondary Water Impact	Secondary Water	Pond 6 expansion (Funded from 2011 Sales Tax Bond Revenues) Move 1/2 of the expense to non impact fee Fund 51.	(296,331)		Yes
Secondary Water Impact	Secondary Water	Sales Tax 2011 Transfer Out Debt Service		\$25,000	Yes
Water Rights	Water Rights	Rate Stabilization Fund - 400,000	230,000		Yes
Sewer Operations	Sewer	405 move to new account for capital	(60,000)		Yes

APPENDICE A: BUDGET REQUESTS

Sewer Operations	Sewer	Sewer Utility Truck		\$132,500	partial
Sewer Operations	Sewer	Fuel Allowance Increase		\$13,500	Yes
Sewer Operations	Sewer	Pump Control Panel for Lift Station #4		\$17,000	No
Sewer Operations	Sewer	Pump Control Panel for Lift Station #5		\$17,000	No
Sewer Operations	Sewer	Bolt Down Manhole Lids		\$12,000	No
Sewer Operations	Sewer	Vehicle Replacement Fund		\$6,381	Yes
Sewer Operations	Sewer	Computer Replacement Fund		\$158	Yes
Sewer Operations	Sewer	TSSD Increase in Rates		\$200,000	Yes
Sewer Operations	Sewer	Admin Fee for HR Specialist		\$14,356	Yes
Sewer Operations	Sewer	Admin Fee for Utility Billing Specialist		\$10,008	Yes
Sewer Operations	Sewer	Lift 7 access road improvements	12,000		Yes
Sewer Operations	Sewer	Transfer Switches	60,000		Yes
Sewer Operations	Sewer	loan to fund 53	500,000		Yes
Sewer Operations	Sewer	Inlet Park outfall upsize phase II		\$208,404	Yes
Sewer Impact	Sewer	Pioneer Crossing Extension sewer line (loan from fund 52)	300,000		Yes
Sewer Impact	Sewer	Debt Repayment - Fund 52		\$50,000	Yes
Sewer Impact	Sewer	Debt Repayment - Bonds		\$200,000	Yes
Sewer Impact	Sewer	Inlet Park outfall upsize phase I (bond revenues)		\$139,900	Yes
Sewer Impact	Sewer	Inlet Park outfall upsize phase II (bond revenues)		\$144,560	Yes
Sewer Impact	Sewer	Transfer Switches		\$100,000	No
Storm Drain Fund	Storm Drain	MS4 permitting expenses	40,000		Yes
Storm Drain Fund	Storm Drain	Storm Drain Inspector I - type		\$73,500	Yes
Storm Drain Fund	Storm Drain	Vehicle		\$25,000	Yes
Storm Drain Fund	Storm Drain	training		\$1,000	Yes
Storm Drain Fund	Storm Drain	Payment to General Capital Projects Fund for Jacobs Ranch Debris Basin		\$75,000	Yes

APPENDICE A: BUDGET REQUESTS

Storm Drain Fund	Storm Drain	Admin Fee for HR Specialist		\$4,785	Yes
Storm Drain Fund	Storm Drain	Admin Fee for Utility Billing Specialist		\$10,008	Yes
Storm Drain Fund	Storm Drain	400 N East of Redwood		\$4,392	No
Storm Drain Fund	Storm Drain	Harvest Moon Drive 1		\$60,800	No
Storm Drain Impact Fund	Storm Drain	Harbor Parkway LME		\$162,600	Yes
Storm Drain Impact Fund	Storm Drain	1200 N stormdrain under Pioneer Crossing Betterment	49,000		Yes
Storm Drain Impact Fund	Storm Drain	Payment to General Capital Projects Fund for Jacobs Ranch Debris Basin	\$250,000		Yes
Storm Drain Impact Fund	Storm Drain	400 N East of Redwood		\$83,448	No
Capital Projects Fund	Capital Projects	Work Order Software	\$30,000		Yes
Capital Projects Fund	Capital Projects	Road Projects		\$600,000	Yes
Capital Projects Fund	Capital Projects	Street Light Projects		\$50,000	Yes
Capital Projects Fund	Capital Projects	Parks Capital Projects		\$50,000	Yes
Capital Projects Fund	Capital Projects	Community Strategic Planning	\$50,000		Yes
Capital Projects Fund	Capital Projects	Five Year CIP	-\$50,000		Yes
Capital Projects Fund	Capital Projects	Vehicle Replacement		\$117,097	Yes
Capital Projects Fund	Capital Projects	Equipment Replacement		\$29,653	Yes
Capital Projects Fund	Capital Projects	Computer Replacement		\$22,122	Yes

APPENDICE A: BUDGET REQUESTS

Capital Projects Fund	Capital Projects	NRCS Budget Adjustment	\$2,456,284		Yes
Capital Projects Fund	Capital Projects	Storm Drain Reimbursement Impact Fund 31	-\$250,000		Yes
Roads Impact Fund	Roads	reallocate existing projects	-\$85,000		Yes
Roads Impact Fund	Roads	Pioneer Crossing Extension betterments	\$825,000		Yes
Roads Impact Fund	Roads	200 East (4th S to Pioneer)	-\$850,000		Yes
Public Safety Impact	Public Safety	Public Safety Capital Facilities Plan	\$30,000		Yes
Public Safety Impact	Public Safety	Land Purchase and Design	\$500,000		Yes

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

10-4560-570	Recreation	Miss Saratoga Pageant	3,000	7,011	4,011	previous accountant did not carry forward revenues from pageant
10-4160-260	General Government Bldgs & Grounds	Bldgs & Grounds - Supply/Maint	3,090	6,090	3,000	repair of bathroom counters in upstairs bathroom
10-4160-281	General Government Bldgs & Grounds	Utilities - Power	42,000	48,500	6,500	budget was not increased for the addition of the public works bldg
10-4160-283	General Government Bldgs & Grounds	Utilities - Telephone	32,395	84,000	51,605	budget was taken from police cell line item but not increased in general bldgs and grounds cell phone plan
10-4140-110	Administrati on Department	Salaries and Wages	357,621	377,702	20,081	increase in salary and bonus
10-4140-130	Administrati on Department	Employee Benefits	133,974	137,506	3,532	benefits increase due to salary increase and bonus
10-4143-540	Treasurer Department	Admin Bank Charges	56,889	63,889	7,000	increase in CC usage and increased fees
Total for General Fund					95,729	
<u>SSD Street Light SID Expenditures</u>						
new code	SSD Street Light SID S.R. Fund	Street Lights	-	50,000	50,000	Street Lights in SSD
Total for SSD Street Light SID					50,000	
<u>General Capital Projects</u>						

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

<u>Revenues</u>						
35-3350-100	General Capital Projects	Grants	-	(2,456,284)	(2,456,284)	NRCS Grant Project
<u>Expenditures</u>						
35-4000-710	General Capital Projects	Federal Grant Project	750,000	3,218,064	2,468,064	NRCS Grant Project
35-4000-780	General Capital Projects	Work Order Software	140,000	170,000	30,000	Implementation Costs
35-4000-755	General Capital Projects	Five Year CIP	624,515	574,515	(50,000)	Community Strategic Planning
new code	General Capital Projects	Community Strategic Planning	-	50,000	50,000	Community Strategic Planning
Total for General Capital Projects					41,780	
<u>Roads Impact Fund</u>						
<u>Expenditures</u>						
33-4000-749	Capital Projects	Pioneer Crossing Extention Betterments	-	825,000	825,000	Pioneer Crossing Betterments
33-4000-710	Capital Projects	Transportation Planning	138,638	53,638	(85,000)	Reallocate budgeted funds for future projects
33-4000-736	Capital Projects	200 East (4th South to Pioneer)	3,500,000	2,650,000	(850,000)	Pioneer Crossing Betterments
Total for Roads Impact Fund					(110,000)	
<u>Public Safety Impact Fund</u>						
<u>Expenditures</u>						
34-4000-600	Capital Projects	Public Safety Master Plans	-	30,000	30,000	Public Safety Capital Facilities Plan
34-4000-739	Capital Projects	Police Station Land	300,000	800,000	500,000	Land Purchase and Plans for

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

		AC and Design				Public Safety Facility
Total for Pulic Safety Impact Fund					530,000	
<u>Culinary Water Impact Fund</u>						
<u>Expenditures</u>						
new account	Capital Projects	Crossroads Blvd 18 inch Water Line	-	101,000	101,000	Engineering for Crossroads Blvd 18 inch water line and booster
new account	Capital Projects	Pioneer Crossing Extention	-	50,000	50,000	Pioneer Crossing Extention 18 inch water line stub to CUWCD
Total for Culinary Water Impact Fund					151,000	
<u>Secondary Water Impact Fund</u>						
<u>Expenditures</u>						
57-4000-710	Capital Projects	Secondary Water Capital Projects	79,130	26,515	(52,615)	defund existing projects for reallocation
57-4000-792	Capital Projects	Pond 6 Expansion	565,000	268,669	(296,331)	Pond 6 expansion (Funded from 2011 Sales Tax Bond Revenues) Move 1/2 of the expense to non impact fee Fund 51.
Total for Secondary Water Impact Fund					(348,946)	
<u>Water Fund</u>						

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

<u>Expenditures</u>						
51-4000-792	Capital Projects	Pond 6 Expansion	-	296,331	296,331	Pond 6 expansion (Funded from 2011 Sales Tax Bond Revenues) Move 1/2 of the expense to non impact fee Fund 51.
Total for Water Fund					296,331	
<u>Sewer Fund</u>						
<u>Expenditures</u>						
52-5200-405	Sewer Operating Fund	Shop and Maintenance Collection	184,000	124,000	(60,000)	move existing funds to budget for sewer manhole rehab
52-5200-406	Sewer Operating Fund	Gravity Sewer Manhole rehabilitation	-	60,000	60,000	fund sewer manhole rehabilitation
52-5200-740	Sewer Operating Fund	capital outlay	105,000	117,000	12,000	lift 7 road access improvements
Total for Sewer Fund					12,000	
<u>Storm Drain Fund</u>						
<u>Expenditures</u>						
new code	Storm Drain Operating Fund	MS4 permitting	-	40,000	40,000	MS4 Permitting budget
Total for Storm Drain Fund					40,000	
<u>Storm Drain Impact Fund</u>						
<u>Expenditures</u>						
new code	Capital Projects	Pioneer Crossing	-	49,000	49,000	1200 N Stormdrain under Pioneer Crossing

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

Total for Storm Drain Impact Fund					49,000	
<u>Parks Impact Fund</u>						
<u>Expenditures</u>						
32-4000-710	Capital Proejcts	Parks and Recreation Master Plan	202,771	53,000	(149,771)	reallocate budgeted funds for future projects
32-4000-720	Capital Proejcts	South Marina - Capital Expend	60,653	2,000	(58,653)	reallocate budgeted funds for future projects
Total for Parks Impact Fund					(208,424)	
Grand Total					598,469	
Fiscal Year 2013-14 Budget Amendments #3 - Approved by Council March 4, 2014						
G/L Account	Department	Description	Current FY 2014 Budget	New Budget Amount	Increase (Decrease)	Notes/Comments
<u>General Fund</u>						
10-4140-310	Administrati on	Professional & Tech - Auditor	18,800	21,500	2,700	Audit Charges for Financial Statements
10-4144-110	Recorder	Salaries and Wages	52,807	58,807	6,000	PT City Recorder
10-4170-600	Elections	Elections	8,000	9,540	1,540	Over budget
10-4210-110	Police	Salaries and Wages	1,172,045	1,188,045	16,000	SS 1/2 Detective due to Bluffdale
10-4215-110	Police - Bluffdale	Salaries and Wages	316,190	342,228	26,038	Bluffdale 1/2 Detective increase
Total for General Fund					52,278	

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

<u>Debt Service Fund</u>						
<u>Revenues</u>						
40-9701-951	Debt Service	Admin Fee - Int on Water Due	-	118,559	118,559	Auditors prefer to see the payments to the debt service as an admin fee
40-9701-956	Debt Service	Admin Fee - Rent Sewer	-	47,607	47,607	Auditors prefer to see the payments to the debt service as an admin fee
40-9701-957	Debt Service	Admin Fee - Rent Storm	-	47,607	47,607	Auditors prefer to see the payments to the debt service as an admin fee
40-3810-951	Debt Service	Transfer in - Water	118,559	-	(118,559)	Auditors prefer to see the payments to the debt service as an admin fee
40-3810-952	Debt Service	Transfer in - Sewer	47,607	-	(47,607)	Auditors prefer to see the payments to the debt service as an admin fee
40-3810-954	Debt Service	Transfer In - Storm	47,607	-	(47,607)	Auditors prefer to see the payments to the debt service as an admin fee
Total for Debt Service Fund					-	
<u>Water Rights Fund</u>						
<u>Expenditures</u>						
58-5800-625	Water Rights	Rate Stabilization Fund	170,000	400,000	230,000	Rate Stabilization Fund for Bonds
Total for Water Rights Fund					230,000	

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

<u>Secondary Water Impact Fund</u>						
<u>Expenditures</u>						
new code	Secondary Impact Fund	Welby Jacobs turnout to Benches	-	100,000	100,000	Engineering for Welby Jacobs Turnout to Benches
57-5500-100	Secondary Impact Fund	Depreciation	-	232,000	232,000	Depreciation has not been budgeted in the past, now it is causing the fund to be over budget. (Auditor Recommended)
Total for Secondary Water Impact Fund					332,000	
<u>Capital Projects Fund</u>						
<u>Expenditures</u>						
new code	Capital Projects	Fire Truck	-	250,000	250,000	Purchase of New Fire Truck
35-4000-755	Capital Projects	Five Year CIP	574,515	324,515	(250,000)	
Total for Capital Projects Fund					-	
<u>Culinary Water Impact Fund</u>						
<u>Expenditures</u>						
new code	Culinary Impact Fund	RR 18 inch water line eng in 2014	-	50,000	50,000	Redwood Road 18 Inch Water Line Engineering
56-5500-100	Culinary Impact Fund	Depreciation	-	1,030,000	1,030,000	Depreciation has not been budgeted in the past, now it is causing the fund to be over budget. (Auditor Recommended)

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

56-4000-717	Culinary Impact Fund	Well #1 Design and Project	191,608	30,074	(161,534)	defund - project completed
Total for Culinary Water Impact Fund					918,466	
<u>Water Fund</u>						
<u>Revenues</u>						
new code	Secondary Water Operating	Bond Revenue	-	(2,774,000)	(2,774,000)	Series 2014 Water Revenue Bonds
<u>Expenditures</u>						
new code	Secondary Water	Secondary Residential Meters	-	2,774,000	2,774,000	Bond Revenue Funded
new code	Secondary Water	Harvest Hills Transmission	-	46,000	46,000	Harvest Hills Transmission
51-5813-940	Water	Transfer Out Debt Service	118,559	-	(118,559)	Transfers to Debt Services should be an Admin Fee - Auditor Recommended
51-5105-???	Water	Admin Fee to Debt Service	-	118,559	118,559	Transfers to Debt Services should be an Admin Fee - Auditor Recommended
51-5500-100	Water Fund	Depreciation	-	790,000	790,000	Depreciation has not been budgeted in the past, now it is causing the fund to be over budget. (Auditor Recommended)
Total for Water Fund					836,000	
<u>Sewer Fund</u>						
<u>Expenditures</u>						
52-5500-100	Sewer	Depreciation	-	605,000	605,000	Depreciation has not been budgeted in the past, now it is causing the

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

						fund to be over budget. (Auditor Recommended)
52-5813-940	Sewer	Transfer Out Debt Service	47,607	-	(47,607)	Transfers to Debt Services should be an Admin Fee - Auditor Recommended
52-5200-???	Sewer	Admin Fee to Debt Service	-	47,607	47,607	Transfers to Debt Services should be an Admin Fee - Auditor Recommended
Total for Sewer Fund					605,000	
<u>Sewer Impact Fund</u>						
<u>Expenditures</u>						
53-5500-100	Sewer Impact	Depreciation	-	92,000	92,000	Depreciation has not been budgeted in the past, now it is causing the fund to be over budget. (Auditor Recommended)
Total for Sewer Impact Fund					92,000	
<u>Storm Drain Impact Fund</u>						
<u>Expenditures</u>						
31-4000-786	Storm Drain Impact	Upsize Detention Basin in HH	61,000	100,000	39,000	Bid exceeded budget
Total for Storm Drain Impact Fund					39,000	
<u>Storm Drain Enterprise Fund</u>						
<u>Expenditures</u>						

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

54-5500-100	Storm Drain Enterprise	Depreciation	-	410,000	410,000	Depreciation has not been budgeted in the past, now it is causing the fund to be over budget. (Auditor Recommended)
54-5800-940	Storm Drain Enterprise	Transfer Out Debt Service	47,607	-	(47,607)	Transfers to Debt Services should be an Admin Fee - Auditor Recommended
54-5400-???	Storm Drain Enterprise	Admin Fee to Debt Service	-	47,607	47,607	Transfers to Debt Services should be an Admin Fee - Auditor Recommended
Total for Storm Drain Enterprise Fund					410,000	
Grand Total					3,514,744	
Fiscal Year 2013-14 Budget Amendments #4 - Approved by Council April 1, 2014						
G/L Account	Department	Description	Current FY 2014 Budget	New Budget Amount	Increase (Decrease)	Notes/Comments
<u>Zone 2 Water Improvement SID</u>						
<u>Revenues</u>						
24-3990-100	Zone 2 Water Improvement SID	Transfers from Other Funds	-	138,600	(138,600)	Portion of Bond Call fund were put into the Water Rights Fund s/b Zone 2 Imp SID

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

24-3990-110	Zone 2 Water Improvement SID	Beg Fund Balance to Be Approp	-	405,247	(405,247)	
<u>Expenditures</u>						
24-4000-810	Zone 2 Water Improvement SID	Debt Service Principal	159,000	702,847	543,847	Bond Call for 4.1.14 - Received funds to pay for Bond Call
Total for Zone 2 Water Improvement SID					-	
<u>Water Rights Fund</u>						
<u>Expenditures</u>						
new code	Water Rights	Transfer to Other Funds	-	138,600	138,600	Portion of Bond Call fund were put into the Water Rights Fund s/b Zone 2 Imp SID
Total for Water Rights Fund					138,600	
<u>Culinary Water Impact Fund</u>						
<u>Expenditures</u>						
56-4000-600	Culinary Impact Fund	Culinary Water Master Plans	-	50,000	50,000	Master Plans
56-4000-710	Culinary Impact Fund	Cul Water Capital Projects	164,508	114,508	(50,000)	Master Plans
Total for Culinary Water Impact Fund					-	
<u>Parks Impact Fund</u>						
<u>Revenues</u>						
24-3990-100	Parks Impact Fund	Beginning Fund Balance to Be Approp	1,317,297	1,983,301	(666,004)	Parks Prioritization
<u>Expenditures</u>						

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

32-4000-740	Parks Impact Fund	Parks Capital Projects	1,501,843	134,014	(1,367,829)	Parks Prioritization
32-4000-685	Parks Impact Fund	Fox Hollow 21 Acre Park Master Plan	-	34,290	34,290	Parks Prioritization
32-4000-686	Parks Impact Fund	Shoreline Wetland Study	-	50,000	50,000	Parks Prioritization
32-4000-687	Parks Impact Fund	Neptune Park Plaza/Play System	-	165,000	165,000	Parks Prioritization
32-4000-688	Parks Impact Fund	Sunset Haven Detention Park/Ped Access	-	55,299	55,299	Parks Prioritization
32-4000-689	Parks Impact Fund	Harvest Hills Plat C Detention Basin Trail	-	55,000	55,000	Parks Prioritization
32-4000-691	Parks Impact Fund	Harvest Hills Regional Park	-	43,045	43,045	Parks Prioritization
32-4000-692	Parks Impact Fund	Harvest Hills Plat A Native Park	-	151,108	151,108	Parks Prioritization
32-4000-693	Parks Impact Fund	Shay Park	-	1,480,091	1,480,091	Parks Prioritization
Total for Parks Impact Fund					(0)	
<u>Garbage Utility Fund</u>						
<u>Revenues</u>						
new code	Garbage Utility Fund	Beginning Fund Balance to Be Approp	-	162,000	(162,000)	Purchase of Recycle Bins for new Garbage Contract
<u>Expenditures</u>						
55-4010-400	Garbage Utility Fund	Culinary Water Master Plans	28,000	190,000	162,000	Purchase of Recycle Bins for new Garbage Contract
Total for Garbage Utility Fund					-	

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

Grand Total					138,600	
Fiscal Year 2013-14 Budget Amendments #5 - Approved by Council June 3, 2014						
G/L Account	Department	Description	Current FY 2014 Budget	New Budget Amount	Increase (Decrease)	Notes/Comments
<u>General Fund</u>						
<u>Revenues</u>						
10-3890-100	Contributions and Transfers	Beginning Fund Balance to be Approp	-	(2,100,000)	(2,100,000)	balance to transfer to capital over 25%/loan to fund 51 from 35
<u>Expenditures</u>					-	
10-4147-315	Justice Court Department	professional and technical services	-	2,075	2,075	Judge Pro Tem
10-4147-390	Justice Court Department	court interpreter	3,000	3,500	500	more need for an interpreter this fiscal year
10-4147-500	Justice Court Department	State Justice Court Fees Paid	95,000	105,000	10,000	based on revenues on what is paid to the state and is more than budgeted
10-4150-280	Non Departmental	telephone systems	3,500	6,000	2,500	cost of maintenance to our aging telephone system
10-5150-510	Non Departmental	general liability insurance	191,840	210,000	18,160	increased costs to liability insurance new assets and adjustments
10-4811-935	Transfers	transfer out - capital projects	131,486	2,231,486	2,100,000	balance to transfer to capital over 25%/loan to fund 51 from 35
Total for General Fund					33,235	

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

<u>Water SID Expenses</u>						
<u>Expenditures</u>						
24-4000-525	Zone 2 Water Improvement SID	Foreclosure Legal Fees	-	13,630	13,630	foreclosure legal fees were not budgeted, offset by received revenue
Total for Water SID Expenses					13,630	
<u>Capital Projects Fund</u>						
<u>Asset</u>						
new code	Capital Projects Fund	Loan to fund 51	-	1,100,000	1,100,000	coverage of purchase of meters until bond is paid in Sept
<u>Revenues</u>						
35-3810-910	Transfer and Other Sources	Transfers In - General Fund	1,766,616	2,100,000	333,384	balance to transfer to capital over 25%/loan to fund 51 from 35
<u>Expenditures</u>						
35-4800-990	Transfer and Other Uses	Increase in Fund Balance	(22,984)	(356,368)	(333,384)	balance to transfer to capital over 25%/loan to fund 51 from 35
Total Capital Projects Fund					1,100,000	
<u>Water Operations Fund</u>						
<u>Liability</u>						
new code	Secondary Water Operations	loan from fund 35	-	(1,100,000)	(1,100,000)	coverage of purchase of meters until bond is paid in Sept

APPENDICE B: BUDGET AMENDMENTS 2013 - 2014

Total Water Operations Fund					(1,100,000)	
Grand Total					46,865	

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

PURPOSE

As part of an ongoing effort to enhance transparency and to provide timely analytical tools for decision making the City the City has added this Market and Fiscal Health Analysis¹ Section to the budget document. This section includes a series of health indicators and trend analysis that the City should continue monitor as the community grows. The analytics should be used in the decision making process to help insure the fiscal sustainability of the City. As part of a “best practice measurement” ICMA (The International City Management Association) has recommend and identified trends that Cities should be monitoring as part of the City’s overall fiscal health. These measures are longitudinal in nature and provide for a series of trends to be observed and monitored as communities plan for future growth and contemplate service delivery alternatives. Due to the increased availability of data and technology the City is incorporating these measures and an additional tool for communicating fiscal health and monitoring trends.

The process for using quantitative data begins with collecting the data. Much of the fiscal, demographic, and economic data is readily available through city and state reports. For example, revenue and expenditure data for the City are found through the Utah State Auditor’s website.

Another trend in municipal government is the use of performance and financial benchmarks. These benchmarks can be set locally, regionally, or on the state or federal level. Analysts can use these benchmarks to compare the city’s current conditions and practices to optimal conditions and best practices of other municipalities and agencies.

After the data is compiled, then city staff can analyze it. There are three steps in analyzing data:

1. Identify trends and causes
2. Calculate the risks
3. Analyze the options

In reviewing the data, it is important to ask three questions: For illustrative purposes this section contains possible responses to the questions posed.

1. Why is it happening? (Attempt to identify the cause or causes of the trend)
2. Is it important? (Assess the significance of the trend or issue)
3. What can be done? (Devise an action strategy if necessary or controllable)

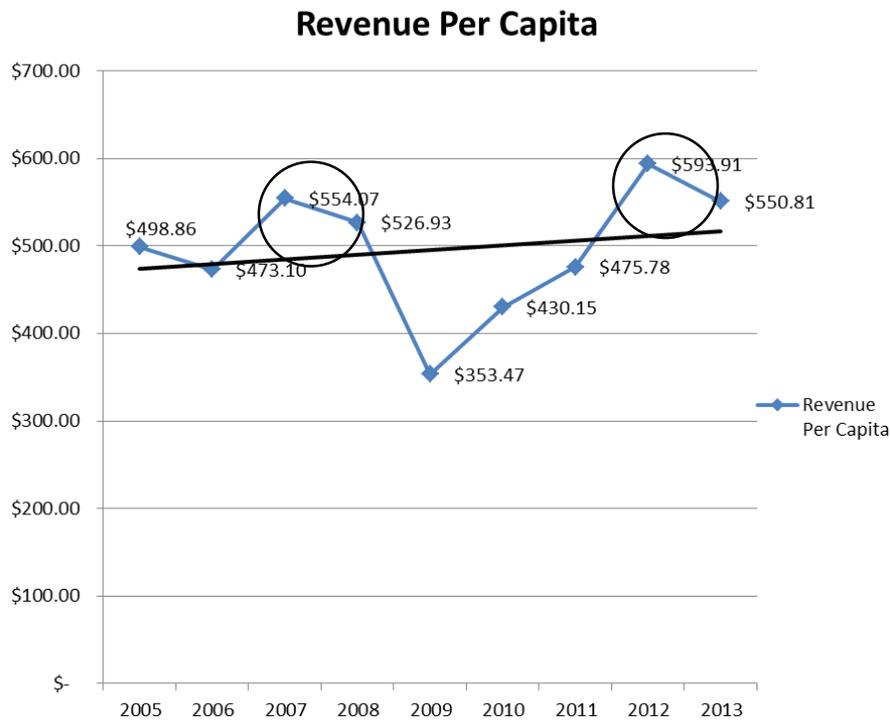
The following data trends come from the ICMA Municipal Financial Indicators Evaluation Kit. City staff has provided additional data trends and evaluations beyond the suggestions of the ICMA that meet the needs of the City. This section of the budget is Staff’s first attempt to bring this analysis and discussion to the policy discussion. Future years will bring additional analysis and trends to this section of the Budget.

¹ International City/County Management Association. (2003). *The Municipal Financial Indicators Evaluation Kit*. Washington, D.C.: ICMA.

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

METRICS

Trend Indicator:
The City is experiencing periods of decreasing revenues per capita.



Source: *Office of Utah State Auditor. Local Government Records, UT Census Form. FY 2005-2013*

1. Why is it happening?

There are several possible explanations for this trend:

- Significant increase in population
- Revenues not growing at the same rate as the population
- New growth revenues having a delay before the City realizes the revenues
- High population growth rates relative to the rest of the State

2. Is it important?

In FY 2008, the downward trend was not due to a significant increase in population. It was caused by a significant decrease in revenues attributed to the Great Recession.

In FY 2012, the decrease in revenue per capita was most likely caused by the significant increase in population due to the census population update and the City experiencing a recover to its growth subsequent to the recession. In FY 2010, the population was identified as 17,600. In FY 2014, the population was estimated at 24,800. This is an approximate 30 percent increase in population over four years. In this situation, population grew faster than revenues for a multitude of factors including delays in revenues from property, sales, and other taxes that are distributed by population distribution methodologies.

The trend line in the graph provides an additional insight. It shows that, though the City has

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

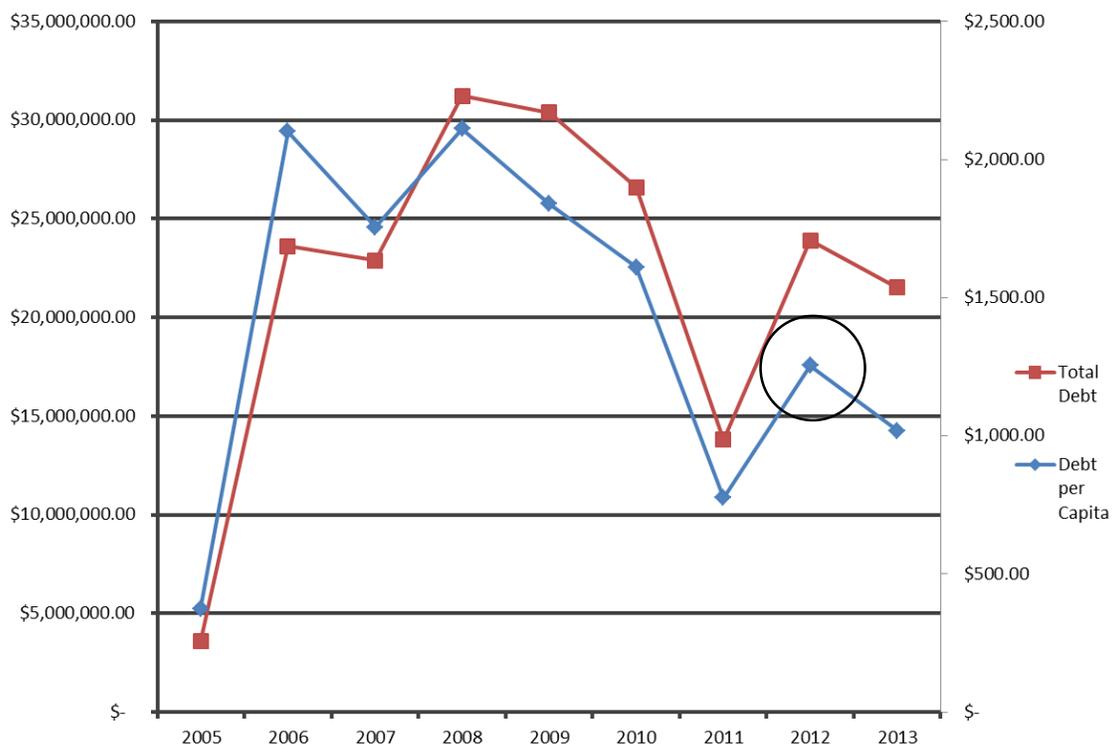
experienced decreasing revenue per capita, revenue per capita has been increasing over time and is projected to continue to do so in the future.

3. What can be done?

This metric should be monitored continually. If long term revenue growth does not match population growth, then there are three options for continued funding sustainability: increase in taxes, new revenue streams, or an increase in fees and/or utility rates.

Trend Indicator:
The City is experiencing decreasing debt per capita.

Total Debt and Debt per Capita



Source: *City of Saratoga Springs Utah Annual Budget Report. FY 2005 – 2013.*

1. Why is it happening?

There are two possible reasons why this may be happening:

- Population is increasing
- Has there has been a conservative issuance of debt.

2. Is it important?

The theory and practice of debt issuance in city government is a multifaceted issue depending on the types of debt and the needs associated with that debt. In all cases the City should be

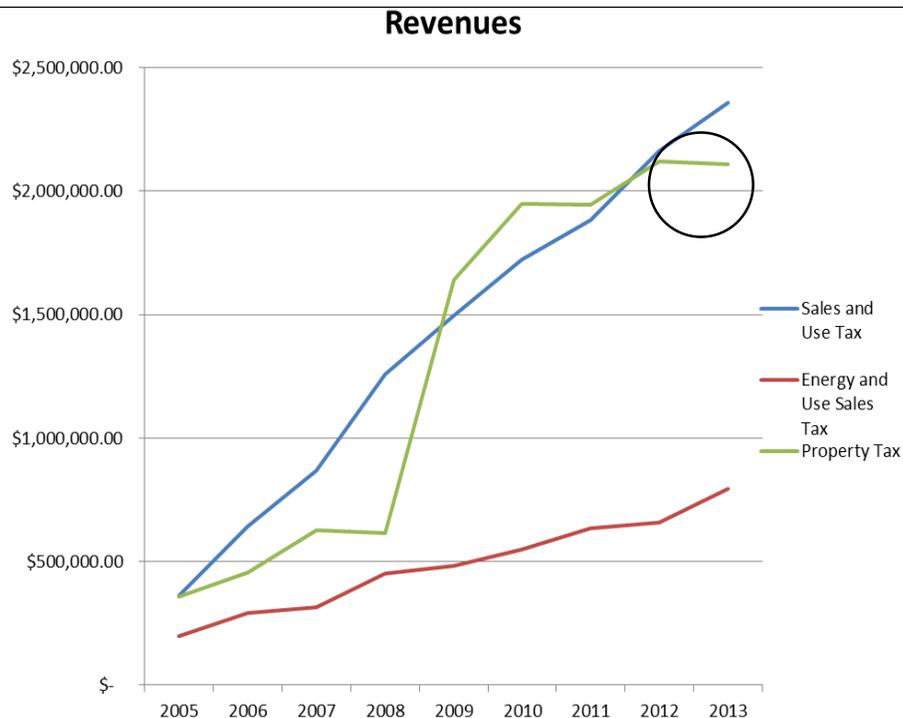
APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

conservative in issuing debt and have adequate funding sources to secure the debt. Other factors to observe in this trend include if the population is increasing or decreasing and what is a sustainable debt practice for the City. According to the graph, the amount of debt fluctuates equally with the debt per capita, which indicates that the debt per capita is decreasing due to a conservative issuance of debt as the population continues to increase.

3. What can be done?

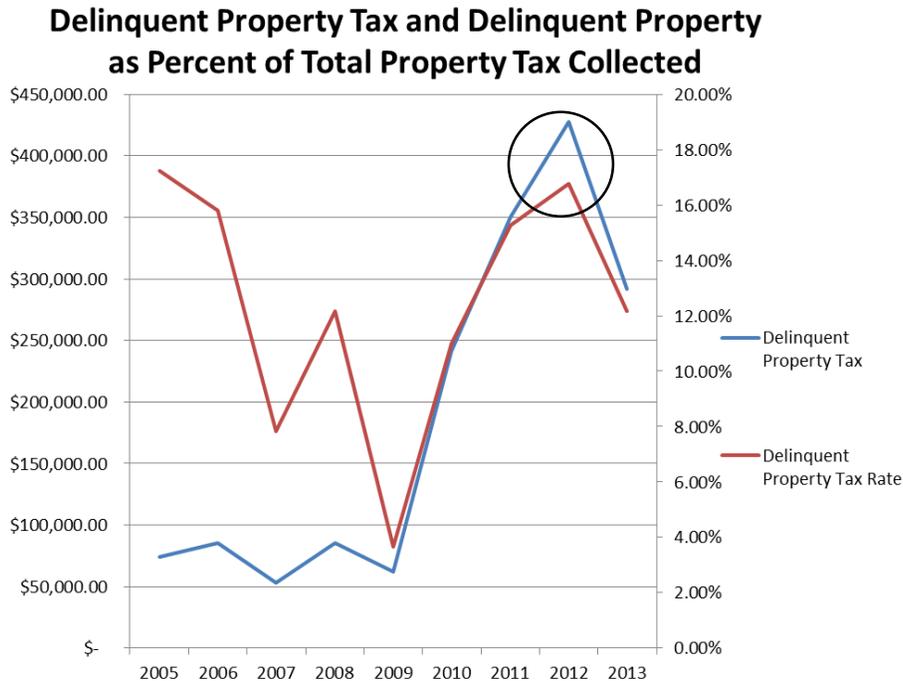
Since the graph represents a positive trend, there is little to be done other than continue to monitor the situation and conservatively issue debt as necessary for the City. Currently the City has a good bond rating for the City as discussed in previous sections of the budget.

Trend Indicators:
The City is experiencing periods of decreasing revenues.



Source: *Office of Utah State Auditor. Local Government Records, UT Census Form. FY 2005-2013*

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS



Source: *Office of Utah State Auditor. Local Government Records, UT Census Form. FY 2005-2013*

1. Why is it happening?

The only decrease in revenue occurred in property tax delinquency recovery. The property tax rate is set so that revenues remain neutral. In this case the amount of delinquent taxes are decreasing which is a positive trend indicating that less delinquencies are occurring post-recession. A minimum amount is collected each year. Anything collected above that amount is new growth. Though the property tax rate decreased from 2012 to 2013, the drop in collected amount is most likely due to a lack of new growth. Further analysis reveals that the drop in property tax was most likely due to a decrease in the amount of delinquent property taxes collected.

2. Is it important?

Based on the analysis, this trend is not important due to natural fluctuations in delinquent property collections.

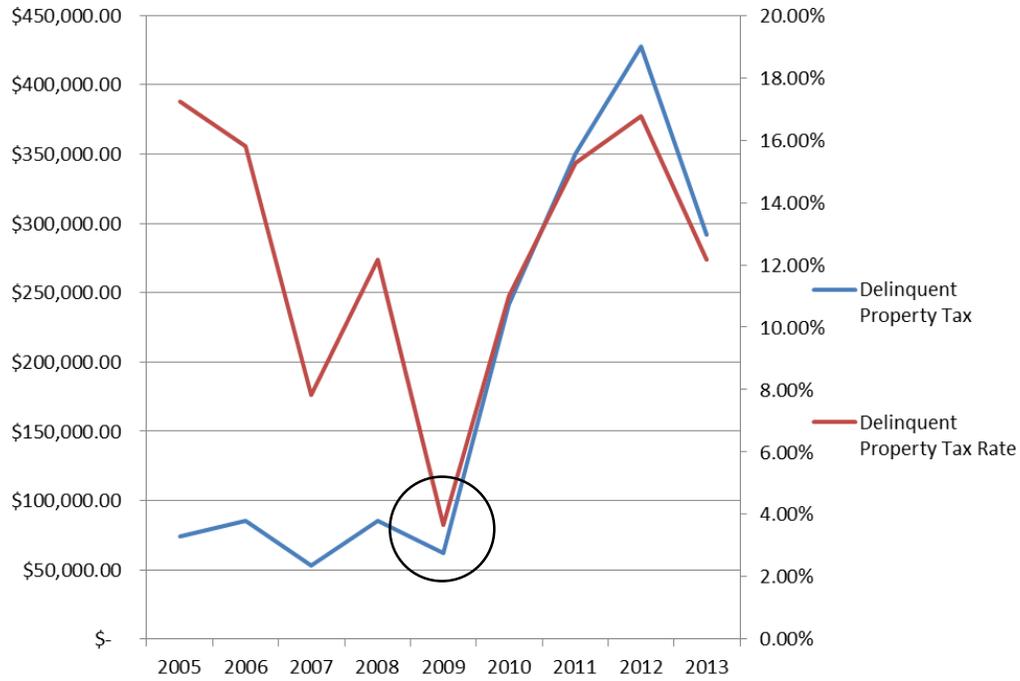
3. What can be done?

The City staff should continue to monitor the revenue, delinquent tax, and delinquent tax percent trend lines. As discussed previously, a drop in delinquent property tax collected may cause a drop in revenues.

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

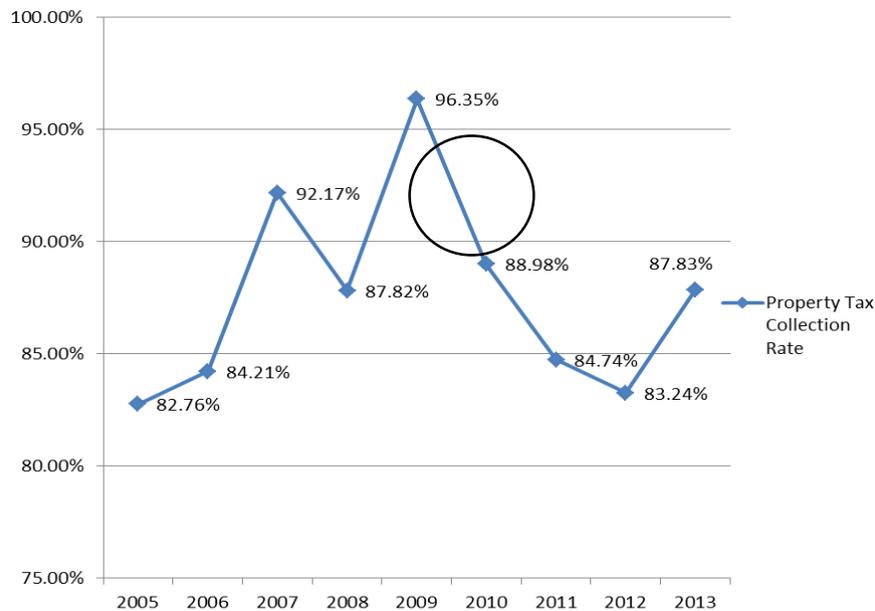
Trend Indicator:
The City has experienced periods of increasing property tax delinquency.

Delinquent Property Tax and Delinquent Property as Percent of Total Property Tax Collected



Source: *Office of Utah State Auditor. Local Records, UT Census Form. FY 2005-2013*

Property Tax Collection Rate



Source: *Office of Utah State Auditor. Local Government Records, UT Census Form. FY 2005-2013*

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

1. Why is it happening?

The cause of the increase in delinquent tax collections and rates is most likely the 2008 economic recession. As noted in the graphs, since 2012 the amount of delinquent taxes has decreased which means that residents are beginning to pay their delinquent taxes.

2. Is it important?

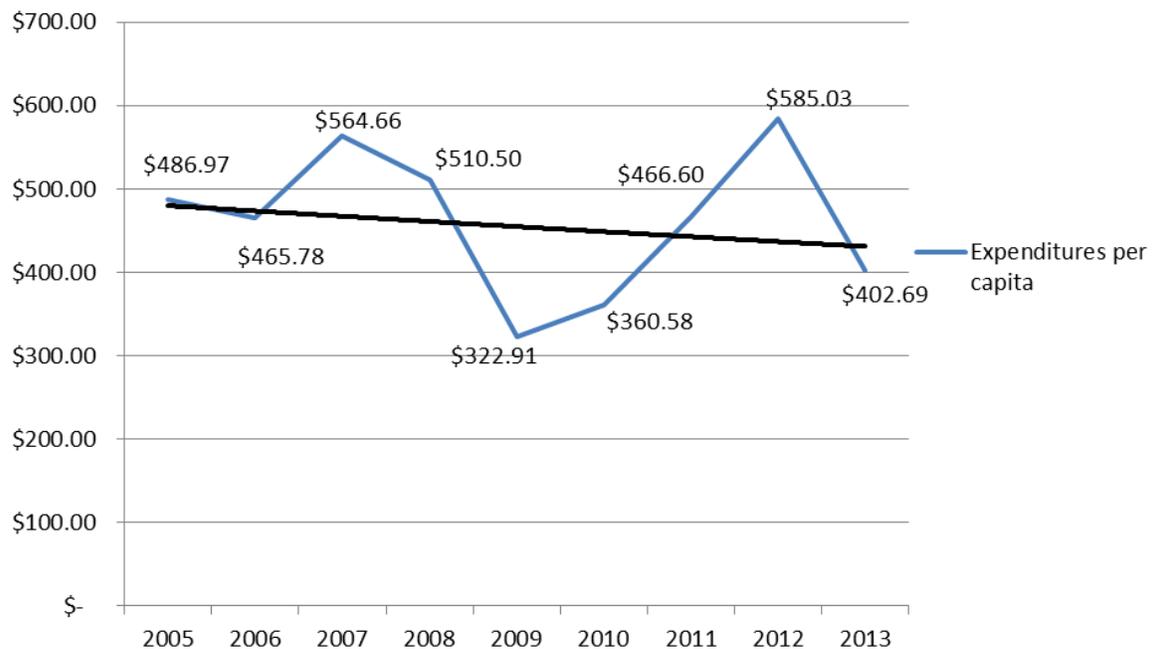
If this trend continues, this will be a significant trend. However, as the graph indicates, there may be a decrease in tax delinquency collection rates due to recovery from the 2008 recession.

3. What can be done?

Delinquent taxes should be monitored to see if the downward trend continues. If delinquent taxes continue to be a problem, the City can look at its collection policies and tax rates for adjustments.

Trend Indicators:
The City is experiencing an overall decrease in net operating expenditures per capita.

Expenditures per capita



Source: *Office of Utah State Auditor. Local Government Records, UT Census Form. FY 2005-2013*

1. Why is it happening?

The warning trend is observing if expenditures are continuing to increase each year on per capita basis. However, since this measure depends on population and annual expenditures this

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

trend could indicate that population is growing at a faster rate than expenditures. Consequently, the overall amount spent per resident is decreasing.

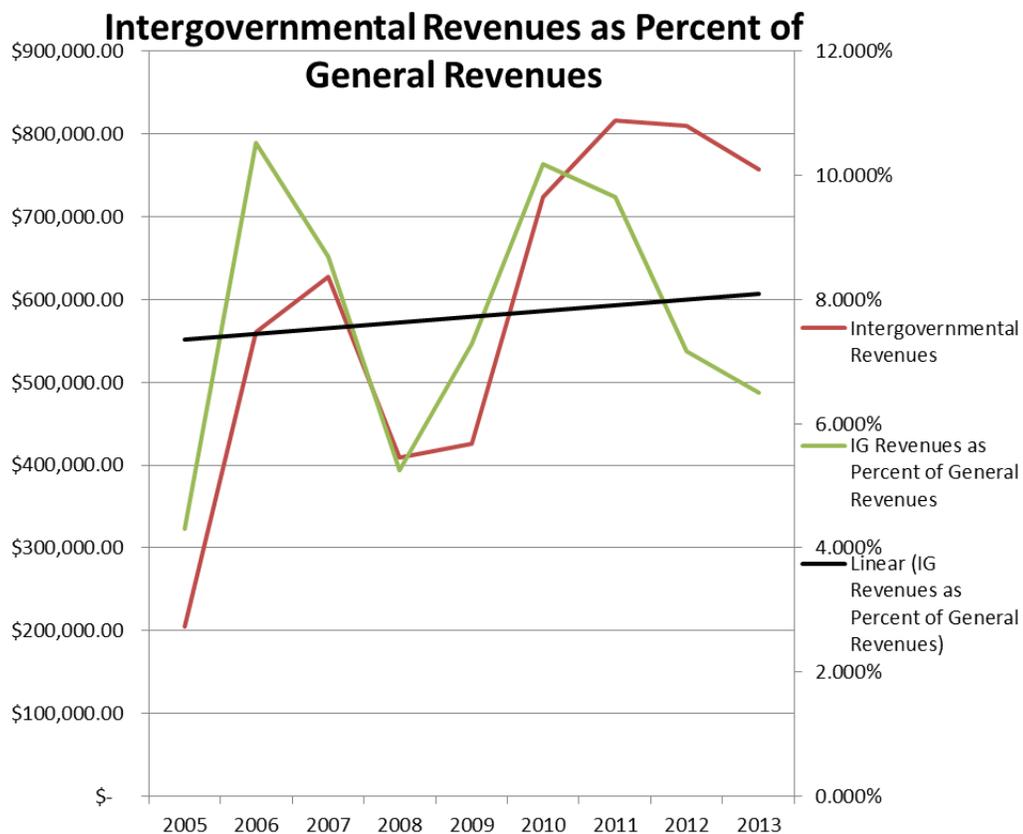
2. Is it important?

It is incredibly important. However, it is difficult to determine whether or not the levels of expenditures are normal compared to other cities. In order to determine if this is a cautionary trend, the City needs to set benchmarks as to the proper amount of expenditures per capita relative to this community and the outcomes expected by the residents.

3. What can be done?

As previously stated, the City may need to set benchmarks for appropriate expenditures per capita. The City should also continue to focus on population growth as a way to mitigate rising expenditures, since expenditures should rise with population growth.

Trend Indicators:
The City is experiencing increasing intergovernmental revenues as a percent of general revenues.



Source: Office of Utah State Auditor. Local Government Records, UT Census Form. FY 2005-2013

1. Why is it happening?

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

The City is receiving an increasing amount of intergovernmental revenues from various grants. These grants are similar to funds that many cities receive within the state.

2. Is it important?

The intergovernmental revenues have remained below ten percent of the general fund revenues. However, the city is using state monies to fund daily operations and not solely for capital projects. Though the percentage is small, this can be dangerous if the state experiences a decrease in revenues and has to reduce the amount of aid to municipalities.

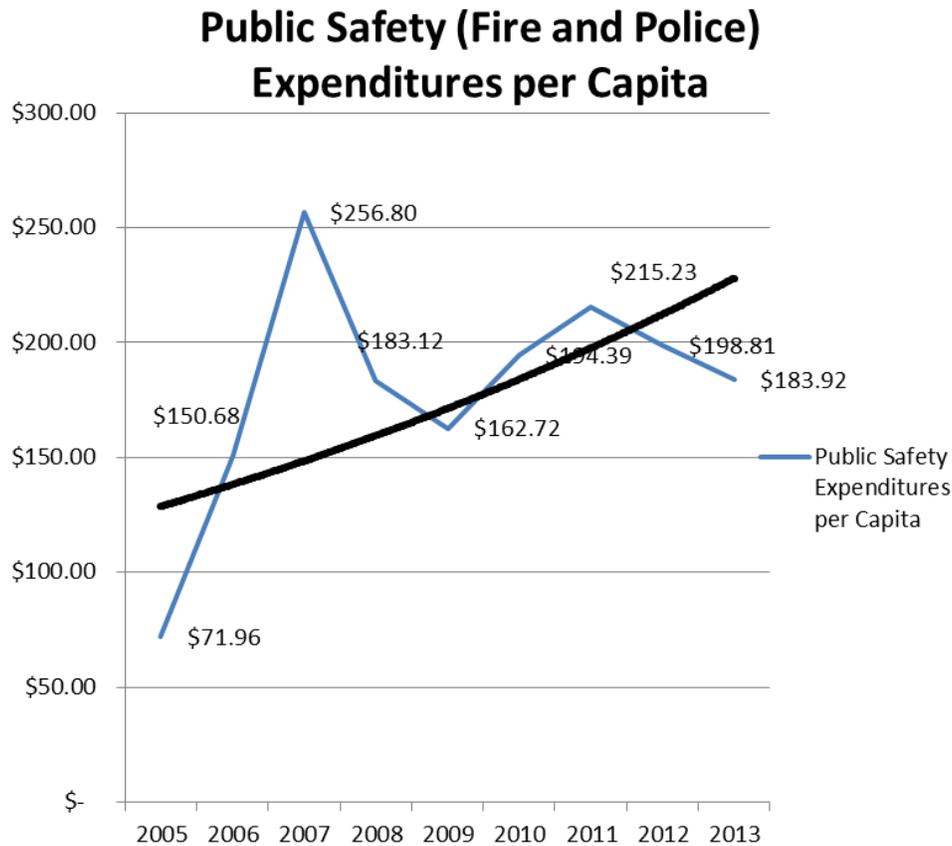
3. What can be done?

The following are suggestions for this trend:

- Create a contingency plan for alternative funding sources
- Begin matching intergovernmental funds with revenues

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

Trend Indicators:
The City is experiencing increasing public safety expenditures per capita.



Source: *City of Saratoga Springs Utah Budget Report. FY 2005 – 2013*

1. Why is it happening?

Public safety expenditures are increasing faster than the population is increasing. This may be due to an increase in personnel, an increase in workload and hours worked, or a decrease in population. Since the population is not decreasing, this trend may suggest an increase in personnel costs or an increase in workload for each officer.

2. Is it important?

If the expenditures per capita are lower than comparable benchmarks, then it would seem appropriate that the expenditures should increase in order to match the benchmarks. However, if the expenditures continue to increase beyond the benchmarks, then it is possible that the City could be spending too much per person on public safety.

3. What can be done?

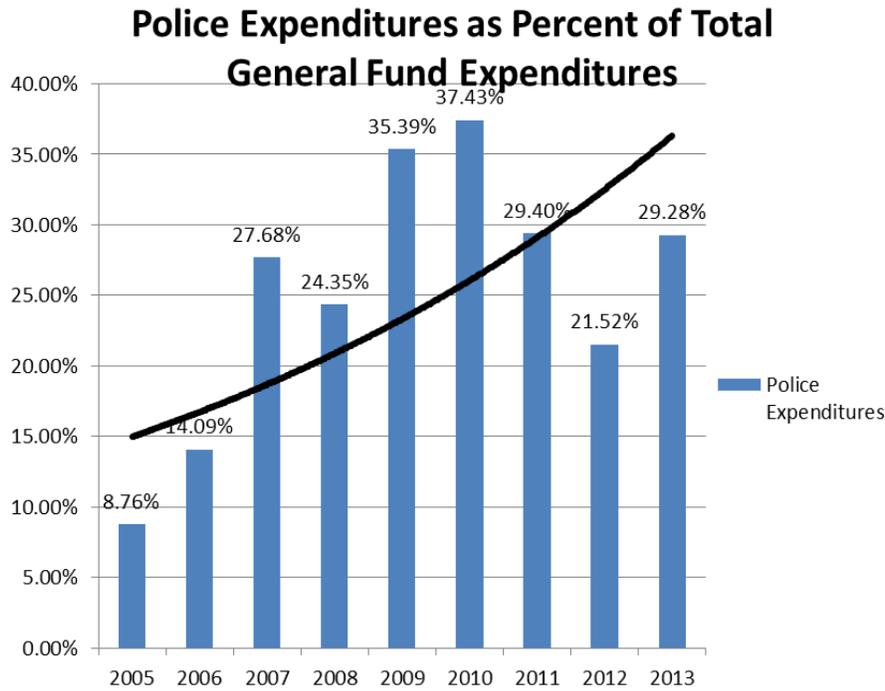
There are several possible options:

- Re-evaluate the public safety expenditures for efficient use of funds
- Compare expenditures per capita to other cities using benchmarks

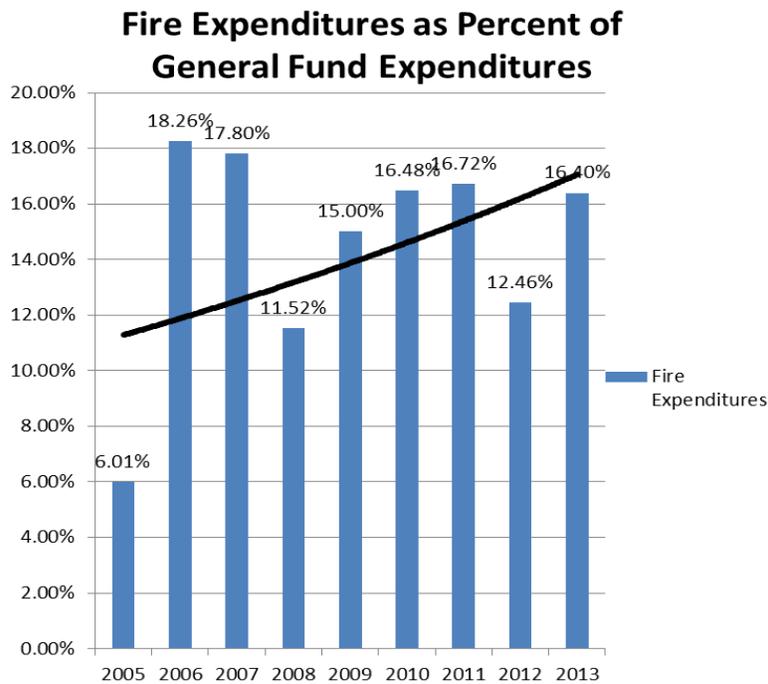
APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

Trend Indicators:

The City is experiencing increasing expenditures for one function as a percentage of total net operating expenses.



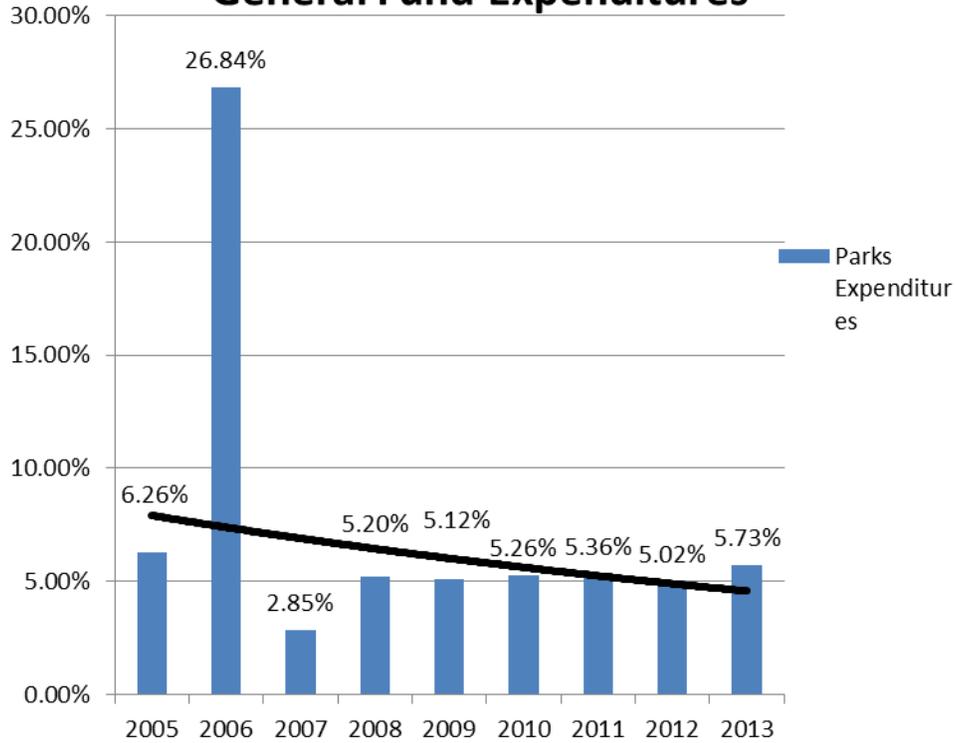
Source: *City of Saratoga Springs Utah Budget Report, FY 2005 - 2013*



Source: *City of Saratoga Springs Utah Budget Report, FY 2005 - 2013*

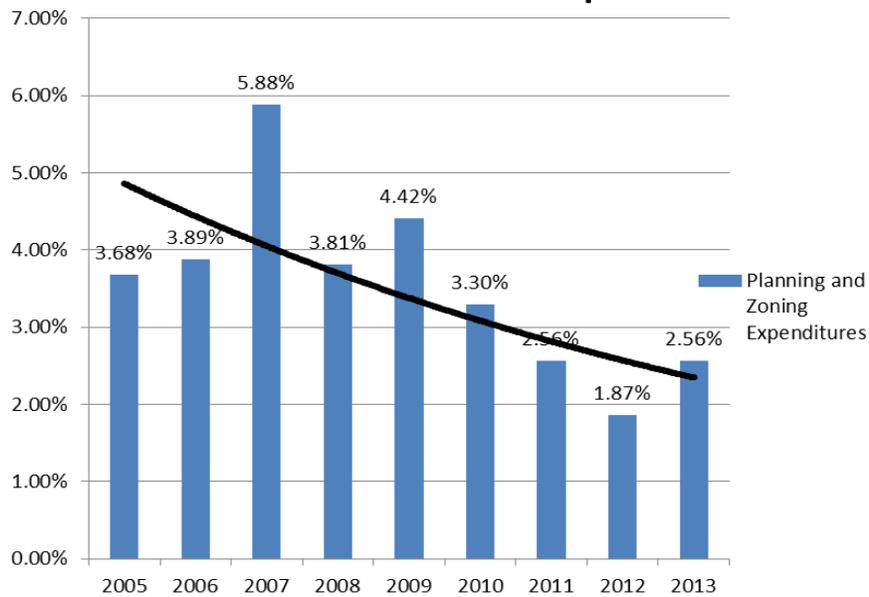
APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

Parks Expenditures as Percent of General Fund Expenditures



Source: *City of Saratoga Springs Utah Budget Report. FY 2005 - 2013*

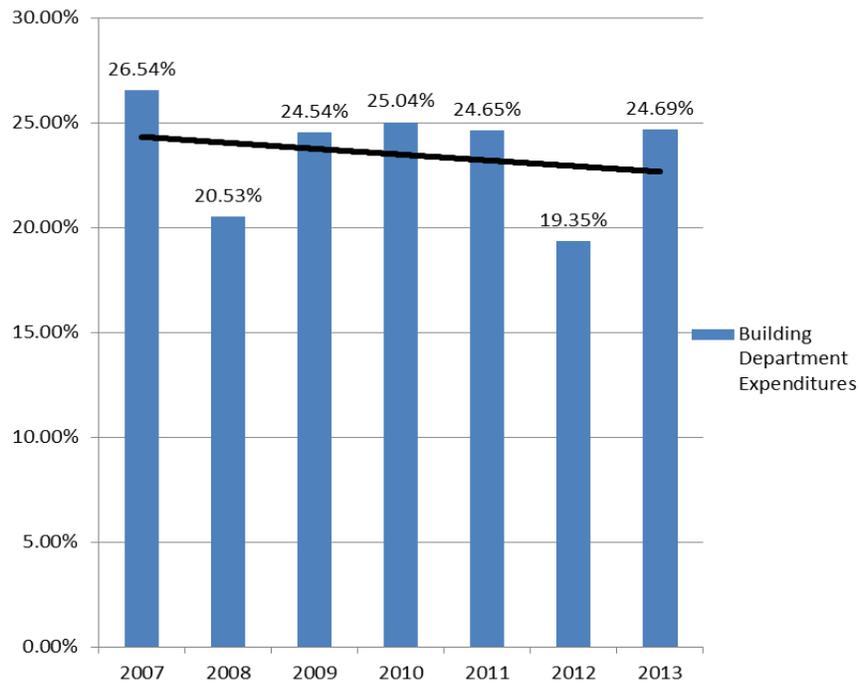
Planning and Zoning Expenditures as Percent of General Fund Expenditures



Source: *City of Saratoga Springs Utah Budget Report. FY 2005 - 2013*

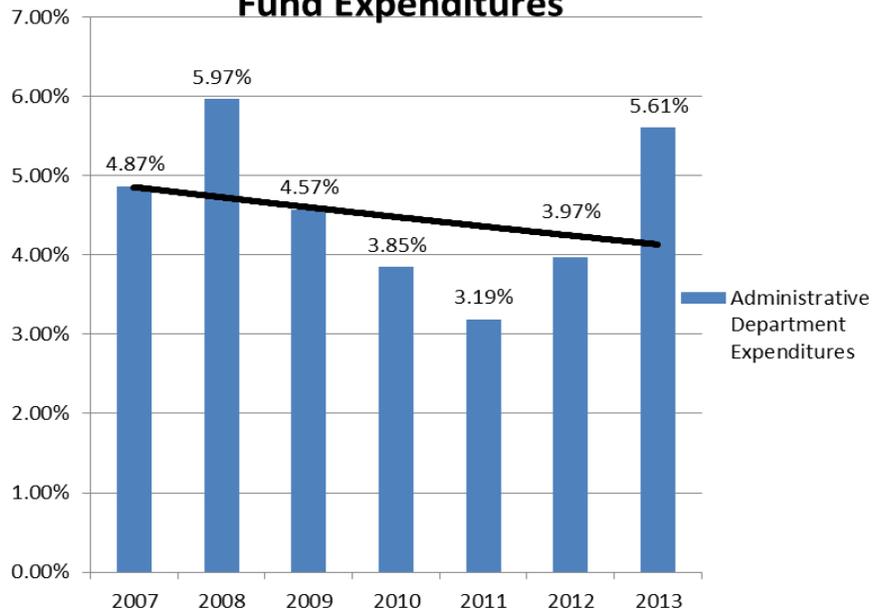
APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

Building Department Expenditures as Percent of General Fund Expenditures



Source: *City of Saratoga Springs Utah Budget Report. FY 2007 - 2013*

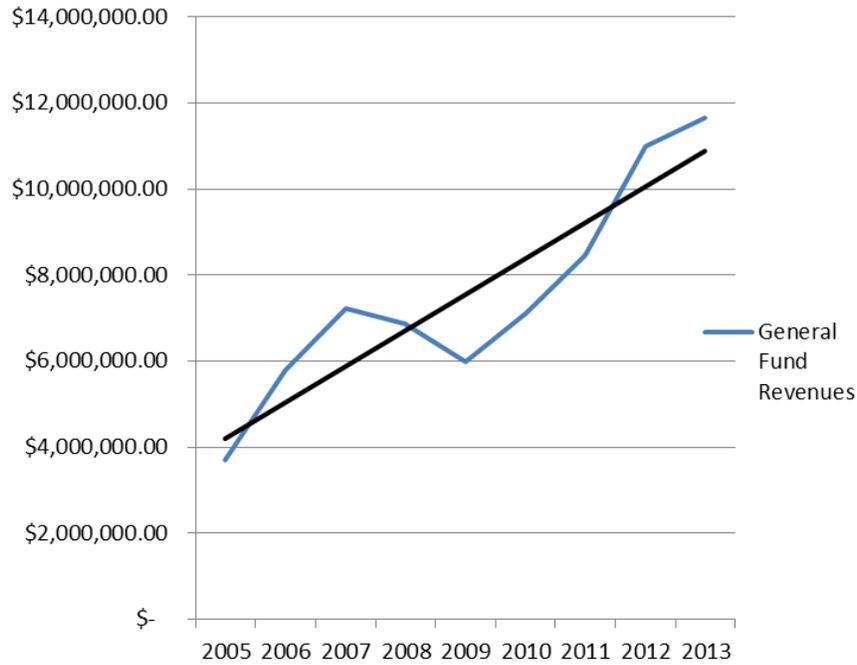
Administrative Department Expenditures as Percent of General Fund Expenditures



Source: *City of Saratoga Springs Utah Budget Report. FY 2007 - 2013*

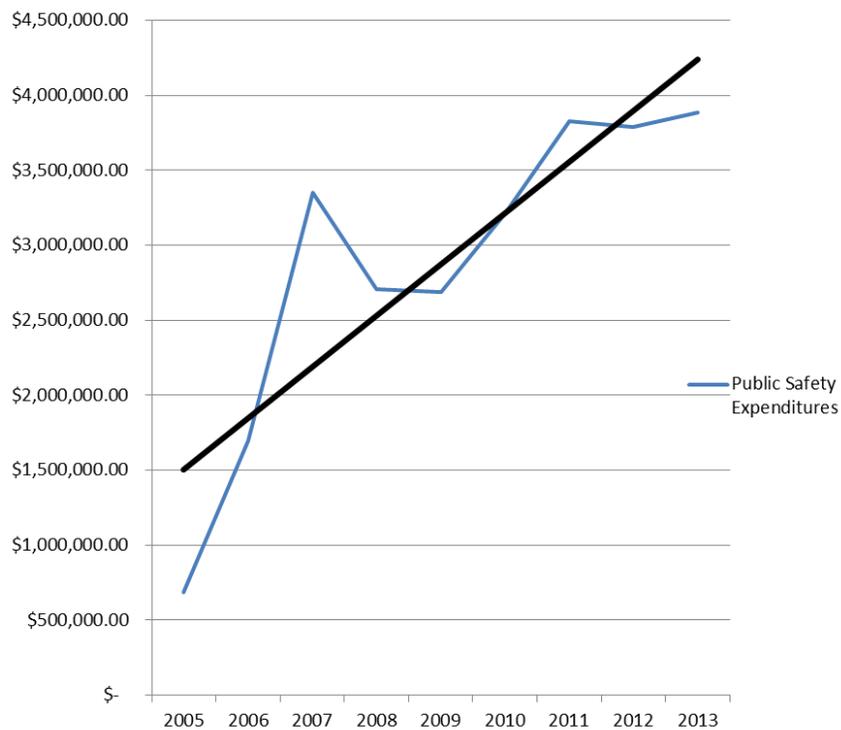
APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

General Fund Revenues



Source: *City of Saratoga Springs Utah Budget Report. FY 2005 - 2013*

Public Safety (Fire and Police) Expenditures



Source: *City of Saratoga Springs Utah Budget Report. FY 2005 - 2013*

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

1. Why is it happening?

According to the graphs, the public safety expenditures (fire and police) are taking an increasing amount of the general fund expenditures. The increase in public safety expenditures is due to the increase in personnel and operating expenditures. Similar to previous analyses, the increase in expenditures may be due to an increase in workload or an increase in personnel.

2. Is it important?

This is a very important trend. Public safety expenditures are increasing at an average rate of \$340,000 per year. That is 41% as fast as revenues. It is an additional \$9784.31 per public safety employee per year. For comparison, planning and zoning expenditures are decreasing at an overall rate of approximately \$900 per year, or .1% as fast as revenues. That is an additional \$300 per P&Z employee per year.

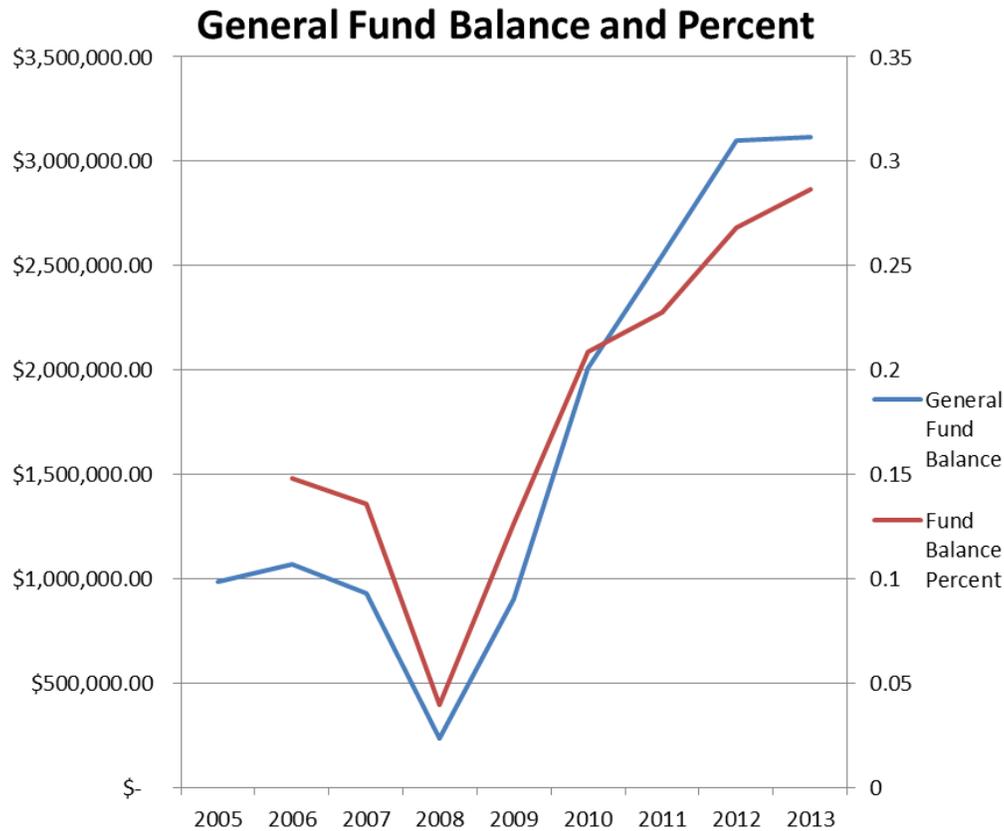
It is important to point out in the analysis that public safety employees, due to benefits, equipment, and insurance are typically more expensive than other employees. However, if public safety expenditures continue to grow at an increasing rate, expenditure growth could outstrip revenue growth, eventually resulting in deficits.

3. What can be done?

This trend may represent a particular policy choice of the elected officials and/or concerned citizens. Depending on the policy direction, the City could choose to contain the growth of public safety expenditures or continue to allow such growth. If the growth is allowed, the City may need to plan for it by identifying funding practices aimed directly at funding public safety.

<p>Trend Indicators: The City is experiencing an increasing fund balance.</p>

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS



Source: *City of Saratoga Springs, Utah. Financial Statements FY 2005 – 2013.*

1. Why is it happening?

The City has experienced extended periods of growth where revenues are more than expenditures. This trend is most likely due to the growth of the city's residential and commercial areas.

2. Is it important?

This trend is important in that it is a good indicator of the economic growth and wealth of the City. Not only is the fund balance increasing, but the fund balance percent is increasing as well. This indicates that the amount of fund balance truly is increasing compared to the amount of expenditures.

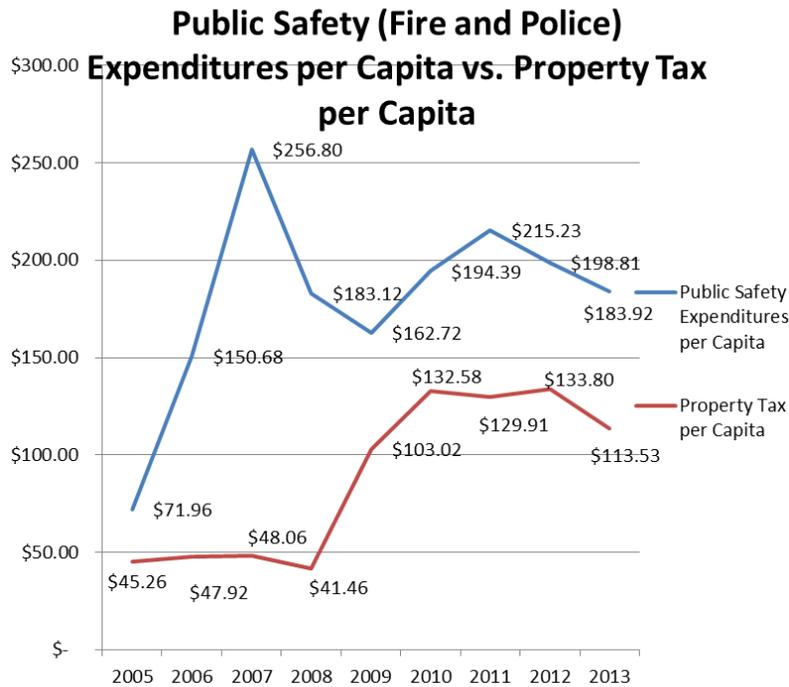
3. What can be done?

The City staff should continue to monitor this information and consider how to maintain the maximum percent of fund balance.

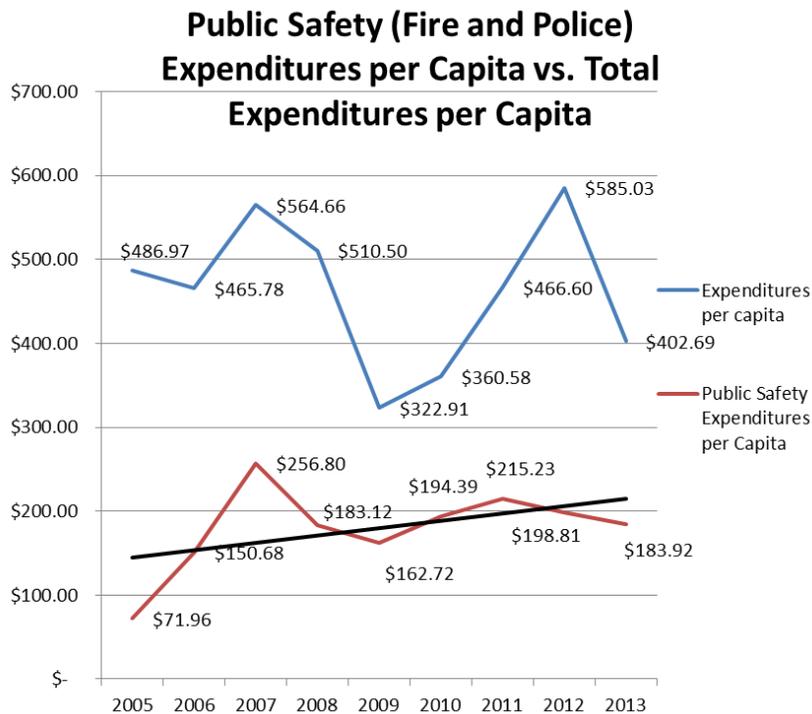
Trend Indicators:

The Public Safety (Fire and Police Departments) expenditures are consistently more than property tax revenues..

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS



Source: *City of Saratoga Springs, Utah. Financial Statements FY 2005 – 2013.*



Source: *City of Saratoga Springs, Utah. Financial Statements FY 2005 – 2013.*

1. Why is it happening?

Property tax is not able to cover all of the public safety (fire and police) expenditures. This may be due to increases in personnel costs and workloads or increases in other

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

operating expenditures.

2. Is it important

This, in congruence with other analyses, shows that public safety (fire and police) is a large portion of the expenditures for the city. If these trends continue, the city may need to assess its ability to pay for public safety expenditures and to identify sustainable funding.

3. What can be done?

At this time, it is important for the City to evaluate the workload and personnel needs of the public safety departments in order to determine if workload is met with the proper amount of personnel and other expenditures. Additionally, the following are some of the options to increase property tax revenues if the City would like property tax to pay for public safety:

- Adjust property tax rates
- Reevaluate property values
- Encourage new commercial, residential, or industrial growth to expand tax base

In the future, if the trends hold, the City may need to identify additional funding sources.

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

		Pay Range		
		Low	High	High
Position	Department		FY 2014-15	FY 2015-16
Accounts Payable Manager	Administration	\$18.62	\$19.34	\$19.34
Administrative Assistant	Planning/Police/Public Works	\$15.18	\$19.14	\$19.14
Assistant City Manager	Administration	\$36.17	\$45.89	\$46.55
Assistant Public Works Director	Public Works	\$28.62	\$37.27	\$37.27
Assistant Recreation Coordinator	Recreation	\$12.00	\$12.00	\$12.00
Building Inspector II	Building	\$18.05	\$21.98	\$21.98
Building Inspector III	Building	\$21.67	\$27.78	\$28.45
Building Official	Building	\$24.62	\$33.73	\$33.73
City Attorney	Attorney	\$37.76	\$49.68	\$53.04
City Engineer	Engineering	\$29.56	\$40.08	\$40.12
City Management Intern	Administration	\$10.00	\$10.00	\$10.00
City Manager	Administration	\$41.33	\$60.68	\$60.68
City Prosecutor	Attorney	\$29.74	\$36.81	\$43.22
City Recorder	Recorder	\$25.23	\$28.64	\$32.99
Civic Events	Recreation	\$15.00	\$16.60	\$18.50
Code Enforcement	Police	\$14.52	\$17.87	\$19.96
Communities That Care Coordinator	Recreation	\$16.00	\$16.00	\$16.00
Corporal	Police	\$25.00	\$27.00	\$27.00
Court Clerk	Court	\$13.23	\$14.78	\$14.90
Crossing Guard	Police	\$9.09	\$9.09	\$9.09
Crossing Guard Supervisor	Police	\$11.11	\$11.11	\$11.11
Electrician	Public Works	\$21.85	\$28.29	\$28.29
Engineer in Training (EIT)	Engineering	\$18.70	\$19.28	\$21.11
Field Coordinator	Recreation	\$12.50	\$12.50	\$12.50
Finance Manager	Administration	\$34.08	\$41.31	\$41.31
Fire Captain	Fire	\$24.51	\$30.35	\$31.06
Fire Chief	Fire	\$33.44	\$41.44	\$42.82
Firefighter	Fire	\$17.97	\$20.70	\$20.70
GIS Administrator	Engineering	\$20.06	\$25.68	\$25.68
GPS Data Collector	Engineering	\$17.93	\$19.80	\$21.11
Human Resources Manager	Administration	\$21.63	\$33.76	\$33.76
Legal Intern	Attorney	\$15.00	\$15.00	\$15.00
Legal Secretary	Attorney	\$15.00	\$17.65	\$17.65
Library Clerk	Library	\$8.50	\$11.00	\$11.00
Library Director	Library	\$15.00	\$19.34	\$19.34
Parks Maintenance I	Parks	\$13.62	\$15.61	\$16.17
Parks Maintenance III	Parks	\$17.00	\$19.10	\$20.83
Parks Superintendent	Parks	\$21.90	\$28.05	\$30.17

APPENDICE C: MARKET AND FISCAL HEALTH ANALYSIS

Part-time Firefighter	Fire	\$11.00	\$14.13	\$14.13
Patrol Sergeant	Police	\$23.04	\$27.00	\$31.00
Payroll Clerk	Administration	\$13.25	\$15.60	\$16.05
Permit Tech	Building	\$14.07	\$18.22	\$18.58
Planning Director	Planning	\$32.33	\$38.72	\$40.67
Police Chief	Police	\$34.73	\$44.26	\$46.09
Police Officer I	Police	\$18.00	\$19.50	\$19.50
Police Officer II	Police	\$20.00	\$23.00	\$23.00
Police Officer III	Police	\$23.00	\$26.00	\$26.00
Public Relations/Economic Development Manager	Economic Development	\$22.36	\$29.52	\$32.17
Public Works Inspector	Public Works	\$18.50	\$22.32	\$23.10
Records Clerk	Police	\$13.44	\$16.53	\$16.97
Recreation Coordinator	Recreation	\$15.00	\$17.40	\$20.09
Referee	Recreation	\$10.00	\$10.00	\$10.00
Reserve Officer	Police	\$17.00	\$17.00	\$17.00
Seasonal Maintenance Workers	Public Works	\$10.00	\$11.00	\$11.00
Senior Court Clerk	Court	\$16.73	\$18.18	\$20.76
Senior Planner	Planning	\$20.58	\$25.50	\$25.50
Treasurer	Administration	\$19.53	\$24.85	\$26.10
Utility Billing Clerk	Utility Billing	\$8.86	\$15.69	\$16.05
Utility Maintenance Worker I	Public Works	\$13.00	\$14.64	\$14.64
Utility Maintenance Worker II	Public Works	\$15.25	\$17.60	\$17.60
Utility Maintenance Worker IV	Public Works	\$18.05	\$22.54	\$22.54
Utility Billing Supervisor	Utility Billing	\$17.11	\$21.52	\$21.52
Elected Positions and Board Appointments				
Mayor	Legislative	\$1,250	per month	
City Council Member	Legislative	\$850	per month	
Planning Commission	Planning	\$50.00	per meeting	