



CITY OF SARATOGA SPRINGS, UTAH

2013-2018
BUDGET





EXECUTIVE SUMMARY

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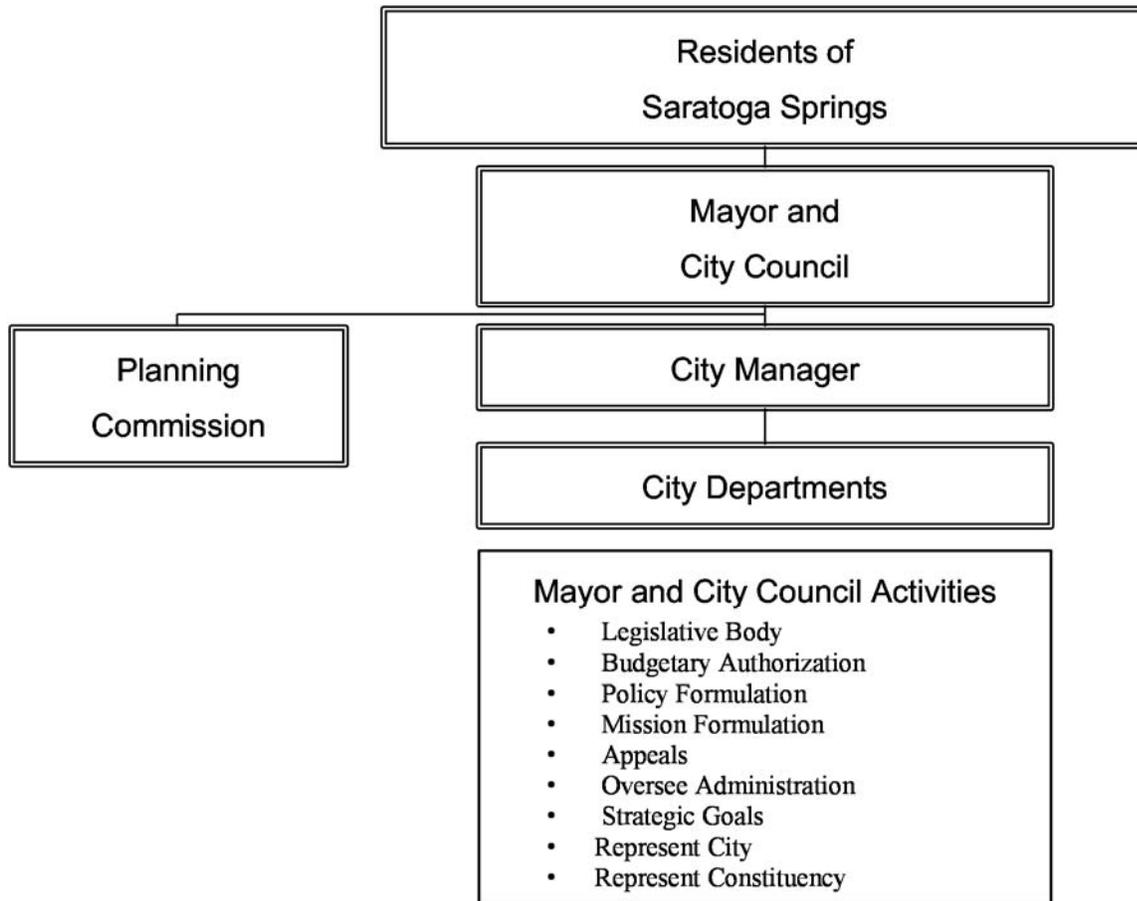
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CITY OF SARATOGA SPRINGS, UTAH

**ORGANIZATIONAL CHART
FY2013**





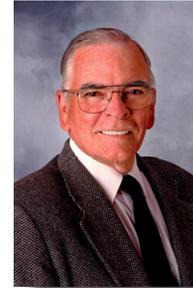
CITY OF SARATOGA SPRINGS
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MAYOR AND CITY COUNCIL AS OF JULY 1, 2013



Mayor Mia B. Love

Email: mlove@saratogaspringscity.com
Term: 01/2010 - 01/2014



Council Member Bud Poduska

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



Council Member Jim Miller

Email: jmiller@saratogaspringscity.com
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Council Member Michael McOmber

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Term: 01/2010 - 01/2014



Council Member Rebecca Call

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Term: 01/2012 - 01/2016



Council Member Shellie Baertsch

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Term: 01/2012 - 01/2016

**City Manager Introduction:**

The City of Saratoga Springs FY 2013 adjusted budget and the FY 2014 budget reflect a local economy recovering from recession. The national economy, and specifically the housing market, appear to be improving from the housing and banking crisis that has gripped the country since 2008. For five years unemployment and low consumer confidence have destabilized the economy. As a result, the Federal Reserve Board has adjusted markets through massive easing policies. These policies seem to have improved the stock market after years of volatility. This stabilization of the national economy is further evidenced by the Federal Reserve's recent decision to phase out their program of aggressive easing. However, it is unknown how markets will react to the withdrawal of support from the Federal Reserve.

With these national economic conditions in mind, the pertinent question is: How has the City of Saratoga Springs reacted to these dynamic market changes?

With the economic volatility of the last five 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 2014. Where these revenue growth projections are made, the City has assumed levels that are consistent with observable current trends and actual revenues. Based on improved economic performance of the last few years and this City's ability to overcome the last five years of recession, I can with confidence report that Saratoga Springs is in good financial shape. Additionally, with several new developments – including the development of nearly 3,000 acres around the City Center – there is a bright economic outlook for the future of our community.

Saratoga Springs finished Fiscal Year 2013 with the General Fund Reserve exceeding the maximum level allowed under state law. 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. The amended FY 2014 budget maintains relatively flat budgeted expenditures for the current fiscal year. While long-term forecasts may change over time, this budget attempts to present an attainable operational plan through FY 2018. 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



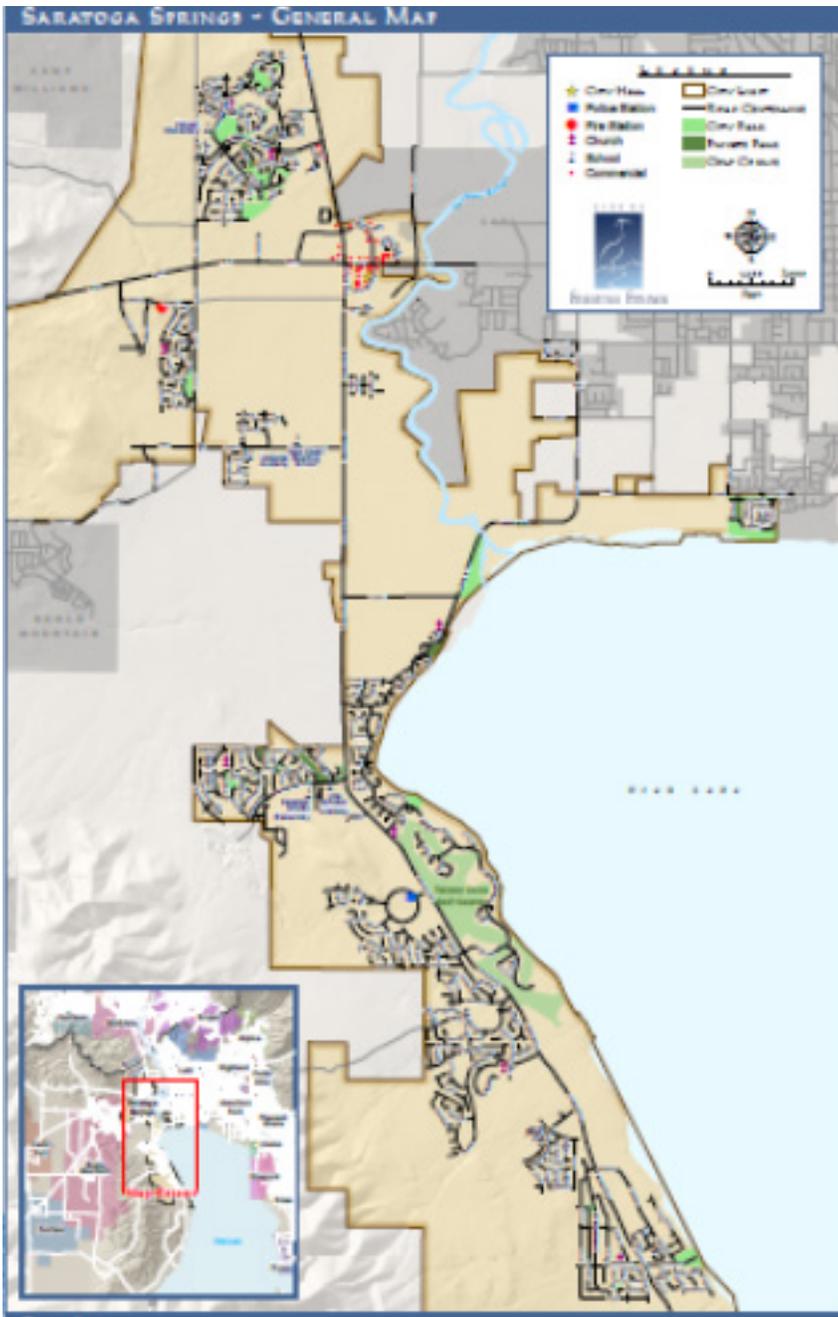
economic environment, City staff have diligently looked for ways to operate efficiently. City staff has done and will continue to carry out Council's goals while operating within identified resources (i.e., without a property tax increase).

In preparing this budget, City staff used as a base the FY 2013 Adopted Budget approved by Council in June of 2012. 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 being denied 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 2013 Adjusted, FY 2014 and FY 2015 – 2018 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 foregoing, I present the City Manager Recommended Budget for FY 2013 and FY 2014 – 2018 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 pro-development 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. Since the incorporation of the City, several ordinances have been adopted and a land development code has been created that encourages planned developments, clustering of residential units, preservation of open space, creation of parks and trail systems, and the maximization of views along the Utah Lake shore. 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 percent 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 a 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 five members and two alternates 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 SHORT TERM GOALS AND PRIORITIES (12 – 18 Months)

First Priority

- City Center Master Planning.
- Fire Services Delivery: Discussion on UFA/Metro or no change.
- Complete Long Term: Capital, Fleet, and Operations Planning.
- Develop Pioneer Crossing Phase 2 plan.
- Facilitate Satellite University Campus Discussions.
- Provide additional City Council Training. (ULCT).

Second Priority

- Develop and help facilitate a survey and/or conduct a vote for Library Services discussion.

Third Priority

- Apply for additional grants including energy efficiency and alternative energy technologies.

CITY COUNCIL LONG TERM GOALS (2 years to 20 years)

- Create a community that has diverse and sustainable resources. This should include a strong workforce, infrastructure planning and coordination, water system rights and delivery, consumer sales tax base, and economic and environmental sustainability.
- Create and support arts in the community including civic events, performing, and visual arts.
- Create a diverse community including cultural development, housing opportunities, and age distribution.
- Provide a full range of quality of life facilities for citizens of all ages and backgrounds that include: full service library, diverse recreation programs and outdoor recreation opportunities – including parks, trails, shoreline/boardwalk, and trail heads for off-road vehicles.
- Create a diverse educational base including all phases of childhood education and post high school educational opportunities.
- Facilitate mass transit facilities and opportunities within the community.
- Develop long term plans for a sewer recycling and reuse center.
- Develop long-term plans and opportunities to utilize geothermal, solar, wind, and renewable power sources.
- Apply for funding grants.
- Create a long term lakeshore business development plan.
- Facilitate a private or public cemetery within the City.

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-Term Goals” and action items as part of their long-term and short-term planning process. The goals and objectives identified above have been identified by the Mayor and Council as community priorities for FY 2013– 2014 and beyond that are tied to the City’s Mission and Organizational Philosophy, to act as a leader in providing quality governmental services. The strategies or specific



procedures to achieve the goals can be found in Operating and Capital Budgets incorporated in this budget.

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

March

- 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, 2012

Christopher P. Movill

President

Jeffrey R. Egan

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 get you in trouble.

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.

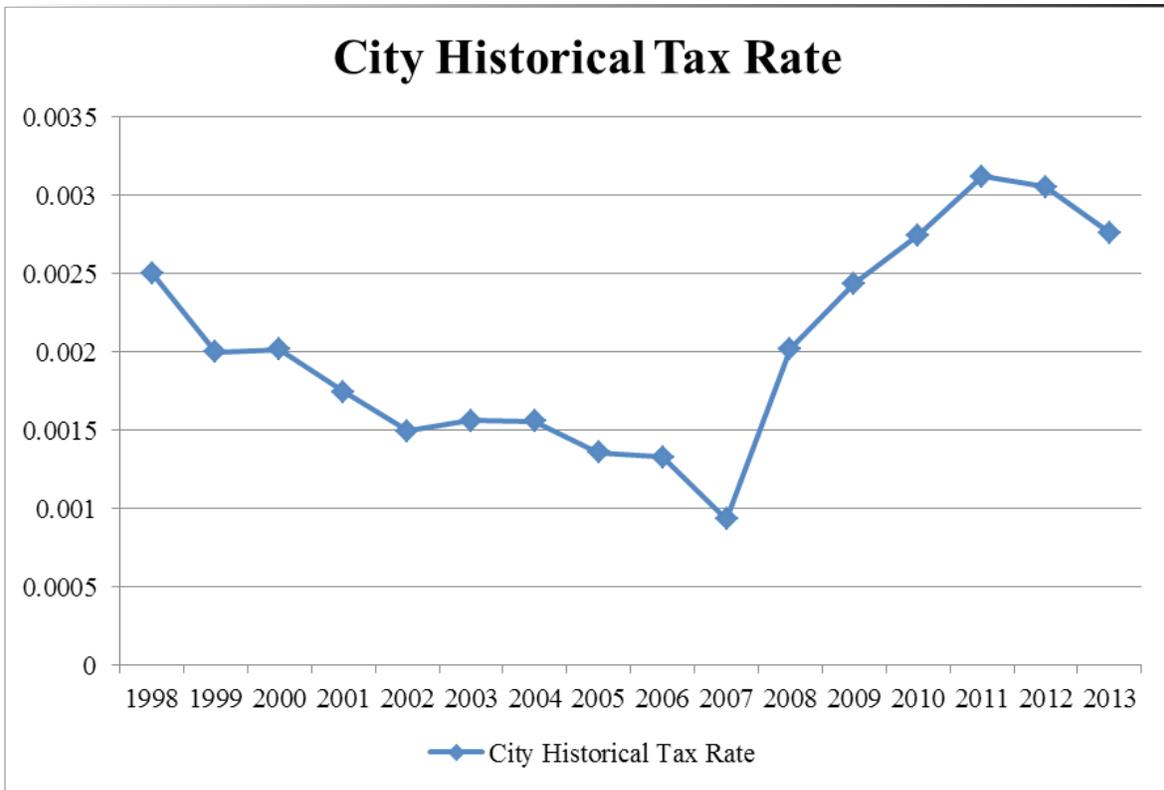


Figure 1 – illustrates the City Historical tax rate since 1998

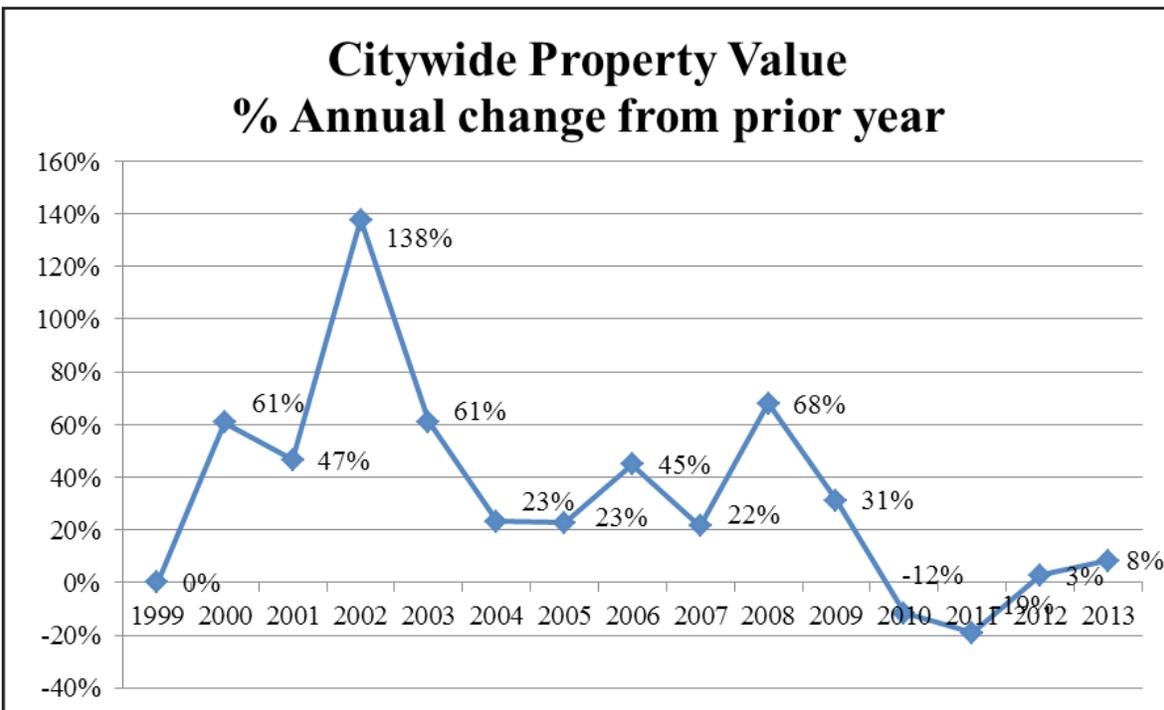


Figure 2 – illustrates the Citywide Property Value percent change for prior year since 1998.

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.

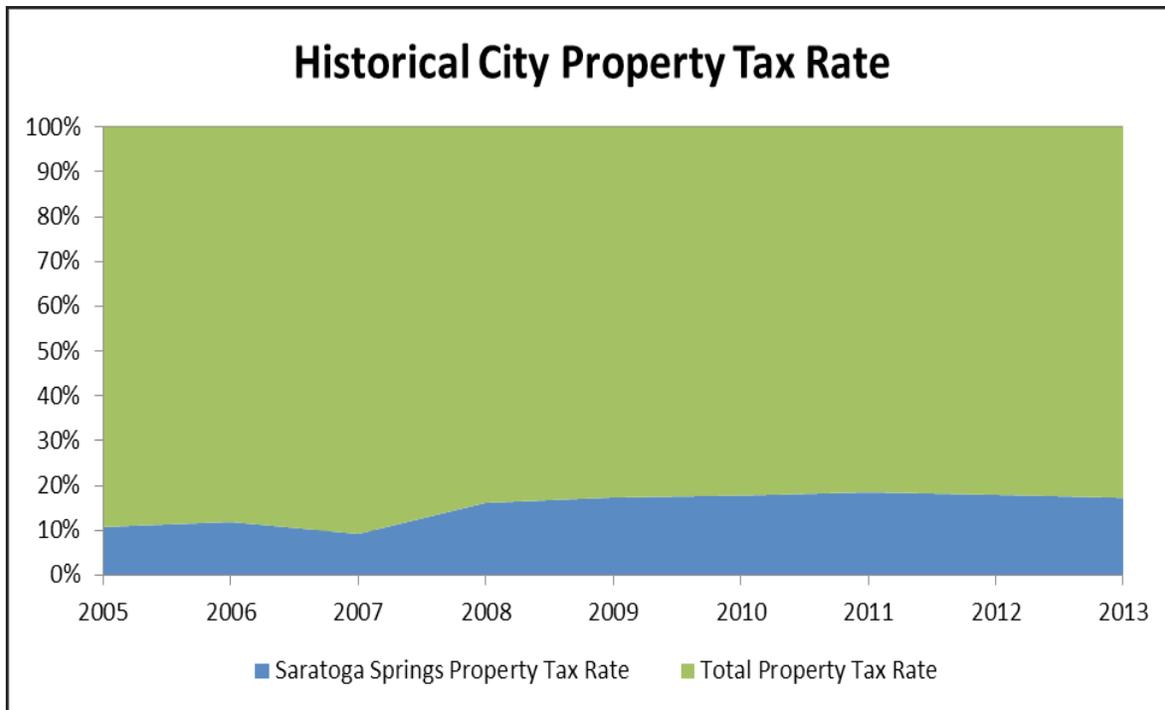


Figure 3 – illustrates each taxing entities’ share of the total levy for property taxes in 2013.

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. The delinquent taxes and penalties are charged interest at the federal discount rate plus 6 percent 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.

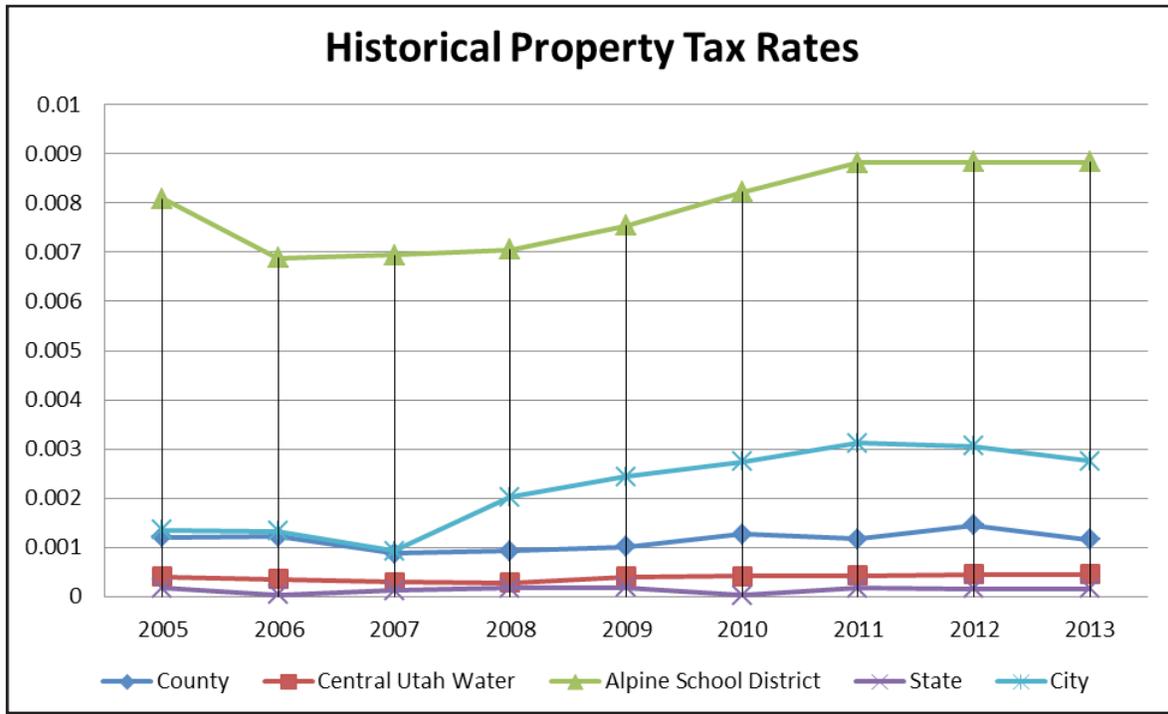


Figure 4 – illustrates each taxing entities' tax rate for Saratoga Springs since 2005.

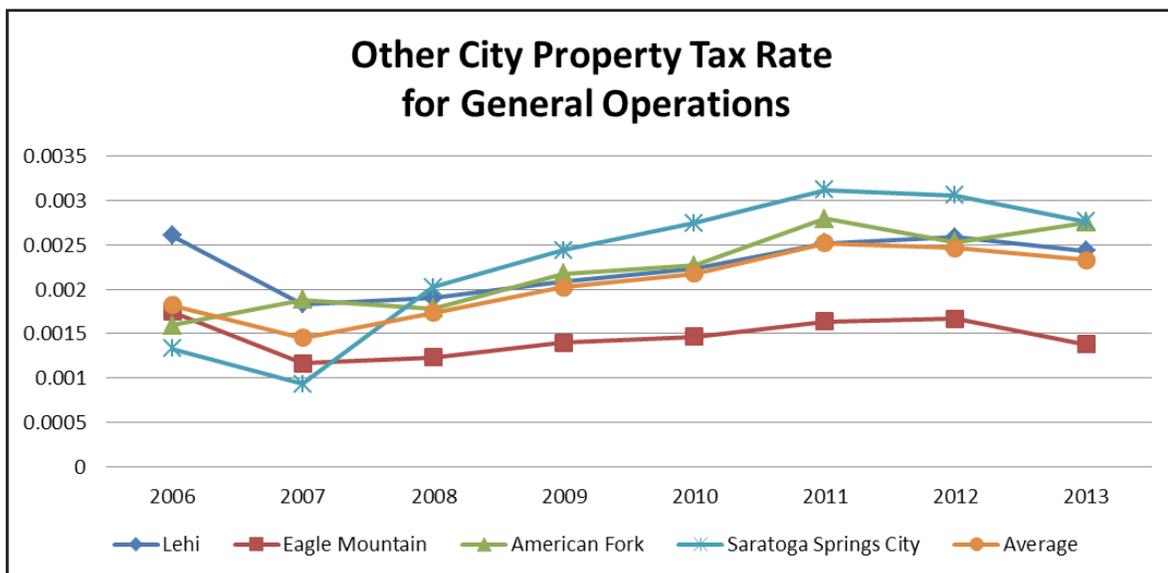


Figure 5 – Illustrates each operating property tax rate compared to Saratoga Springs since 2006.

The City has a relatively high tax rate since 2008 compared to other communities in the surrounding areas. This is largely due to the City's limited retail and commercial sector, large residential base with low to moderate taxable value, and a high area of tax exempt properties (Greenbelt Farm Properties). Since 2008, the City tax rate has been slightly higher than neighboring communities due to the declining property values. Please note the decrease in rate for 2013, which is a result of the assessed property values increasing.



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 taxpayers 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.

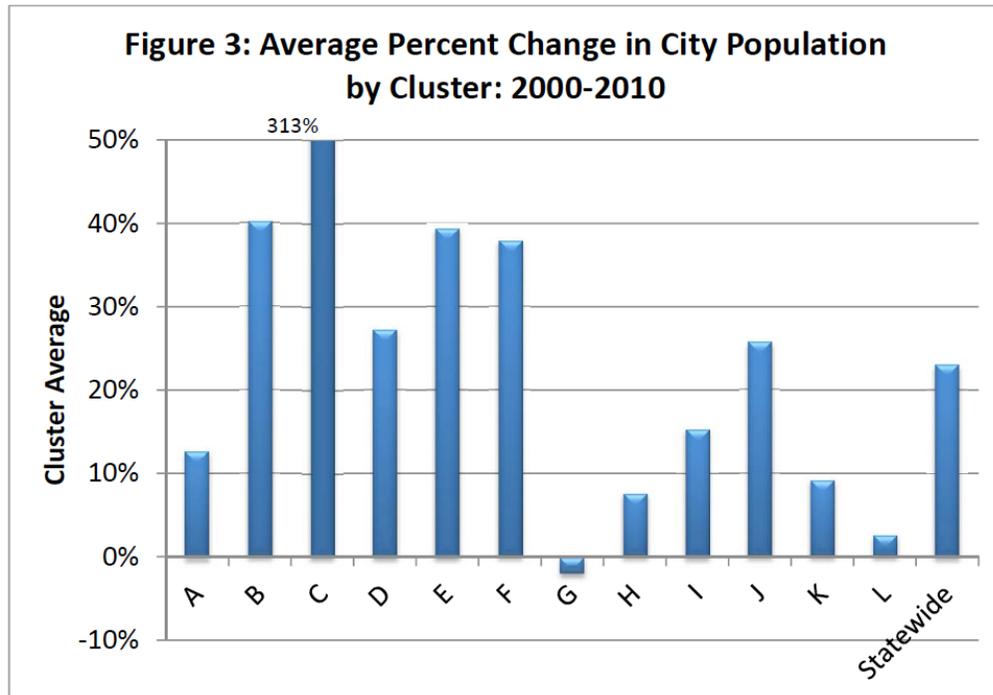


Figure 7 - State Wide Population Growth in Benchmarking Cluster Groups



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 previous budget year funding was approved for a Finance Manager, Public Relations Manager, and a Library Director. 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 retreat, the City Council set a goal to pay employees at the 65th percentile over the next three years. 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						
	FY2013 (Projected)	FY2012	FY2011	FY2010	FY2009	FY2008
General (10)	\$3,374,197	\$3,097,452	\$2,525,779	\$2,008,420	\$905,031	\$242,907
Street Lighting (22)	237,541	248,903	203,072	128,706	76,617	36,792
SSD Street Lighting (23)	52,224	56,822	47,199	35,220	24,167	21,349
Zone 2 SID (24)	473,690	2,630,676	2,816,663	2,845,822	-521,443	-131,433
Storm Drain Capital (31)	1,215,698	967,267	740,297	619,573	398,368	971,425
Parks Capital (32)	1,888,606	1,263,584	2,071,378	3,001,914	3,741,074	3,908,130
Roads Capital (33)	5,375,896	4,412,250	2,659,426	2,237,814	4,102,054	4,758,489
Public Safety (34)	778,630	389,873	-74,742	-270,898	1,093,882	901,752
General Capital Proj (35)	3,502,087	2,612,056	3,688,270	285,823	-	-
Water (51)	600,424	-245,689	579,532	385,474	961,234	667,984
Sewer (52)	1,978,570	2,136,793	1,436,096	1,049,999	387,356	78,231
Wastewater Capital (53)	774,311	742,709	452,324	330,994	167,781	330,681
Storm Drain (54)	244,003	123,700	51,116	-2,651	-	-
Garbage (55)	426,038	256,431	212,956	100,071	70,019	27,142
Water Capital Proj (56)	92,510	908,853	1,352,928	1,049,249	1,178,697	1,447,678
Secondary Capital Proj (57)	-59,533	222,501	249,505	97,834	1,329,878	1,152,059
Ending Fund Balance	\$20,954,893	\$19,824,183	\$19,011,799	\$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.

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

Beginning Fund Balance Available for Appropriation Table 8						
	FY2014 (Projected)	FY2013	FY2012	FY2011	FY2010	FY2009
General (10)	\$3,374,197	\$3,097,452	\$2,525,779	\$2,008,420	\$905,031	\$242,907
Street Lighting (22)	237,541	248,903	203,072	128,706	76,617	36,792
SSD Street Lighting (23)	52,224	56,822	47,199	35,220	24,167	21,349
Zone 2 SID (24)	473,690	3,848,755	2,816,663	2,845,822	-521,443	-131,433
Storm Drain Capital (31)	1,215,698	967,267	740,297	619,573	398,368	971,425
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Roads Capital (33)	5,375,896	4,412,250	2,659,426	2,237,814	4,102,054	4,758,489
Public Safety (34)	778,630	389,873	-74,742	-270,898	1,093,882	901,752
General Capital Proj (35)	3,502,087	2,612,056	2,702,759	285,823	-	-
Water (51)	600,424	-245,689	579,532	385,474	961,234	667,984
Sewer (52)	1,978,570	2,136,793	1,436,096	1,049,999	387,356	78,231
Wastewater Capital (53)	774,311	742,709	452,324	330,994	167,781	330,681
Storm Drain (54)	244,003	123,700	51,116	-2,651	-	-
Garbage (55)	426,038	256,431	212,956	100,071	70,019	27,142
Water Capital Proj (56)	92,510	908,853	1,352,928	1,049,249	1,178,697	1,447,678
Secondary Capital Proj (57)	-59,533	222,501	249,505	97,834	1,329,878	1,152,059
Beginning Fund Balance	\$20,954,893	\$21,042,261	\$18,026,288	\$13,903,364	\$13,914,715	\$14,413,186

This includes Cash, Current Liabilities, and Current Receivables

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

**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.

Special Improvement District Fund: Accounts for the operations and improvements within the SID and the accumulation of money for the repayment of the existing Special Assessment Bonds payable in annual installments. The principal source of revenue is levying a special tax on the properties located within the SID.

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

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		

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.

Table 9 – Functional Units by Fund Type

**FISCAL YEAR 2014 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.

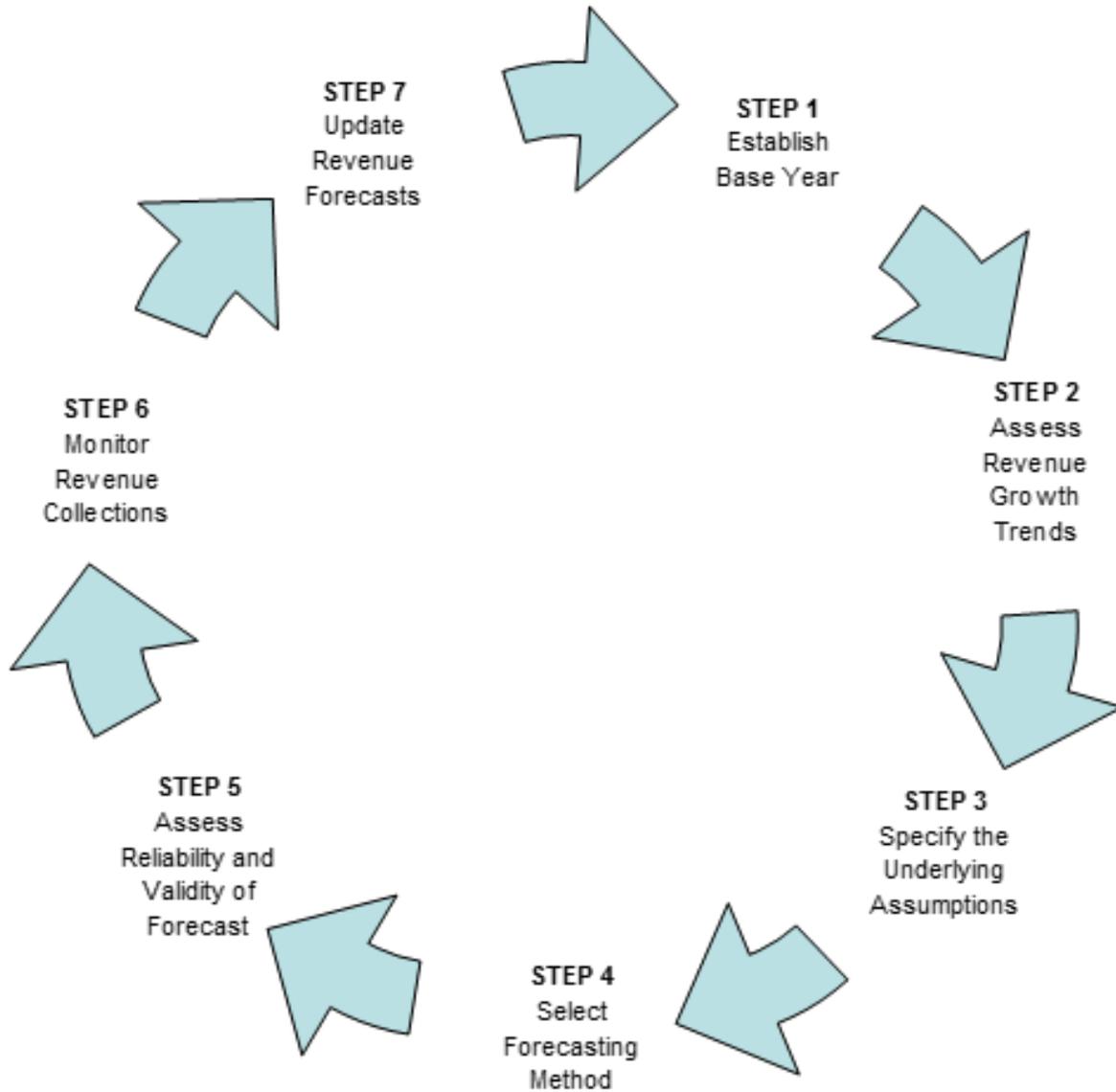
Forecasting Methodology - The City uses qualitative and quantitative approaches to forecasting revenues that include, but are not limited to:

- 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	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	
10 General Fund	9,880,539	10,864,038	10,881,325	11,112,001	11,446,954	11,815,019	12,197,684	
22, 23 Street Lighting Funds	165,784	209,412	209,412	213,837	156,483	161,177	166,013	
31 Storm Drain Capital Projects Fund	241,088	283,262	283,262	283,443	288,728	294,119	299,617	
32 Parks Capital Projects Fund	1,080,896	532,891	532,891	420,000	441,000	463,050	486,203	
33 Roads Capital Projects Fund	1,799,027	500,000	500,000	479,750	484,548	489,393	494,287	
34 Public Safety Capital Projects Fund	469,928	250,000	250,000	252,500	255,025	257,575	260,151	
35 Capital Projects Fund	1,342,656	4,100,465	1,516,105	1,513,005	1,513,005	1,513,005	1,513,005	
40 Debt Service Fund	291,000	291,800	291,800	292,452	292,951	293,300	294,001	
51 Water Utility Fund	2,543,608	2,550,850	4,350,850	2,601,867	2,653,904	2,706,982	2,761,122	
52 Sewer Utility Fund	1,998,486	2,016,000	2,063,713	2,104,115	2,145,241	2,187,190	2,229,978	
53 Wastewater Impact Fee Fund	495,406	300,000	315,000	318,150	321,332	324,545	327,790	
54 Storm Drain Utility Fund	-	361,000	361,000	364,610	368,256	371,939	375,658	
55 Garbage Utility Fund	808,855	850,900	851,768	860,286	868,889	877,577	886,353	
56 Culinary Water Impact Fee Fund	1,681,151	2,693,596	1,365,402	924,327	927,357	930,417	933,508	
57 Secondary Water Impact Fee Fund	(326)	339,527	239,527	205,477	205,477	205,477	205,477	
Total Revenues by Fund	\$ 22,798,099	\$ 26,143,741	\$ 24,012,055	\$ 21,945,820	\$ 22,369,149	\$ 22,890,766	\$ 23,430,847	

Table 10 Government-Wide Revenues by Fund



Government-Wide: Revenues by Major Object							
Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Tax Revenue	5,789,134	5,750,423	5,773,595	5,976,981	6,188,373	6,408,112	6,636,558
% Change from Prior Year	20%	-1%	0%	4%	4%	4%	4%
Licenses and Permits	563,917	481,500	482,100	505,242	529,522	554,996	581,724
% Change from Prior Year	87%	-15%	0%	5%	5%	5%	5%
Intergovernmental Revenue	1,010,918	915,093	915,093	723,119	723,699	743,961	764,804
% Change from Prior Year	-75%	-9%	0%	-21%	0%	3%	3%
Charges for Services	3,610,632	4,096,285	4,099,345	4,218,193	4,338,823	4,463,794	4,593,291
% Change from Prior Year	-30%	13%	0%	3%	3%	3%	3%
Other Revenue	4,407,920	4,014,233	3,914,233	3,981,723	4,054,237	4,128,744	4,205,312
% Change from Prior Year	83%	-9%	-2%	2%	2%	2%	2%
Contributions and Transfers	1,706,989	6,062,872	3,103,693	2,636,146	2,662,334	2,688,886	2,716,312
% Change from Prior Year	346%	255%	-49%	-15%	1%	1%	1%
Total	\$ 17,089,514	\$ 21,320,408	\$ 18,288,058	\$ 18,041,403	\$ 18,496,987	\$ 18,988,493	\$ 19,498,001
% Change from Previous Year	0%	25%	-14%	-1%	3%	3%	3%

Table 11 Government-Wide Revenues by Major Object

Charges for Services, fees charged to users for goods or services, are expected to have no change in FY 2014. Between 2013 and 2018 charges for services are expected to increase at an average annual rate of 3 percent as the city expects some increase in construction, recreation programming fees, and ambulance fees. Charges for services represent 34 percent of general fund revenues for 2013.

Property Tax Revenues in 2014 are estimated at \$2,165,873 or 19.9 percent of City's general fund revenue. This estimate is close to the property tax collected in 2013 even though the City has observed some increase in developed property during the previous year. 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	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Tax Revenue	34%	27%	32%	33%	33%	34%	34%
Licenses and Permits	3%	2%	3%	3%	3%	3%	3%
Intergovernmental Revenue	6%	4%	5%	4%	4%	4%	4%
Charges for Services	21%	19%	22%	23%	23%	24%	24%
Other Revenue	26%	19%	21%	22%	22%	22%	22%
Contributions and Transfers	10%	28%	17%	15%	14%	14%	14%
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 \$3,246,562 or 29.8 percent of general fund revenue in 2014, up less than 0.1 percent from the 2013 adjusted budget. Sales Tax receipts of \$2,293,862, Franchise Tax receipts of \$239,800, and Energy Tax receipts of \$712,900 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 percent from January 1, 2000, through April 1, 2007, when the rate increased to 6.25 percent when the city opted to participate 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 percent statewide. This includes the state rate of 1.75 percent, local option rate of 1 percent, and county option rate of 0.25 percent. In general, for each dollar collected from the sales and use tax, 50 percent 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 percent is paid to each county, city, and town on the basis of the location of the point of sale. The City receives

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

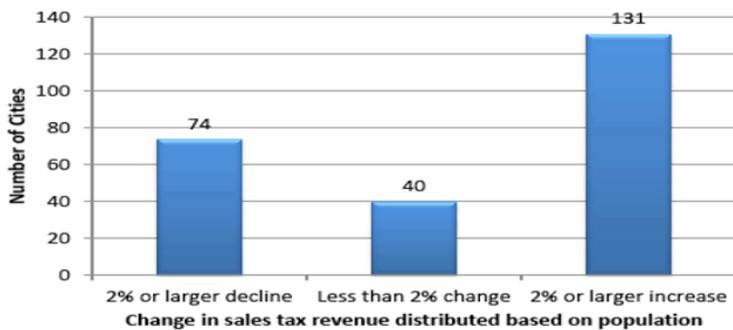


Figure 9 - Changes in State Wide Sales Tax Distribution

one half of 1 percent of the Local Sales and Use Tax.

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

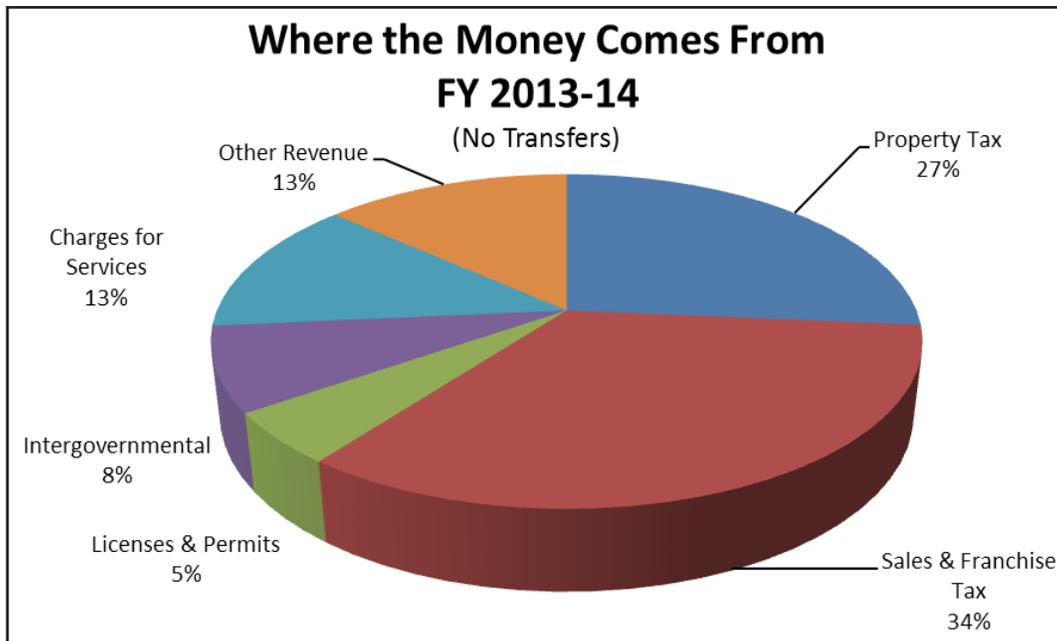


Figure 10 “Where the Money Comes From FY2013” identifies the major resources for the General Fund excluding fund balance and interfund transfers.

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 7.2 percent of the City’s general fund revenue in 2014. 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. This grant revenue will gradually reduce each year and end in three years.

Licenses and Permits receipts are estimated to reach \$482,100 or 4.4 percent of the City’s general fund revenue in 2014. 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. Receipts in 2014 are expected to increase by 49.9 percent from 2011 due to additional commercial and residential development permits being issued, thereby affecting the number of building permit, planning fees, and impact fees collected.

Other Revenue receipts are estimated to reach \$1,282,274 or 11.8 percent of the City’s projected general fund revenues for FY 2014. 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 2013 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	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	
10 General Fund	11,147,193	10,864,038	10,881,325	10,908,860	11,274,102	11,582,532	11,952,861	
22, 23 Street Lighting Funds	109,513	214,195	150,297	152,405	154,618	156,942	159,383	
31 Storm Drain Capital Projects Fund	14,118	1,209,976	547,200	219,200	219,200	219,200	219,200	
32 Parks Capital Projects Fund	1,888,690	1,790,300	576,843	1,000,000	1,200,000	450,000	-	
33 Roads Capital Projects Fund	46,203	5,190,342	4,500,000	500,000	-	-	-	
34 Public Safety Capital Projects Fund	5,313	326,247	300,000	-	-	-	5,000,000	
35 Capital Projects Fund	2,418,870	3,177,771	2,101,968	1,171,968	1,171,968	1,171,968	1,171,968	
40 Debt Service Fund	291,000	291,800	292,450	292,950	293,300	293,500	293,500	
51 Water Utility Fund	1,911,106	2,078,403	3,315,186	3,015,080	2,139,288	2,164,327	2,190,230	
52 Sewer Utility Fund	1,552,601	2,244,078	2,408,284	2,222,078	2,211,381	2,225,374	2,138,325	
53 Wastewater Impact Fee Fund	276,860	1,261,692	210,973	5,973	1,878,973	5,973	5,973	
54 Storm Drain Utility Fund	688,358	346,443	371,456	339,152	339,329	339,487	339,620	
55 Garbage Utility Fund	756,772	850,900	755,173	769,032	783,170	797,593	812,305	
56 Culinary Water Impact Fee Fund	138,008	3,182,934	2,765,346	901,962	901,264	901,282	901,282	
57 Secondary Water Impact Fee Fund	216,575	898,169	1,012,807	34,727	32,563	30,317	1,799,317	
Total Revenues by Fund	\$ 21,461,181	\$ 33,927,288	\$ 30,189,307	\$ 21,533,386	\$ 22,599,157	\$ 20,338,496	\$ 26,983,964	

Table 16 Government-Wide Requirements by Fund

Government-Wide: Requirements by Major Object								
Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	
Personnel	6,503,743	7,579,738	8,206,544	8,485,853	8,791,216	9,110,831	9,442,098	
% Change from Prior Year	35%	17%	8%	3%	4%	4%	4%	
Materials, Supplies, and Services	10,385,794	9,966,083	11,388,995	10,380,267	9,643,343	9,690,806	9,872,463	
% Change from Prior Year	90%	-4%	14%	-9%	-7%	0%	2%	
Debt Service	659,781	824,843	823,438	823,938	824,288	824,488	713,613	
% Change from Prior Year	88%	25%	0%	0%	0%	0%	-13%	
Capital	5,081,424	17,367,532	12,047,637	3,833,830	5,403,969	2,778,740	9,097,740	
% Change from Prior Year	-44%	242%	-31%	-68%	41%	-49%	227%	
Transfers	1,694,516	844,193	209,687	209,821	209,914	209,968	210,038	
% Change from Prior Year	1378%	-50%	-75%	0%	0%	0%	0%	
Ending Balance	11,660,432	13,221,571	12,205,757	10,822,822	12,106,142	12,470,760	12,999,208	
% Change from Prior Year	40%	13%	-8%	-11%	12%	3%	4%	
Total	\$ 35,985,689	\$ 49,803,960	\$ 44,882,058	\$ 34,556,531	\$ 36,978,872	\$ 35,085,592	\$ 42,335,159	
% Change from Previous Year	28%	38%	-10%	-23%	7%	-5%	21%	

Table 17 Government-Wide Requirements by Major Object

Government-Wide: Requirements by Major Object as a Percentage								
Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	
Personnel	18%	15%	18%	25%	24%	26%	22%	
Materials, Supplies, and Services	29%	20%	25%	30%	26%	28%	23%	
Debt Service	2%	2%	2%	2%	2%	2%	2%	
Capital	14%	35%	27%	11%	15%	8%	21%	
Transfers	5%	2%	0%	1%	1%	1%	0%	
Ending Balance	32%	27%	27%	31%	33%	36%	31%	
Total	100%	100%	100%	100%	100%	100%	100%	

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

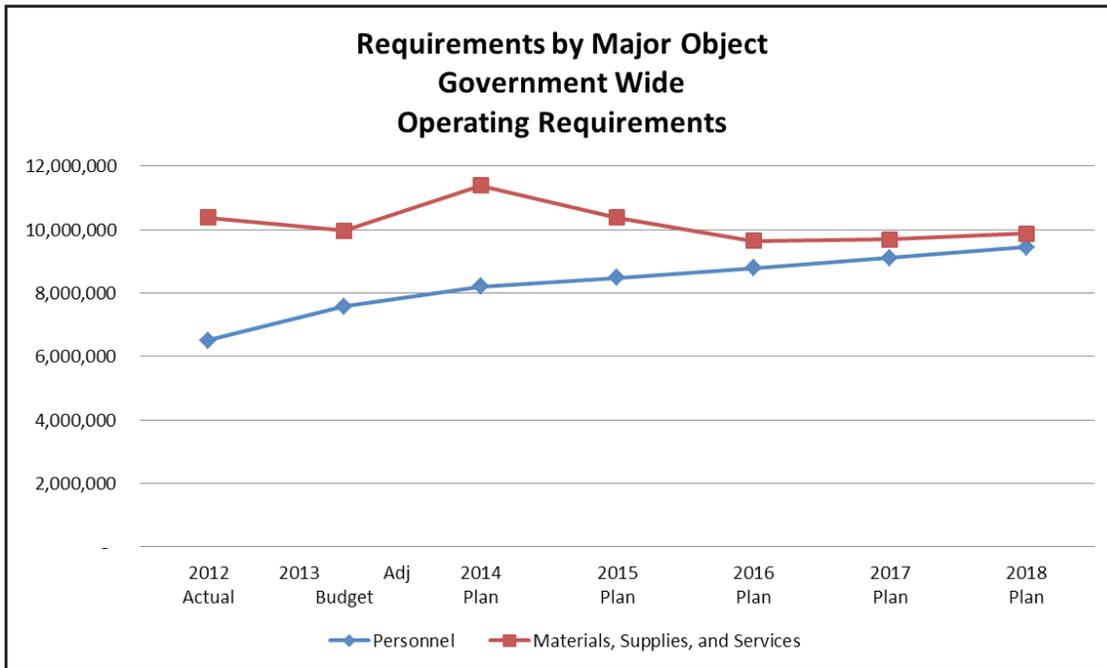


Figure 11 Government-Wide Operating Requirements by Major Object

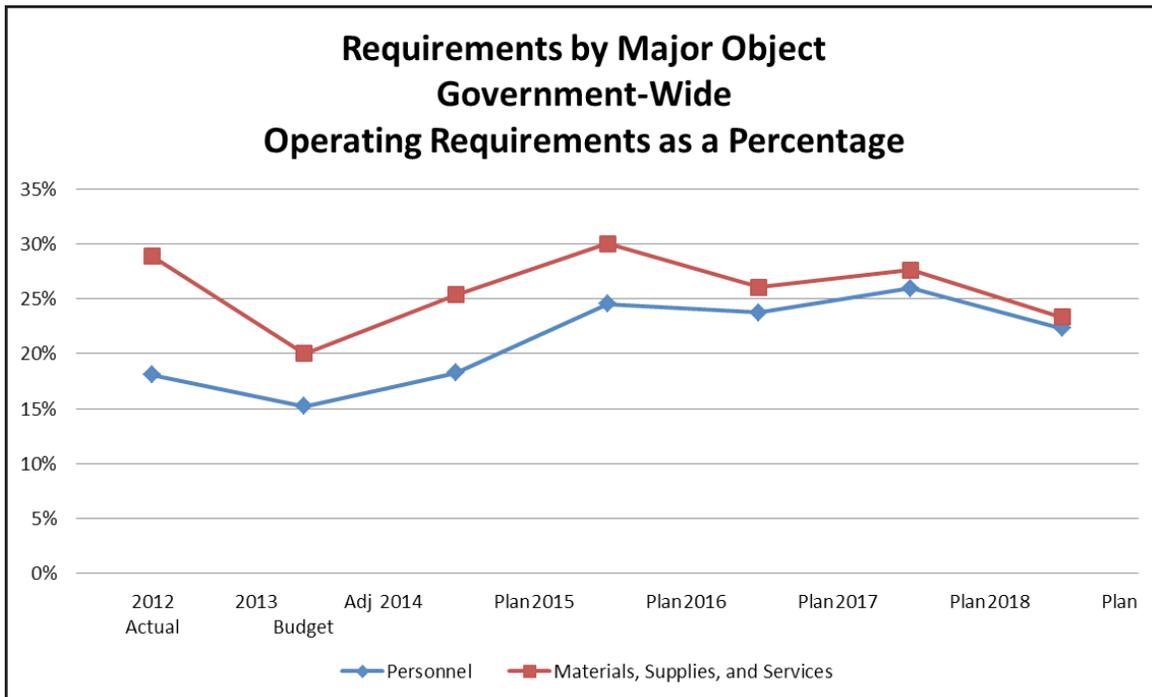


Figure 12 represents Personnel and Materials, Services, and Supplies as a percentage of Operating requirements for all funds combined.

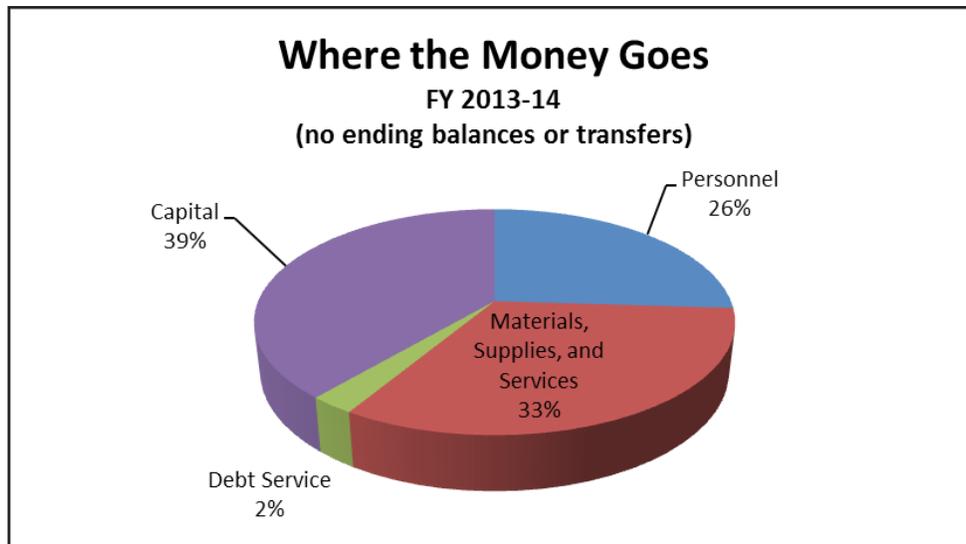


Figure 13 “Where The Money Goes FY 2014,” represents the four major city-wide requirements.

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.

Compensation: During the 2013 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 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. The City of Saratoga Springs participates in the “URS” Pension Plan. The “URS” is established by state statutes and is intended to provide a meaningful retirement benefit to employees who have chosen a career in public service. In Revenue Ruling 2006-43, the IRS clarified its rules governing employer “pick-up” (member contributions paid by employer in pension plans) elections to require a formal action annually. The City of Saratoga Springs wishes to be in compliance with Utah Code 49 and the IRS ruling 2006-43. The City of Saratoga Springs formally agrees to pick up the required member contribution for all eligible employees required to contribute to the Utah Retirement System non-contributory Retirement Plan for fiscal year 2013-14.



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 \$1,250 for single coverage and \$2,500 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.

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

The City received a renewal with an approximately 5.3 percent increase for health insurance when compared to last year.

Table 19 Breakdown of City Employee Health Plan Participation.

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

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.

Plan	Rate (%)
Public Employees Noncontributory	17.29
Public Safety	32.20
Firefighters	21.17

Table 20 City Retirement Contribution Rates.

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.

Market Pay Analysis

Beginning in fiscal year 2012 and each 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 2014 and 2017 at an average rate of 3 percent annually. Benefits between 2014 and 2017 have been estimated to increase at an average rate of 8 percent annually.

Since 2007, full-time equivalents have increased by 96.6 percent. The greatest increase in FTEs occurred in 2008 when the city created the Police Department.

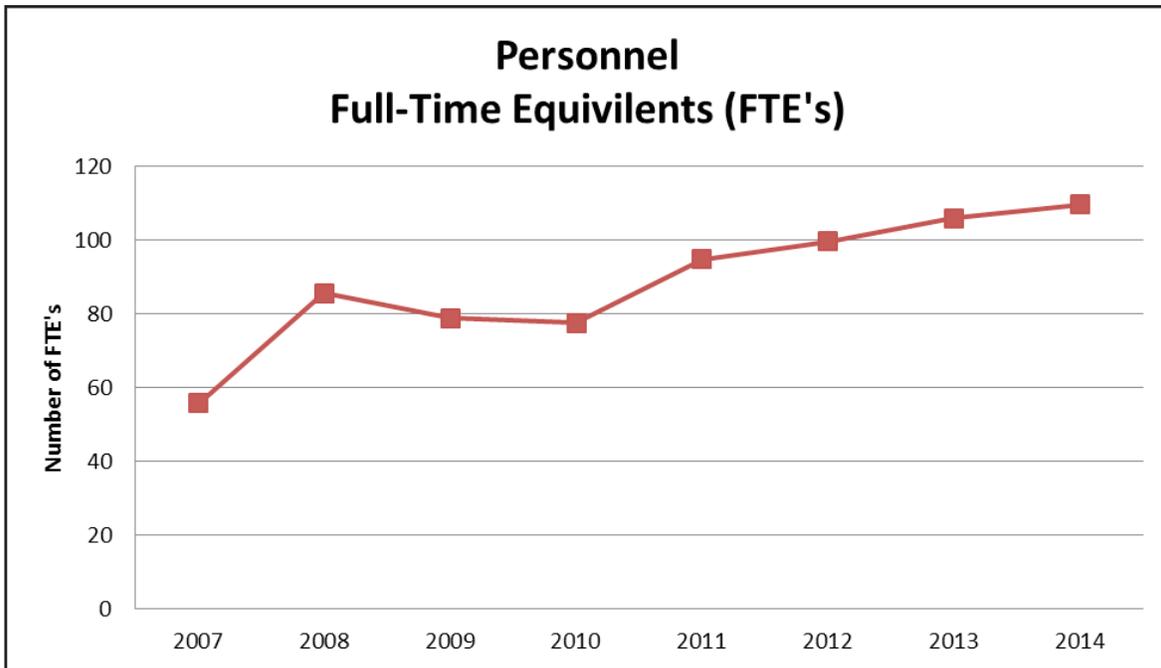


Figure 14 Personnel - Change in Full-Time Equivalents

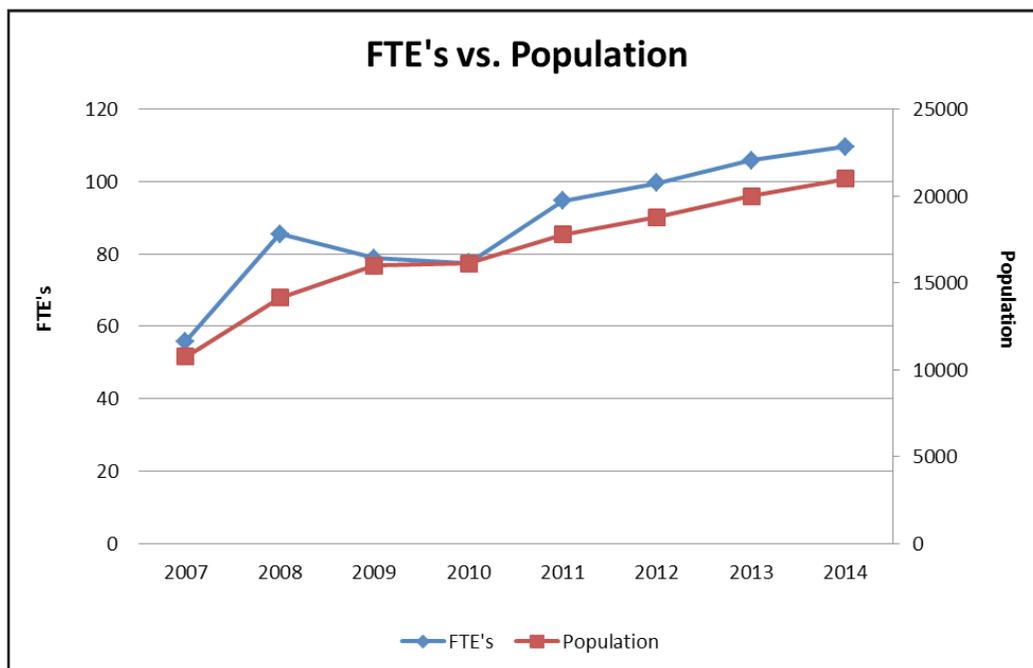


Figure 15 compares the number of employees to population.

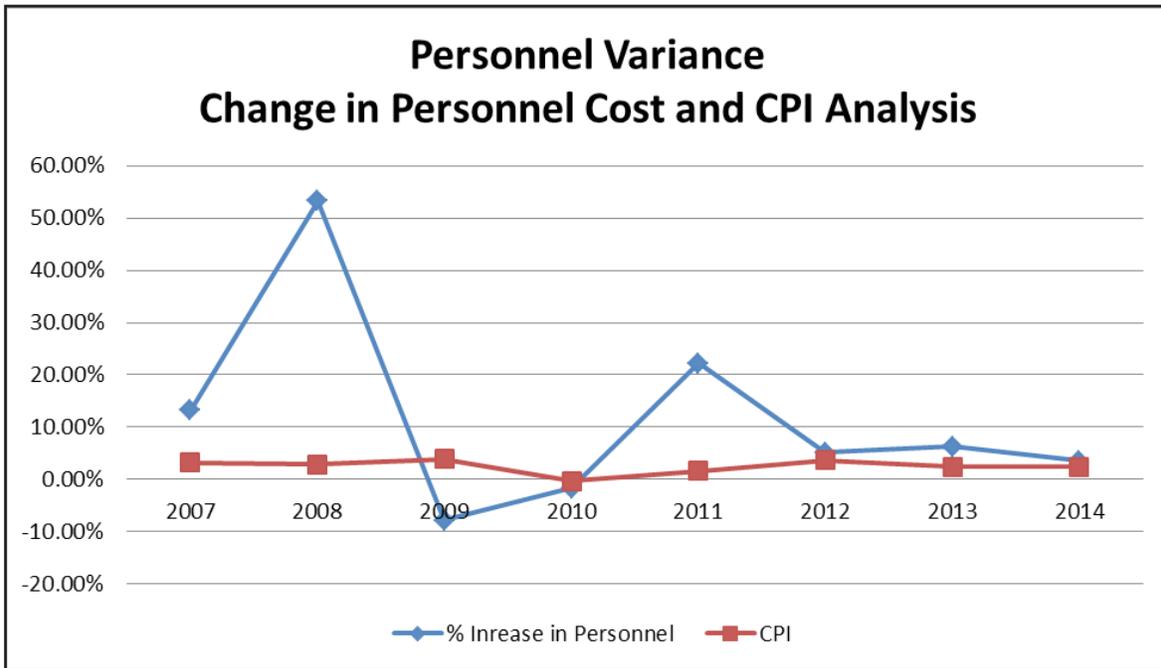


Figure 16 compares Changes in Personnel Costs to the Change in the Consumer Price Index relative to growth patterns between 2006 and 2013.

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	2007	2008	2009	2010	2011	2012	2013	2014
Administration	7.75	10.75	7.5	8	7.5	8	8.5	9.75
Recreation Services	1	1	0.5	0.66	0.66	2.05	2.8	2.8
Building	8	8	5	4	4	4	4.5	5
Planning	4	5.5	3	2	2.5	2.5	2.5	3.5
Public Works	18	20.75	17.5	18	21	22	25.5	26.5
Engineering	5	7	5.5	3.5	6.5	6.5	6.5	6.5
Fire	11	11	14	13	16	16	16	16
Police		21.5	23.3	25.8	33.05	34.05	34.05	34.05
Court			2	2	3	3	3	3
Attorney	1		0.5	0.5	0.5	1.5	2.5	2.5
Total	55.75	85.5	78.8	77.46	94.71	99.6	105.85	109.6

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

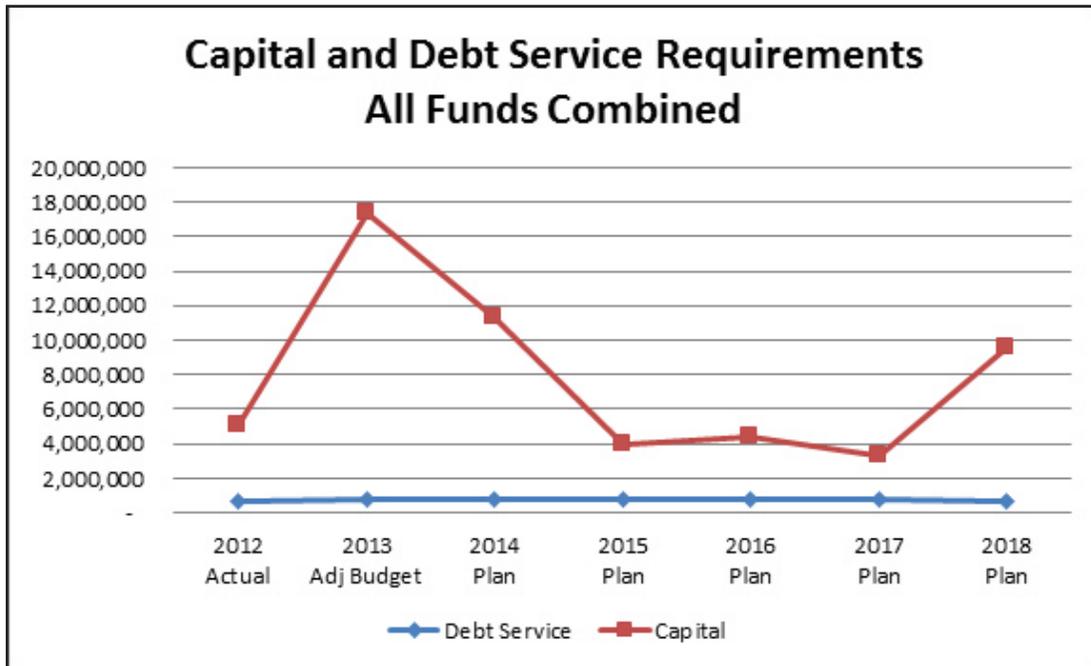


Figure 17 (left) represents capital and debt service requirements for all funds combined for fiscal years 2012 actual, 2013 adjusted budget, 2014 - 2018 budget plan.

Capital requirements are proposed to decrease from \$17,317,532 in 2013 to \$11,227,103 in 2014, a decrease of 32.2 percent. 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.

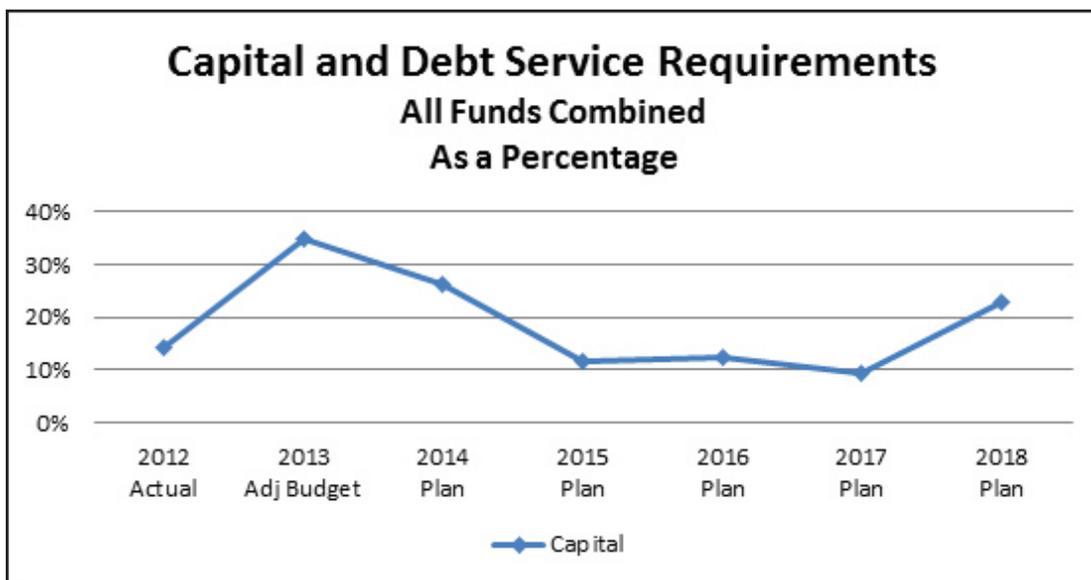


Figure 18 Capital and Debt Service Requirements for All Funds as a percentage of Total Requirements

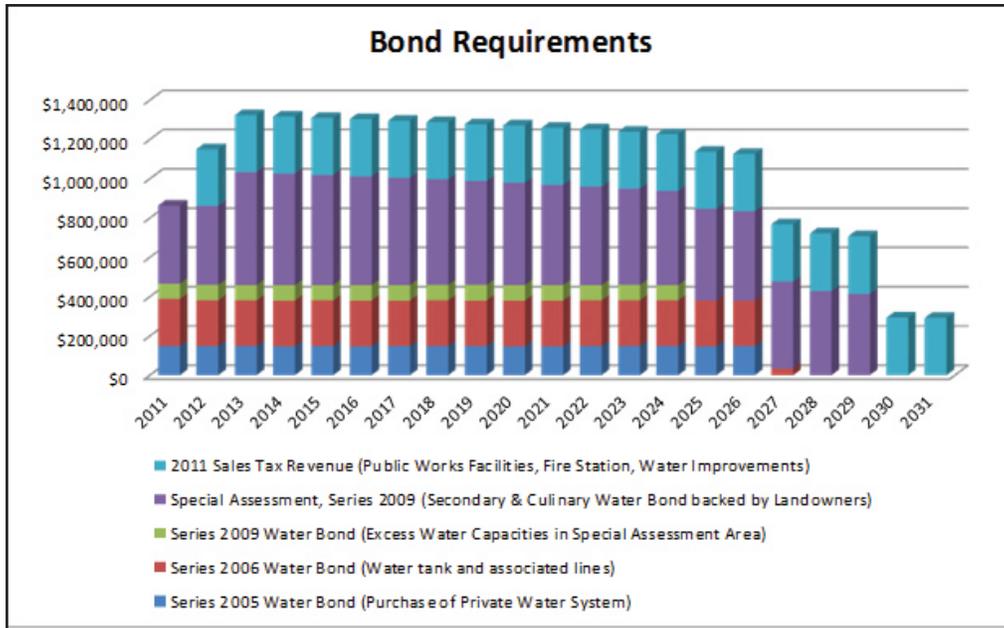


Figure 19 - represents total annual bond requirements from FYs 2011 - 2031

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. No new debt issuances are anticipated at this time.

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.

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 led 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 percent to 0.15 percent, 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 percent 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 2014:

1. **Road Maintenance (\$600,000).** Complete recommended project road projects and any other roadway maintenance needs identified by staff or council.
2. **Parks Capital Projects (\$451,843).** Council will prioritize these funds to determine the parks projects need to be completed.
3. **Gravity Sewer Outfall to TSSD (\$175,000).**
4. **Culinary Waterline 18" in Redwood Road (\$653,000).**
5. **Debris/Detention Basins at Lake Mountain Estates (\$339,000).**
6. **200 East – 4th South to Pioneer Crossing (\$3,500,000).**
7. **High School Light (\$200,000).**
8. **Pioneer Crossing to Redwood Road (\$800,000).**

C I T Y O F

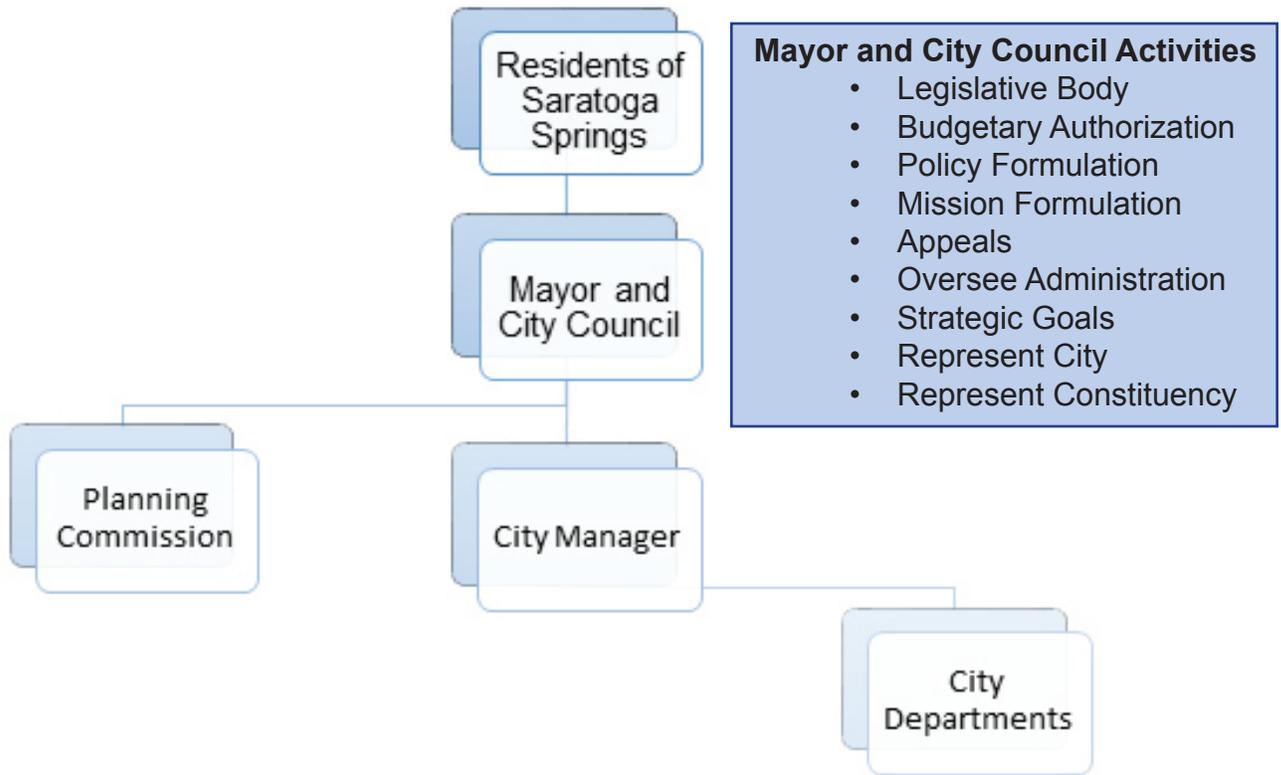


OPERATING BUDGETS

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 LONG TERM GOALS (2 years to 20 years)

- Create a community that has diverse and sustainable resources. This should include a strong workforce, infrastructure planning and coordination, water system rights and delivery, consumer and sales tax base, economic and environmental sustainability.
- Create and support arts in the community including civic events, performing, and visual arts.
- Create a diverse community including cultural, housing opportunities, and age distribution.
- Provide a full range of quality of life facilities for citizens of all ages and backgrounds that include: full service library, diverse recreation programs and outdoor recreation opportunities.
 - o Parks
 - o Trails
 - o Shoreline and/or a boardwalk trail
 - o Trail heads for off-road vehicles
- Create a diverse educational base including all phases of childhood education and post high school educational opportunities.
- Facilitate mass transit facilities and opportunities within the community.
- Develop long-term plans for a sewer recycling and reuse center.



- Develop long-term plans and opportunities to utilize geothermal, solar, wind, and renewable power sources.
- Apply for funding grants.
- Create a long-term lakeshore business development plan.
- Facilitate a private or public cemetery within the City.

CITY COUNCIL SHORT TERM GOALS AND PRIORITIES (12 – 18 Months)

First Priority

- City Center Annexation and Master Planning
- Fire Services Delivery: Discussion on UFA/Metro or no change.
- Complete Long-Term: Capital, Fleet, and Operations Planning
- Develop Pioneer Crossing Phase 2 plan.
- Facilitate Satellite University Campus Discussions
- Provide additional City Council Training (ULCT).

Second Priority

- Develop and help facilitate a survey and/or conduct a vote for Library Services discussion.

Third Priority

- Apply for additional grants including energy efficiency and alternative energy technologies.

General Fund 10: Mayor and City Council							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	61,184	63,366	63,366	65,900	68,536	71,278	71,480
Materials, Supplies, & Services	37,674	41,986	43,063	44,185	45,356	46,576	47,849
Library	-	-	-	-	-	-	-
Total Requirement	98,858	105,352	106,428	110,085	113,892	117,854	119,330
% Change from Prior Period	53%	7%	1%	3%	3%	3%	1%

Table 23 (above) represents the Mayor and City Council’s fiscal year 2012 actual expenditures, 2013 final budget, 2014 approved budget, and 2015 through 2018 budget plan.

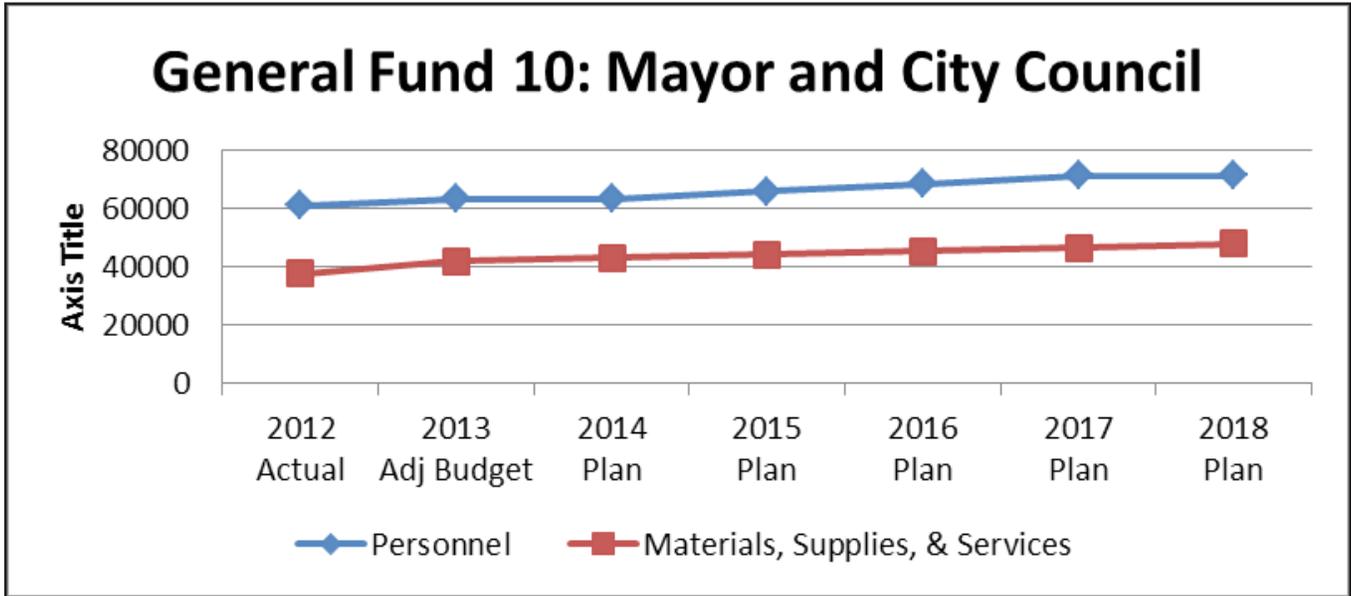


Figure 20 (above) represents Personnel and Materials, Services, and Supplies (MSS) between 2012 and 2018.

Personnel requirements are expected to remain fairly constant between 2014 and 2018.

Materials, Supplies, and Services are expected to remain relatively constant between 2014 and 2018. A moderate 3 percent increase is anticipated for Materials, Supplies, and Services between 2015 and 2017.

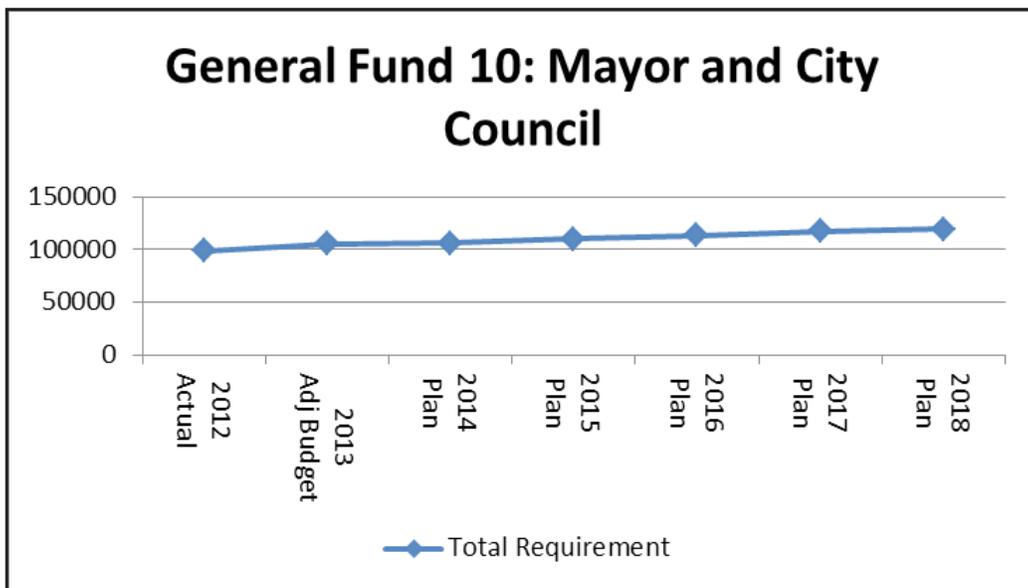


Figure 21 (above) represents total Mayor & City Council requirements between 2012 – 2018.



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.

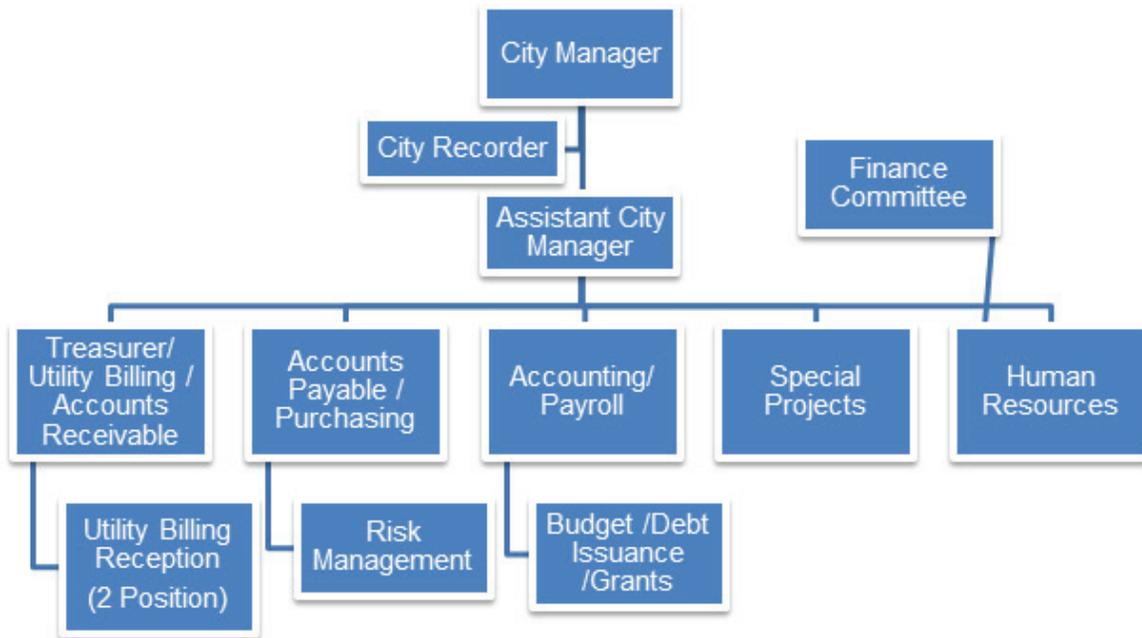


Fiscal Year 2013 Accomplishments and Highlights	
Council Goal	Status
City Center Annexation and Master Planning	The property has been annexed and planning is in progress
Establish Volunteer Library and study long-term service delivery models	Library established, working towards long term service delivery
Complete Long Term: Capital, Fleet and Operations Planning	In Progress
Develop Pioneer Crossing Phase 2 plan.	In Progress
Facilitate Satellite University Campus Discussions	In Progress
Provide additional City Council Training. (ULCT)	In Progress
Begin Construction on Shay and Neptune Parks in FY 2012. Park completion in future phases.	Neptune Park is completed, Shay Park is in progress.
Develop and help facilitate a survey and/or conduct a vote for Library Services discussion.	In Progress
Apply for additional Grants including energy efficiency and alternative energy technologies.	Not started

Table 24 Fiscal Year 2013 Accomplishments and Highlights

Performance Measure	Target 2013
% of departmental goals met on an annual basis	90
% of Council goals accomplished	95
% of staff attending individual training	100
% of staff receive opportunity for quarterly in house training	100
% of staff and boards receive annual sexual harassment training	100
City Manager to complete 40+ hours of continuing education per year	40

Table 25 Fiscal Year 2013 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	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	373,954	443,287	510,210	530,304	551,202	572,937	595,540
Materials, Supplies, & Services	68,576	66,650	42,911	43,867	44,824	45,783	46,744
Capital	-	-	-	-	-	-	-
Total Requirement	442,529	509,937	553,121	574,171	596,026	618,719	642,284
% Change from Prior Period	93%	15%	8%	4%	4%	4%	4%

Table 26 (above) represents the Administration Department’s actual expenditures for 2012, adjusted budget for 2013, approved budget for 2014, and budget plan for 2015 - 2018.

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 increase 15 percent in fiscal year 2014 due to a market level adjustment, increasing health insurance and retirement costs.

Personnel costs are expected to increase at an average of 4 percent annually between 2016 and 2018. Positions funded in the administration department include the City Manager, Assistant City Manager, Finance Manager, Accounts Payable Clerk and HR/Payroll Clerk (part-time). Full-time equivalents are expected to increase from 4.5 to 4.75.

Materials, Supplies, and Services (MSS) are expected to decrease slightly in 2013. This is due to a slight decrease in auditing costs after the City went out to bid for auditing services.

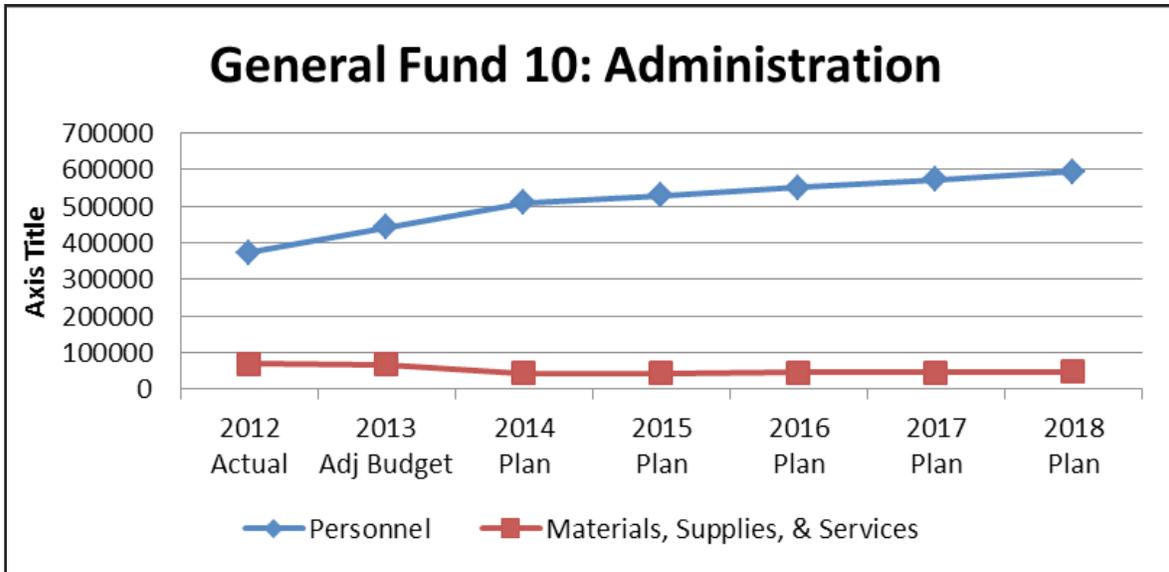


Figure 22 (above) represents Material, Services, and Supplies and Personnel major requirements between 2012 and 2018.

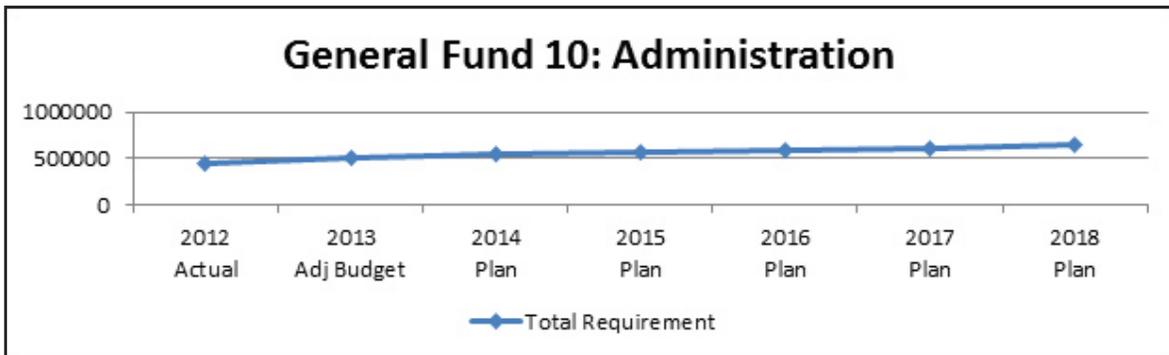


Figure 23 (above) represents total Administration requirements for 2012 – 2018.

Performance Measures	Target 2013
# 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	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	71,118	77,968	94,236	97,983	101,881	105,936	110,153
Materials, Supplies, & Services	12,606	8,275	19,275	11,275	19,275	11,275	19,275
Total Requirement	83,724	86,243	113,511	109,258	121,156	117,211	129,428
% Change from Prior Period	4%	3%	32%	-4%	11%	-3%	10%

Table 28 (above) represents City Recorder’s actual expenditures for 2012, adjusted budget for 2013, approved budget for 2014, and budget plan for 2015 - 2018.

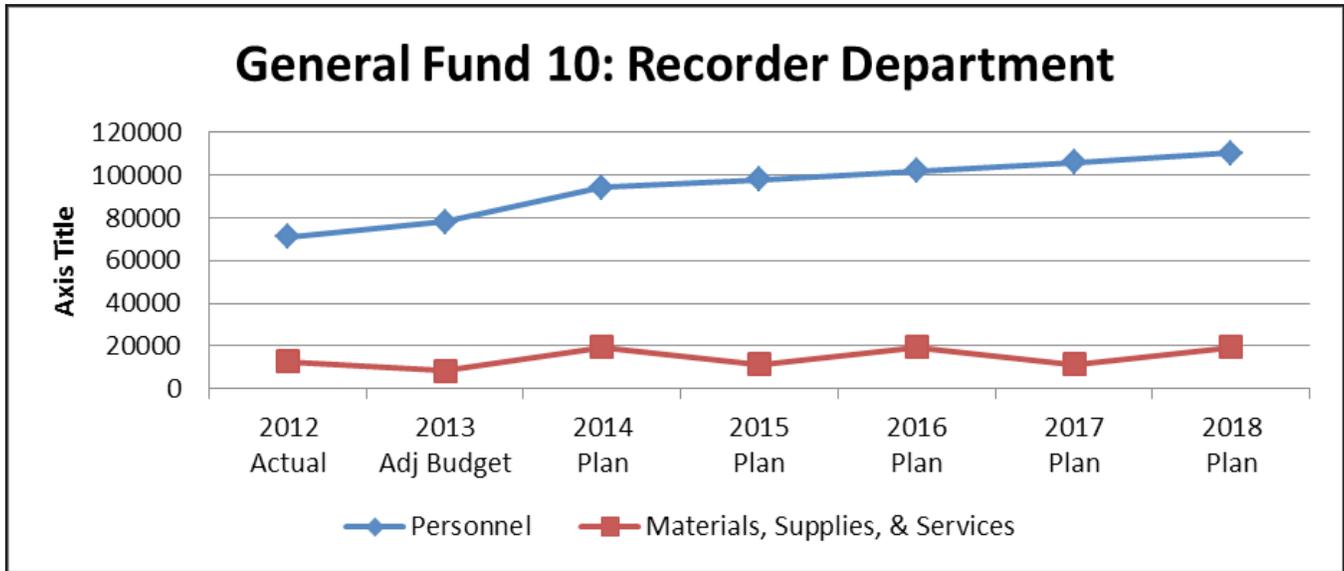


Figure 24 (above) represents Personnel and Material, Services, and Supplies major requirements between 2012 and 2018.

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 remain steady at 1 FTE. Personnel costs are expected to increase at an average of 4 percent annually between 2014 and 2018.

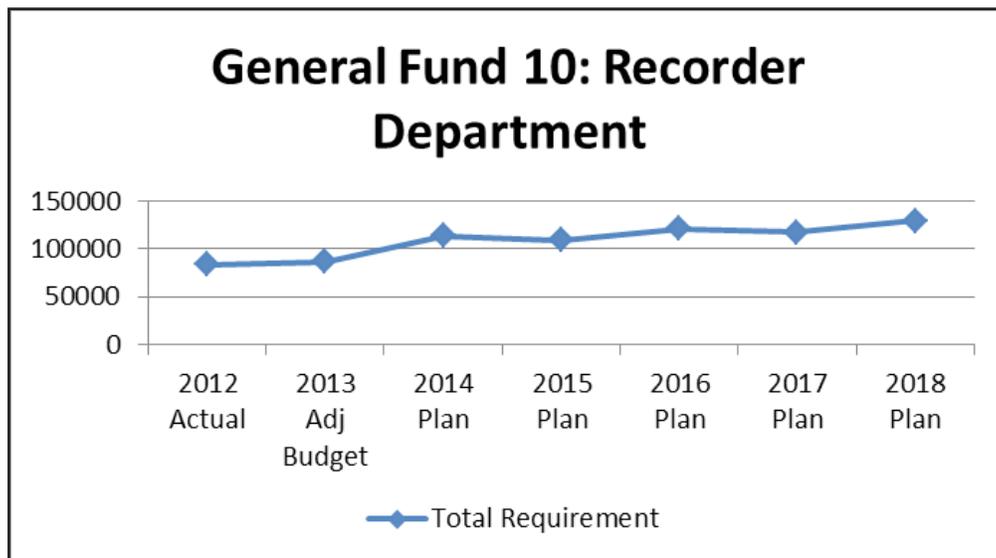


Figure 25 (above) represents total City Recorder requirements for 2012 – 2018.



Materials, Supplies and Services (MSS) are expected to increase by over 50 percent in 2014 because of the elections 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 while personnel expense is anticipated to increase 4 percent annually due to anticipated increases in mandatory defined benefit contribution rates.

2013 Highlights
Developments in Saratoga Springs during FY 2013 have increased and each have been accurately recorded. Business licensing has also increased in FY 2013.

Performance Measure	Target 2013
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: Treasurer Department							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	63,362	73,948	78,276	81,407	84,663	88,049	91,571
Materials, Supplies, & Services	51,592	54,730	57,439	60,283	63,270	66,406	69,699
Total Requirement	114,953	128,678	135,715	141,690	147,933	154,456	161,270
% Change from Prior Period	368%	12%	5%	4%	4%	4%	4%

General Fund 10: Utility Billing Department							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	29,985	36,697	36,697	36,849	38,323	39,855	41,450
Materials, Supplies, & Services	29,070	37,781	37,781	39,581	41,461	43,425	45,477
Total Requirement	59,055	74,478	74,478	76,430	79,784	83,280	86,927
% Change from Prior Period		26%	0%	3%	4%	4%	4%

Table 30 (above) represents the City Treasurer and Utility Billing's actual expenditures for 2012, adjusted budget for 2013, approved budget for 2014, and budget plan for 2015 - 2018.

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 remain steady at 2.5 FTE (1 FTE Treasurer, 1.5 FTE Utility Billing). Personnel increases are estimated to be between 3-5 percent between 2015-2018.

Materials, Supplies and Services (MSS) are expected to increase by 4 percent in 2014 due to increasing costs in utility billing. MSS paid for out of these funds include: supplies needed for utility billing (billing and 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.



Total department requirements are expected to increase 4-5 percent from 2014-2018.

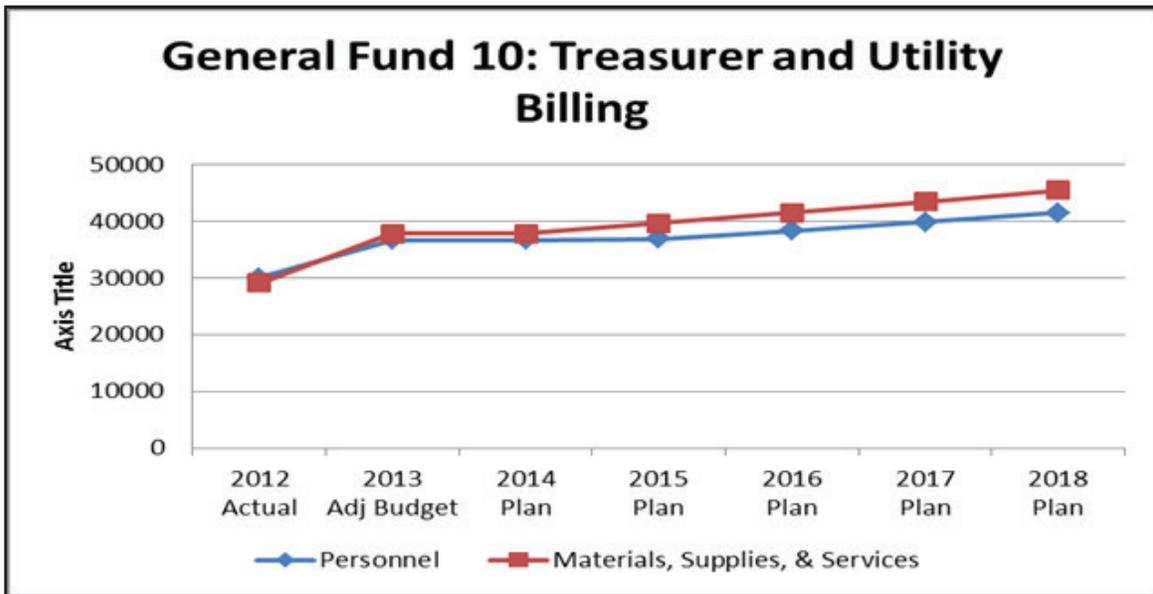


Figure 26 (above) represents the City Treasurer and Utility Billing's Personnel and Material, Services and Supplies major requirements between 2012 and 2018.

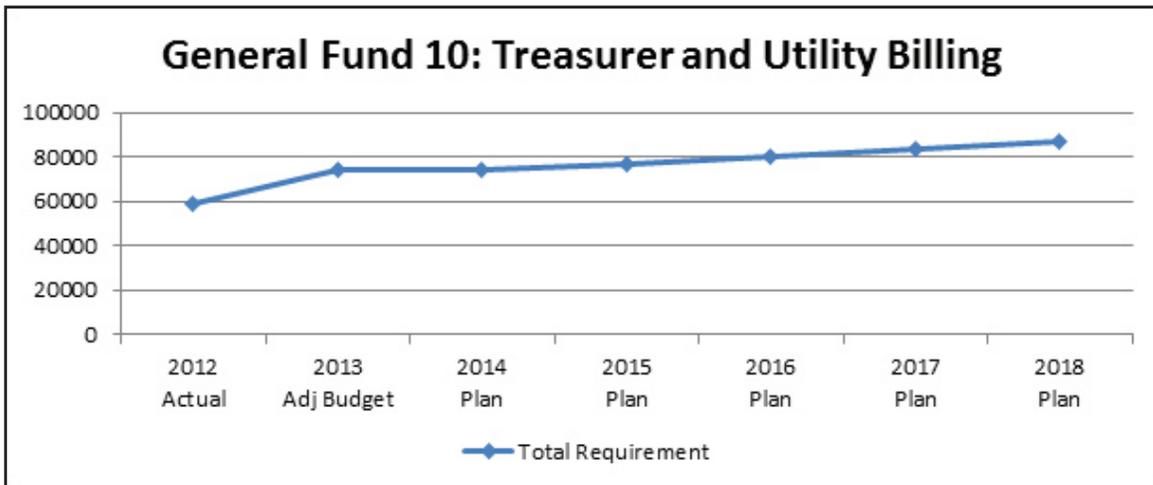
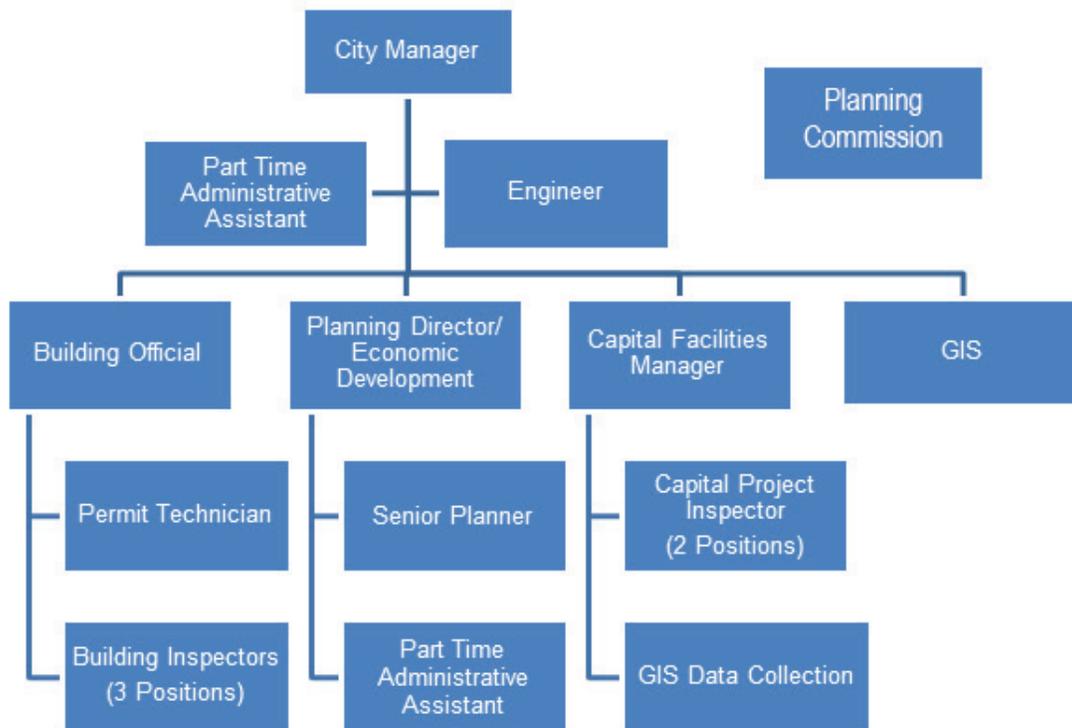


Figure 27 (above) represents total Treasurer and Utility Billing requirements for 2012 – 2018.

Performance Measure	Target 2013
% of billing concerns resolved within 24 hours	90
% of terminated customers not delinquent	>80
% of internet payments	70

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



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 codes. Coordinate with the Planning Commission on zoning and planning issues.



PUBLIC SAFETY: BUILDING DEPARTMENT

General Fund 10: Building Department							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	304,008	359,515	407,343	424,386	442,113	460,550	479,727
Materials, Supplies, & Services	35,796	51,445	51,820	52,214	52,627	53,061	53,518
Total Requirement	339,804	410,960	459,163	476,600	494,740	513,612	533,245
% Change from Prior Period	11%	21%	12%	4%	4%	4%	4%

Table 32 (above) represents the Building Department’s actual expenditures for 2012, 2013 adjusted budget, 2014 approved budget and budget plan for 2015– 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 increase at an average of 4 percent annually between 2014 and 2018. Depending on future residential and commercial building within the City, it may be necessary to add additional staff to keep up with demand.

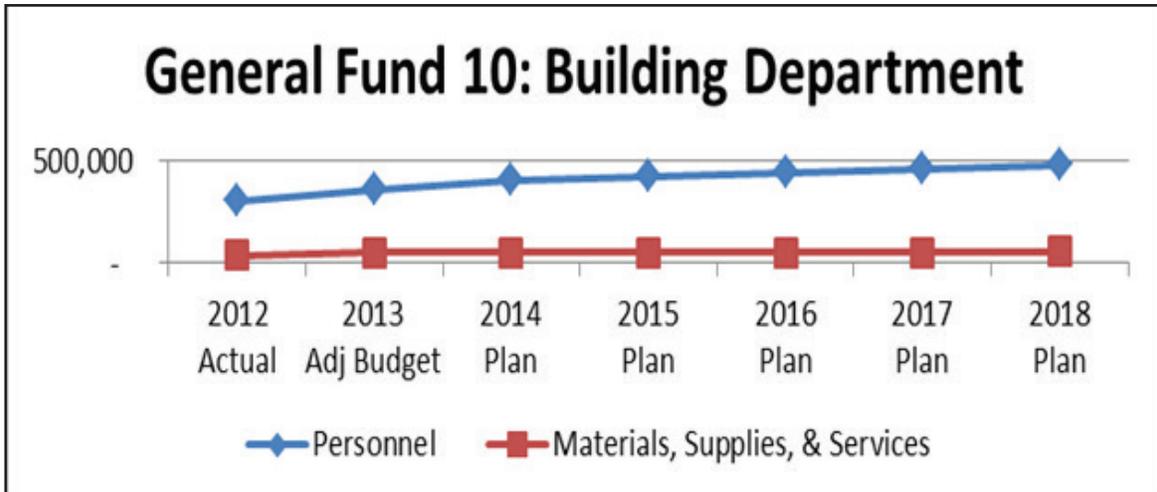


Figure 28 (above) represents Personnel, and Materials, Supplies and Services (MSS) major requirements for fiscal years 2012 -2018.

Materials, Supplies and Services requirements increased less than 1 percent in 2014, MSS is expected to level out between 2015-2018.

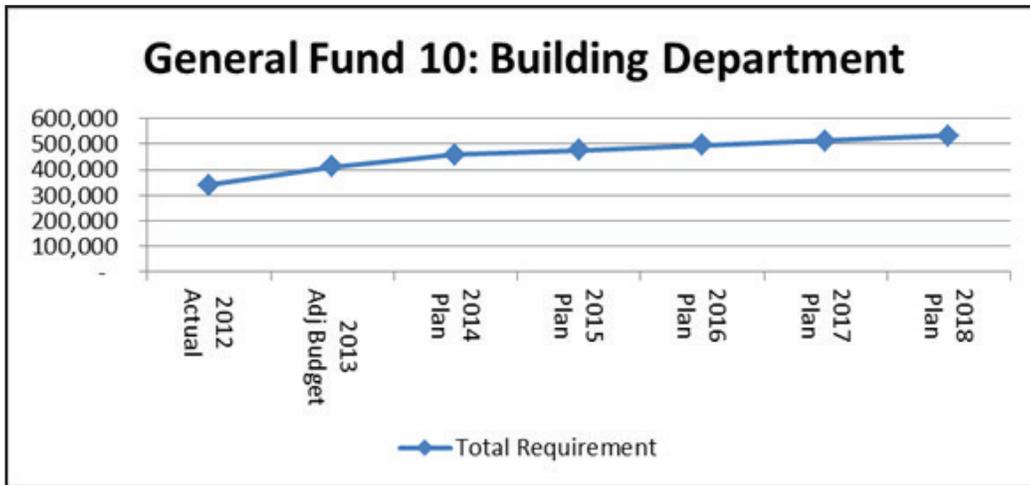


Figure 29 (above) represents total departmental requirements for fiscal years 2012 - 2018.

Total departmental requirements are expected to increase between 3-4 percent from 2015-2018 mainly due to anticipated payroll increases.

Building Department Performance Measures	Target 2013
Inspections are completed by next business day	100%
Residential plan reviews within 10 business days	100%
Commercial plan reviews within 15 business days	100%

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

Building Department 2013 Highlights
In the FY 2012-13 we were able to maintain an average turnaround time of 1.10 days from the time of complete submittal until the initial plan review was completed. Additionally, as a department we completed 11,113 building inspections - this is an average of 926 per month. Finally, in the last fiscal year the Building Department issued 547 building permits. These are the highest numbers since 2007. Despite this growth, the Building Department was able to maintain a next day inspection policy throughout the year.



2013 Achievements

During the last year the Planning Department spent extensive hours on the Smart Code, Design Guidelines and numerous projects. The Smart Code is still under review and portions of it may be used for the first 180 acres of SLR property to develop. The Design Guidelines were recently adopted by the City Council on July 2, 2013. The Planning Department processed many code changes, including the creation of a beekeeping ordinance, changes to definitions, creation of the Mixed Lakeshore, Business Park, Institutional/Civic and Public School Bus Lot Zones, as well as many other minor changes. The City Wide Zoning Map was updated and adopted on September 4, 2012.

Additional projects that were processed by the Planning Department and received final approval from the City Council during the 2012-2013 fiscal year include Master Plans, Site Plans and Preliminary and Final Plats as listed below. Several Concept Plans were also reviewed, but have not been included in the list since Concept Review does not grant any entitlements.

Master Plans: Fox Hollow Master Development Agreement; Site Plans: Smith and Payne Dental offices, IMAA Training, New Haven School, Smith’s Fuel Center, Lakeview Academy Expansion.

General Fund 10: Planning and Zoning Department							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	197,282	208,581	295,436	304,042	312,991	322,299	331,978
Materials, Supplies, & Services	10,735	12,350	12,352	12,352	15,503	15,504	15,505
Total Requirement	208,016	220,931	307,788	316,394	328,494	337,803	347,483
% Change from Prior Period	6%	6%	39%	3%	4%	3%	3%

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.

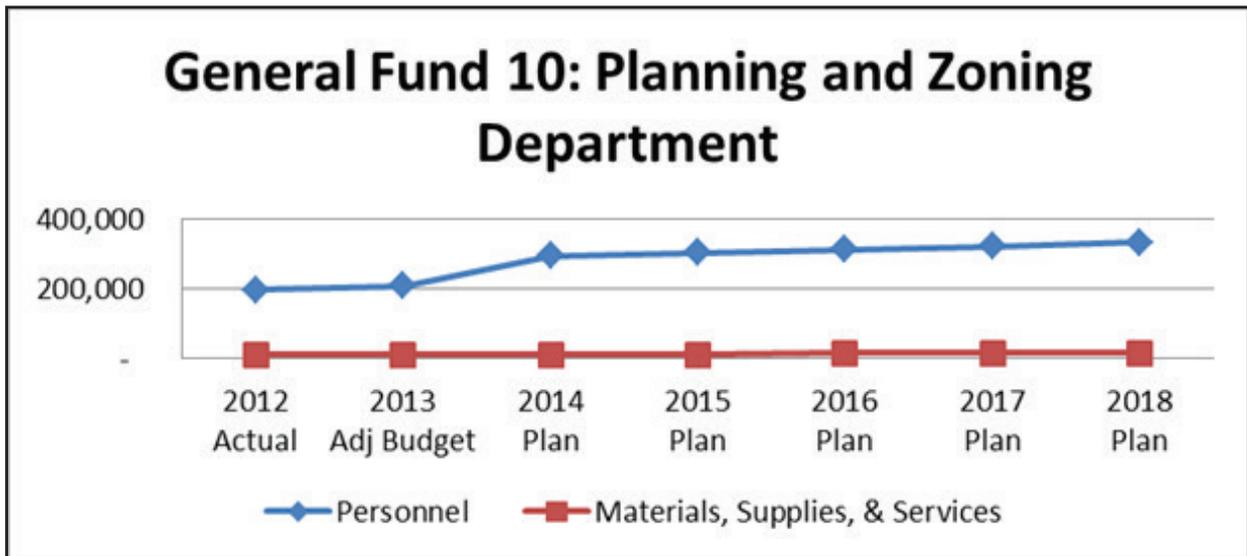


Figure 30(above) represents Personnel, and Materials, Supplies and Services (MSS) major requirements for fiscal years 2012 -2018.

Personnel costs account for market position adjustments (if necessary), staffing levels and employee benefits (i.e. retirement, health care, FICA, training). 2014 increase due to the addition of one additional Planner position. Personnel costs are expected to increase at an average of 4 percent annually between 2015 and 2018.



2012-2013 Goals (Alignment with City Efforts)		
Goal	Category	Measurement
<ul style="list-style-type: none"> Maintain existing turnaround times for all Planning related applications. 	Customer Service	<ul style="list-style-type: none"> 10 days for internal review for Site Plans, Subdivision Plats, Code Amendments, Annexations, Rezones, Gen. Plan Amendment, Conditional Use. Includes redlines and memos prepared for applicants. 5 days for Sign Permits. Above Tracked in Access.
<ul style="list-style-type: none"> Same day return on all phone calls and email messages. 	Customer Service	<ul style="list-style-type: none"> Personal review and tracking of customer feedback.
<ul style="list-style-type: none"> Public Noticing, Cross training department members on the Public Noticing procedures and requirements. 	Communication	<ul style="list-style-type: none"> City Recorder to provide training related to City, State and Newspaper processes. Matrix created to identify Public Noticing timeframes for each requirement. Access will be used to track progress.
<ul style="list-style-type: none"> Implementation of new DRC meeting to review all projects and timelines to address concerns and tighten up interdepartmental communication. 	Communication	<ul style="list-style-type: none"> Committee to meet every 2 weeks (or more frequently as needed). DRC notes and action items recorded, distributed and followed up on after each meeting. Access will be used to track progress.
<ul style="list-style-type: none"> Additional fields will be added to our Access database to insure that all items we are tracking will be found in one location. 	Organization	<ul style="list-style-type: none"> New process now required for all information to be entered into Access and then reviewed during the DRC discussions.
<ul style="list-style-type: none"> Archiving of all old Planning Files. 	Organization	<ul style="list-style-type: none"> All files will be archived, stored or destroyed based on State requirements and coordinated with City Recorder.
<ul style="list-style-type: none"> Ongoing training for Planners to maintain skills and stay up on industry changes. 	Training	<ul style="list-style-type: none"> Staff attending American Planning Association Conference, October 6-7. Maintain APA Membership. Prepare for AICP exam.

Table 36 - Planning Performance Measures

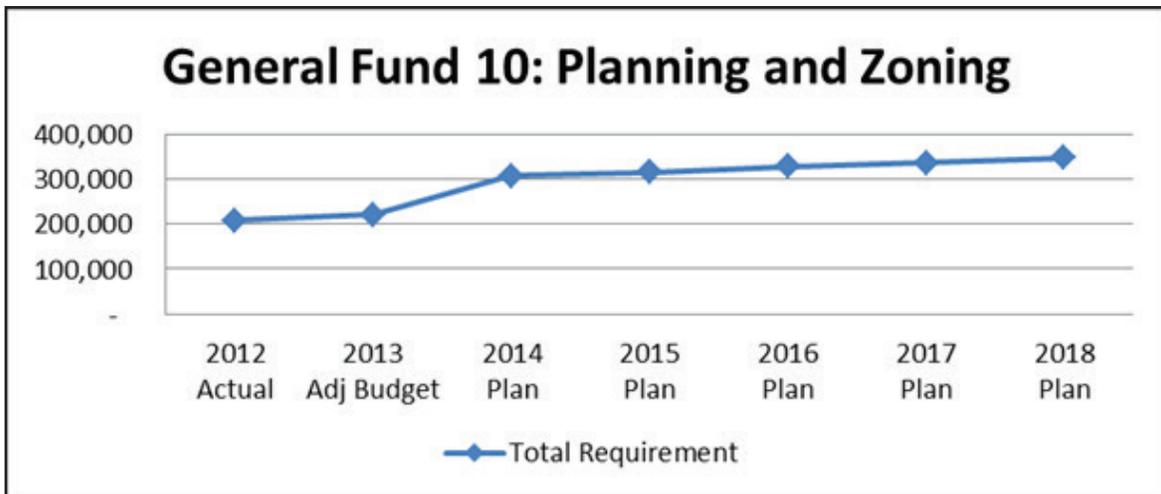


Figure 31 represents total departmental requirements for fiscal years 2012 – 2018.

Materials, Supplies and Services requirements are expected to remain relatively stable at approximately \$15,500 through fiscal year 2018.

Total department expense is expected to increase from 2014-2018 largely due to anticipated personnel expense increases.



Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	487,575	532,073	623,832	646,726	670,355	691,337	721,108
Materials, Supplies, & Services	51,015	97,998	113,839	90,841	91,402	91,992	92,611
Capital	-	-	-	-	-	-	-
Total Requirement	538,590	630,071	737,671	737,567	761,958	787,329	813,719
% Change from Prior Period	85%	17%	17%	0%	3%	3%	3%

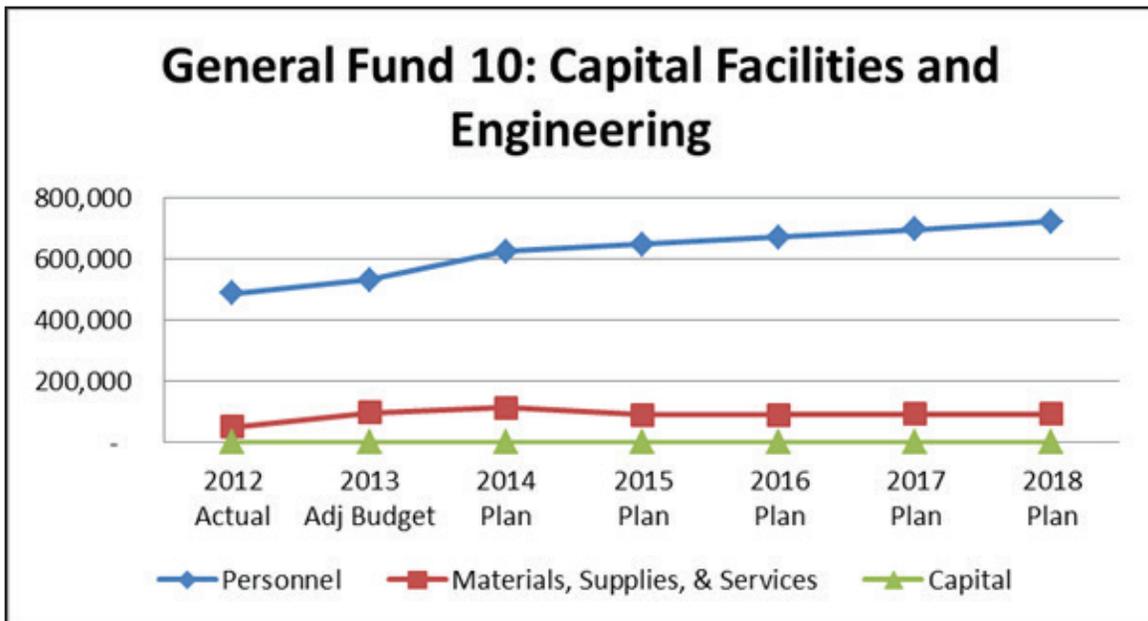
Table 37 (above) represents the Capital Facilities & Engineering Department’s actual expenditures for 2012, 2013 adjusted budget, 2014 approved budget, and budget plan for 2015 – 2018.

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 increase (on average) 4 percent annually between 2015 and 2018. The majority of this increase is attributable to anticipated increases in the defined benefit retirement contribution rates. Staffing levels are anticipated to increase from 6.5 FTE to 7.5 FTE. It is important to note, however, that significant increases in residential and commercial activity within the City may require additional resources in the future.

Materials, Supplies and Services requirements are expected to remain stable 2015 through 2018. Total department expense is expected to increase 2-4 percent due to expected personnel increases.



Figure 32 (below) represents Personnel, and Materials, Supplies and Services (MSS) major requirements for fiscal years 2012 - 2018.



Engineering Highlights FY 2012-2013

During the past year (July 2012 – July 2013) 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. An update to the City Engineering Standards and Specifications was completed to improve quality and eliminate unnecessary or conflicting information from the previous document that was last updated in 2006. All as-built and construction drawings were digitized and filed for quick reference by any city employee.

Spatial database design/redesign, asset data collection utilizing survey and mapping grade GPS accuracy (three GPS units) has been the main focus for GIS. GPS data collection has inventoried the following assets: sewer laterals, storm drain, sewer manholes, water control valves, newly constructed utilities, street lights and trees. Spatial data quality and accuracy has been improved through address creation, review and correction, boundary verification and review (plat, subdivision, municipal), and coordination with GIS users in other departments. Analysis and consumption of spatial data has been made possible through ArcGIS Desktop and ArcReader respectively. Analysis projects have included capital projects and sewer reimbursement areas. Individual departmental GIS support has been provided through project completion as requested. Maps and utility information have been published for public access via the City’s website along with contact information so that customers can request utility information directly from the GIS department and receive a quick response. Numerous efforts were put forth during the debris flow/flood incident in Jacobs Ranch, including situational awareness mapping, spatial data collection and analysis to support reconstruction.

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.

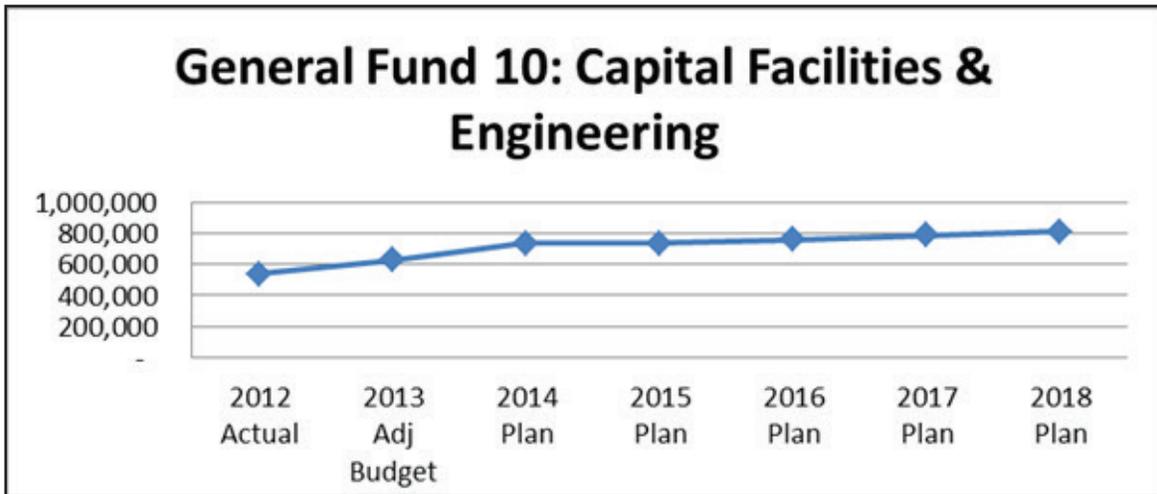


Figure 33 (above) represents total departmental requirements for fiscal years 2012 – 2018.



GENERAL GOVERNMENT: NON-DEPARTMENTAL

General Fund 10: Non-Departmental and Transfers							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	12,993	125,652	-	-	-	-	-
Materials, Supplies, & Services	326,865	290,381	292,175	300,134	307,874	316,614	325,774
Interfund Transfers	2,538,216	78,027	78,201	78,335	78,428	78,482	78,552
Total Requirement	3,029,482	820,920	649,319	657,413	667,041	396,895	404,331
% Change from Prior Period		-73%	-21%	1%	1%	-40%	2%

Table 38 (above) represents Non-Departmental’s actual expenditures for 2012, 2013 adjusted budget, 2014 approved budget, and budget plan for 2015 - 2018.

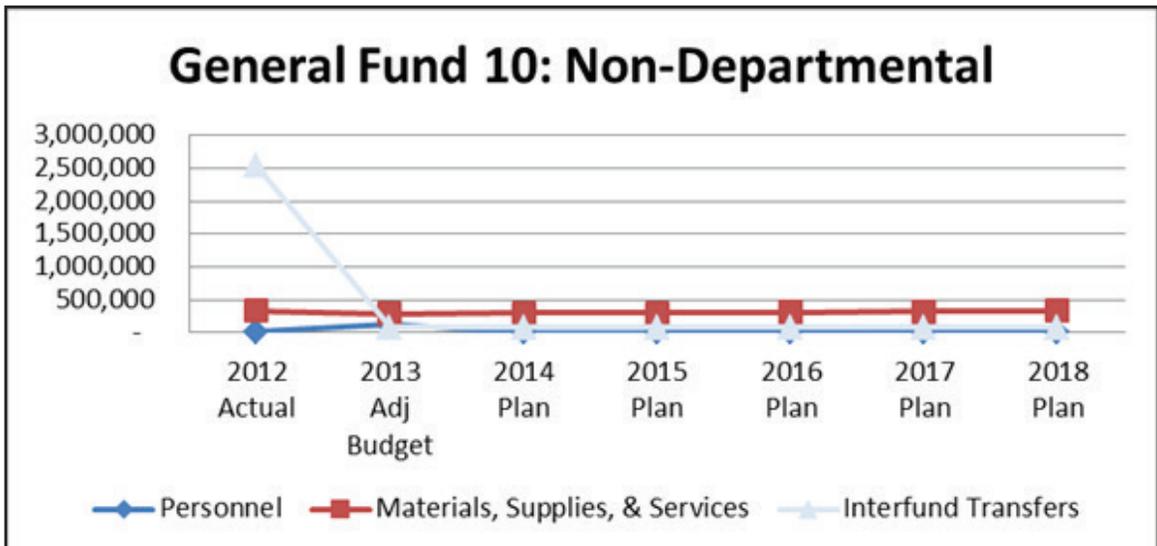


Figure 34 (above) represents Materials, Supplies and Services (MSS), and Personnel costs for fiscal years 2012 – 2018.



Personnel expense in non-departmental includes employee recognition and appreciation initiatives (\$1,500) and pay for performance compensation in 2013 (\$125,652). After fiscal year 2013 the performance compensation expenses will be in the individual budgets.

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.

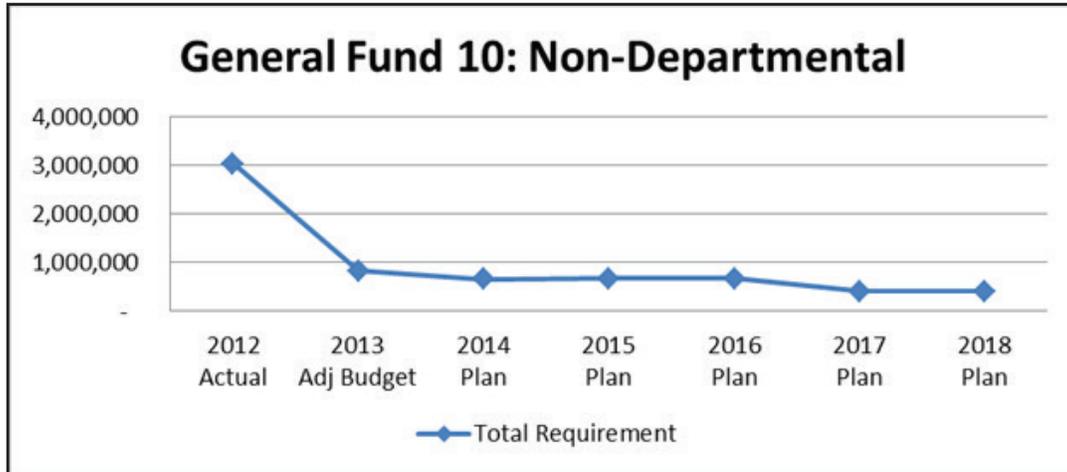


Figure 35 (above) represents total non-departmental requirements for fiscal years 2012 – 2018.



Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Materials, Supplies, & Services	169,018	152,036	150,627	124,359	128,238	132,270	136,463
% Change from Prior Period		-26%	-1%	-17%	3%	3%	3%

Table 39 (above) represents the Buildings and Grounds Department’s actual expenditures for 2012, adjusted budget for 2013, tentative budget for 2014, and budget plan for 2015 – 2018.

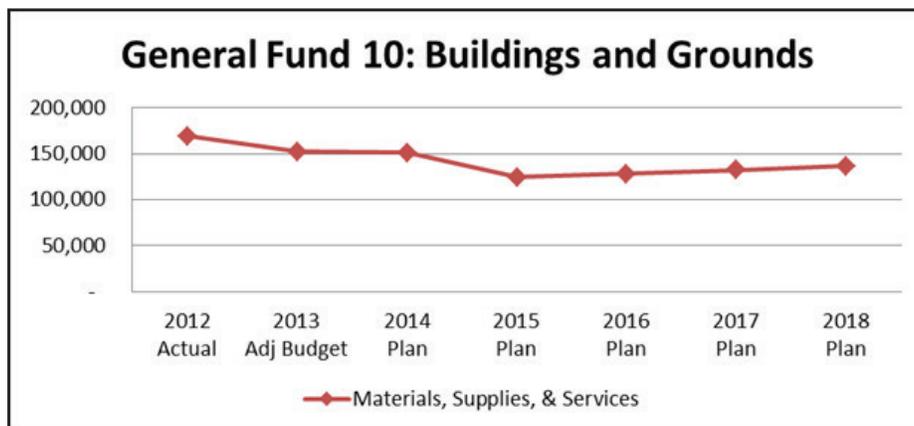
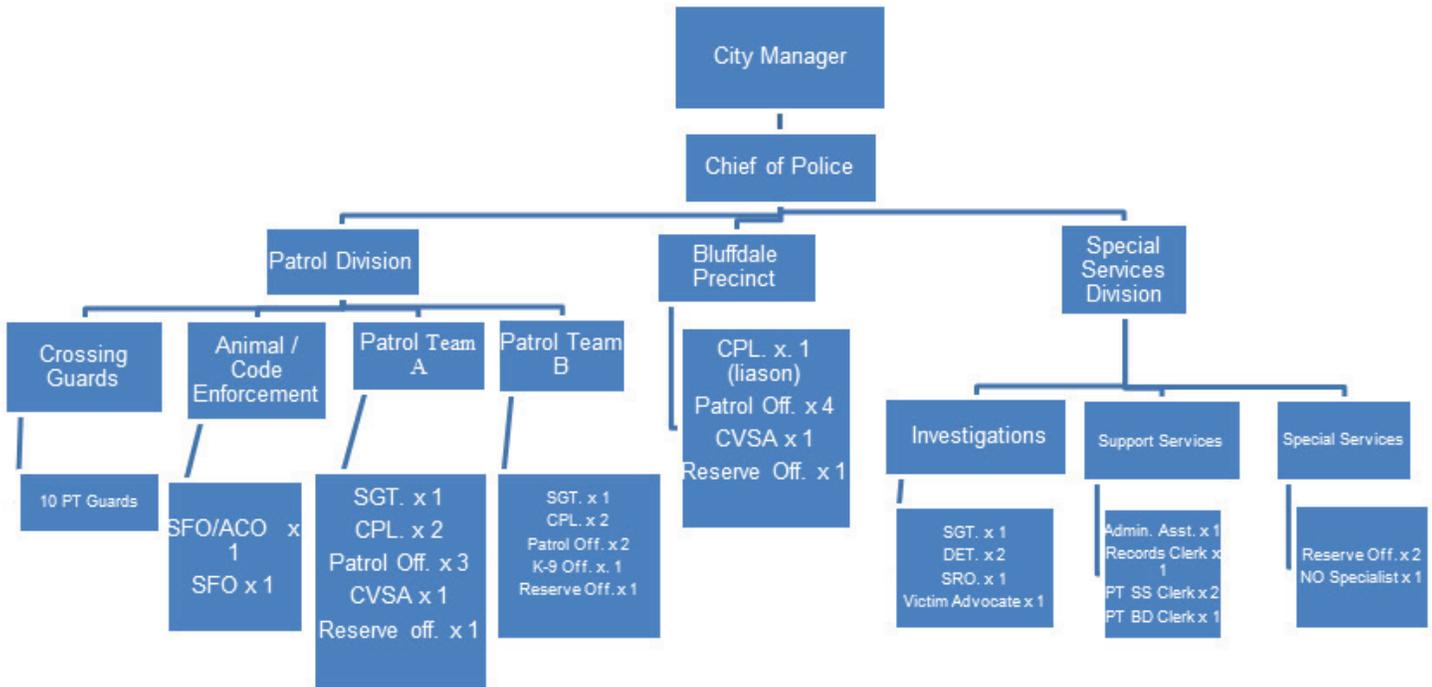


Figure 36 (above) represents Materials, Supplies and Services (MSS) requirements for fiscal years 2012 – 2018.

In 2013 MSS is expected to decrease 21.9 percent. Debt service payments are now being paid out of the debt service fund instead of the general fund. In addition, there are decreases in common area maintenance and condominium assessments due to the City taking over maintenance of the City Hall building.



Introduction

The Saratoga Springs Police Department currently employs 24 sworn police officers, two full-time animal control/code enforcement officers, four part-time reserve police officers, one administrative assistant, one full-time and three part-time records clerks, a part-time victim advocate, two part-time Neighborhood Outreach coordinators and 10 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.

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 our quality of life.

Fiscal Year 2012-13 Accomplishments and Highlights

1. Maintained the highest quality of investigations to include the use of state-of-the-art investigative equipment such as the new Cellebrite Cell Phone Data Analysis System.
2. Conducted patrol operations 24 hours per day using state of the art systems such as the Panasonic Arbitrator 360 camera system installed in all patrol vehicles.
3. Provided specialized law enforcement capabilities such as commercial truck inspections and enforcement, police service dog patrol and a special weapons and tactics unit.
4. Issued every sworn officer a patrol rifle enabling response to emergency situations such as active shooter cases at schools.
5. Taught a Police Science course to high school students at Westlake High School and provided a full-time School Resource Officer.
6. Hired a new chief of police.

General Fund 10: Police Department - Saratoga Springs							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	1,907,462	2,050,915	2,169,896	2,254,255	2,341,986	2,433,224	2,528,112
Materials, Supplies, & Services	491,536	489,983	528,247	538,477	549,112	560,525	572,245
Capital	-	-	-	-	-	-	-
Total Requirement	2,398,998	2,540,898	2,698,143	2,792,733	2,891,098	2,993,750	3,100,357
% Change from Prior Period		8%	6%	6%	4%	4%	4%

Table 40 (above) represents the police department’s (Saratoga Springs) actual expenditures for 2012, adjusted budget for 2013, tentative budget for 2014, and budget plan for 2015 – 2018.

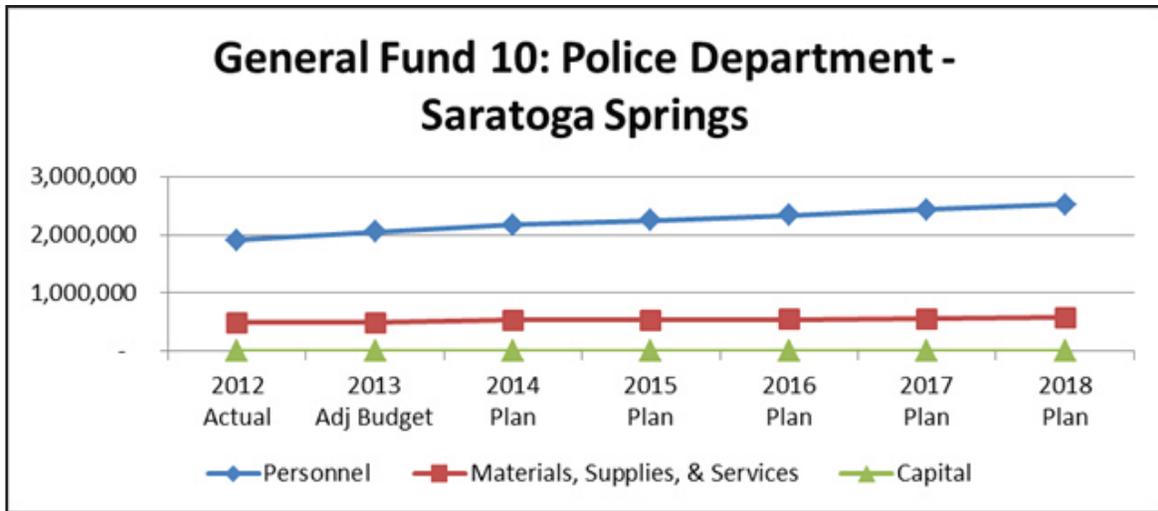


Figure 37 (above) represents Personnel, Materials, Services and Supplies (MSS) and Capital expenses between 2012 and 2018.

Personnel costs account for market position adjustments (if necessary), staffing levels and employee benefits (i.e. retirement, health care, FICA, training). An increase of 4 percent is projected for 2015 through 2018.

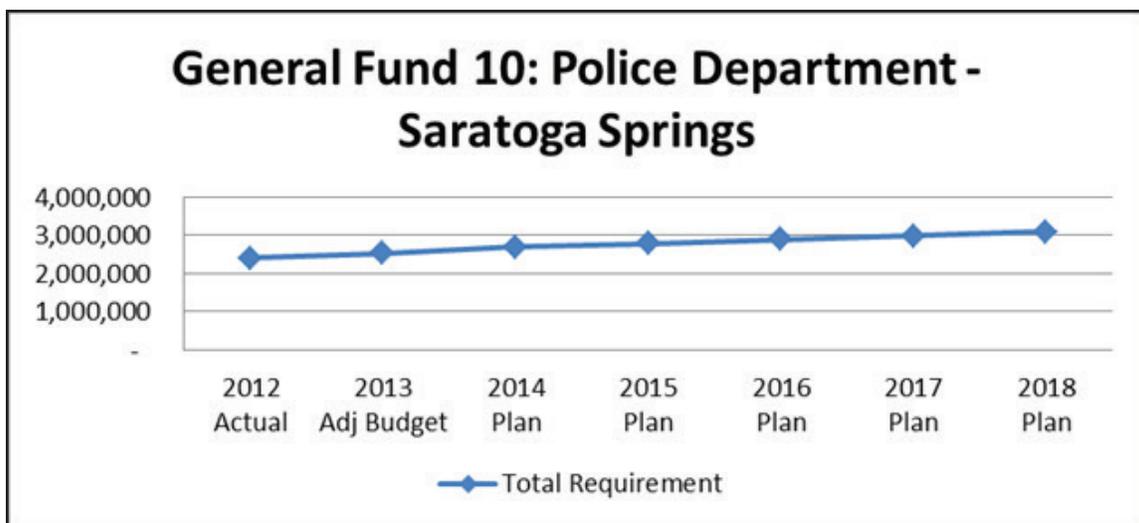


Figure 38 (above) represents total departmental requirements from fiscal years 2012-2018.

Materials, Supplies and Services are expected to increase slightly in 2014. The budget for 2015-2018 includes minor inflationary adjustments of 3-5 percent.

Capital expenses are currently not budgeted for the fiscal years 2014-2018. The City is currently preparing a capital replacement schedule, and the police department is transitioning from capital leases to operating leases for their police vehicles.

Total departmental requirements are expected to remain relatively stable from 2014-2018. Increases between 3-4 percent are projected.

General Fund 10: Police Department - Bluffdale							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	477,043	499,517	541,742	562,683	584,468	607,130	630,705
Materials, Supplies, & Services	175,028	161,837	168,802	175,018	181,545	188,397	195,594
Capital	-	-	-	-	-	-	-
Total Requirement	652,071	661,354	710,544	737,701	766,012	795,527	826,299
% Change from Prior Period	351%	1%	7%	4%	4%	4%	4%

Table 41 (above) represents the police department's (Bluffdale) actual expenditures for 2012, adjusted budget for 2013, tentative budget for 2014, and budget plan for 2015 – 2018.

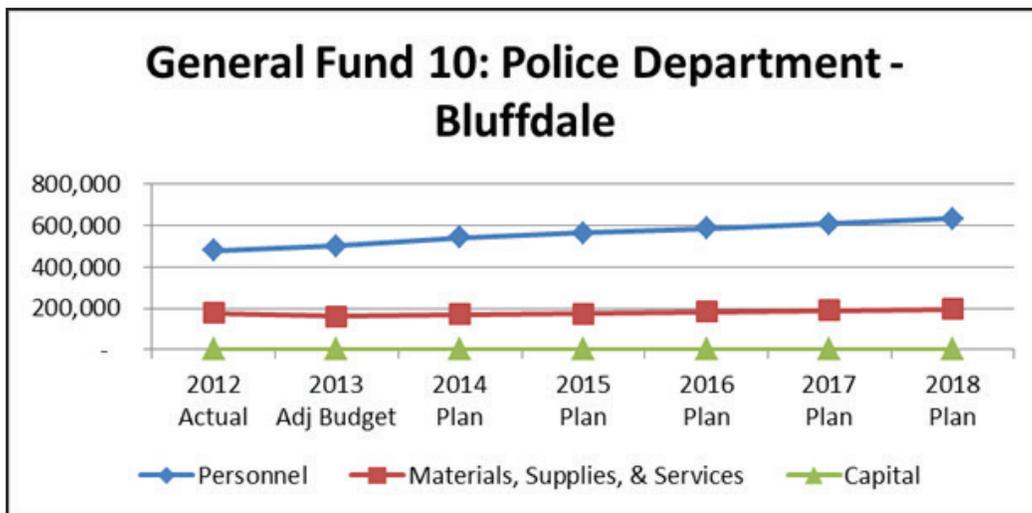


Figure 39 (above) represents Personnel, Materials, Services and Supplies (MSS) and Capital expenses between 2012 and 2018.

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

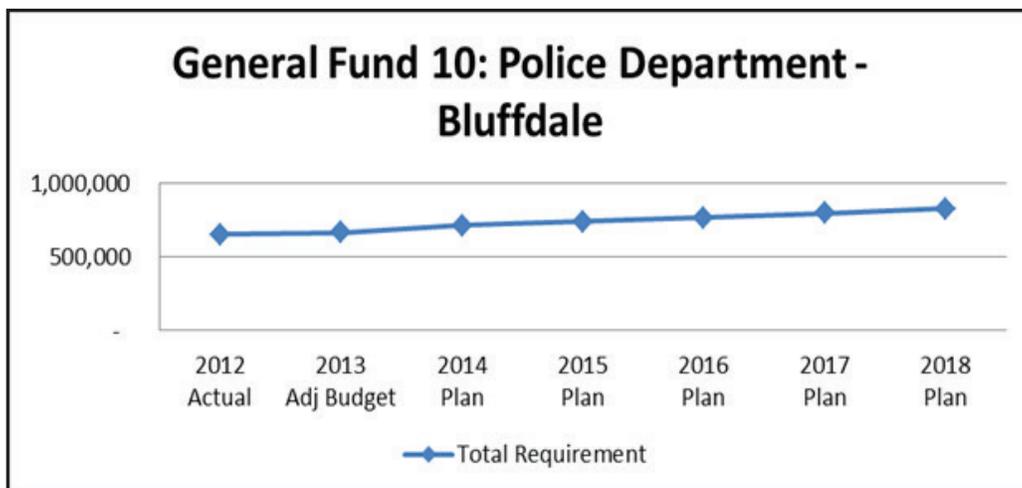


Figure 40 (above) represents total Police Department (Bluffdale) departmental requirements.

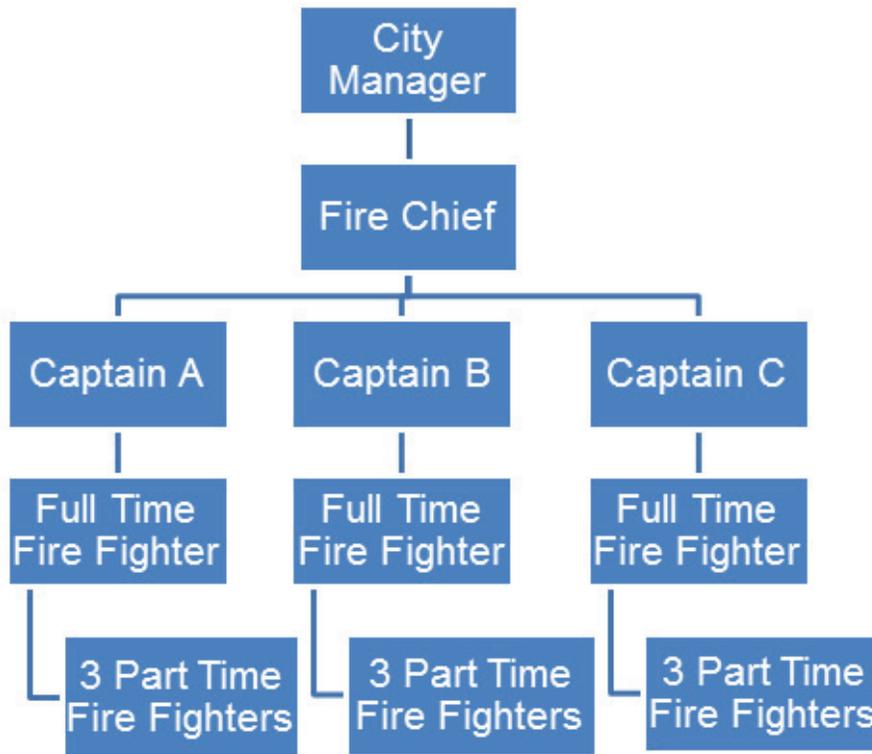
Materials, Supplies and Services increased 4.3 percent between 2013 and 2014 due to increases in contract dispatch fees and vehicle lease payments. Both increases are being offset by increased revenue from Bluffdale City.

Capital expenditures are not currently budgeted from 2014-2018. Capital purchases were made in 2010 to start police services in fiscal year 2011. The City is currently formulating a capital replacement plan. Future budgets will include a capital component once this study is complete.

Total departmental requirements are expected to remain relatively stable from 2014-2018 with an average increase of 4 percent estimated.

Police Department Performance Measures	Target 2013
Total Officer generated incidents	1200
Response time for priority 1 calls	<7 min
Clear all assigned cases within 6 months	100%
Teach NOVA classes to 6th grade students	450 students
Serve all victims who request help from Victim Services	100%
# of Citizen Academies per year	1
# of new CAPS volunteers	6
CAPS Volunteer Hours	2000
# Scheduled neighborhood outreach meetings	150
# of Explorers	12
# of Explorer advisors	2
# of Explorer hours of service	300
# 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	20
% 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 Department 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 26 firefighters/EMTs. Five firefighter/EMTs are on duty 24/7. The firefighter/EMTs are trained to a minimum of EMT-I (Emergency Medical Technician - Intermediate) and firefighter II levels of certification.

Fiscal Year 2013 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.

As a condition of employment with Saratoga Springs Fire and Rescue: Concluded first round of Train the Trainer instruction for Water and Ice Rescue and provided training to 45 percent of personnel. There



was a total of 1,504 man hours for Ice Rescue, 1,280 for Water Rescue. Conducted 1,150 man hours in fire training to include live fire training. 980 hours for CEU's in EMS training and compliance.

A total of six full and part-time personnel left Saratoga Springs Fire & Rescue for failure to meet physical fitness mandates. Fourteen full and part-time employees have been hired to replace them and to meet the Affordable Care Act thresholds for all part-time employees.

Spent 295 man hours in reaching out and implementing a 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.

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

- 85 man hours teaching Boy Scouts first aid
- 364 man hours in Public Relations events. (Splash, Polar Plunge, Parades, Safety Weeks, fire and medical)
- 165 man hours in providing 38 public tours of our stations
- 180 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.
- 5 babysitting classes to young men and women in our community.
- CPR awareness and first-aid taught to 360 young women preparing for girl's camps.
- 1,082 fire hydrants tested and flowed.
- 285 business inspections and new building inspections of sprinkler and alarm systems.
- Ran a total of 805 911 Emergency calls for service.

A new Pierce Quantum Engine was placed into service. Acquired two 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	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	1,007,869	1,088,237	1,141,783	1,159,057	1,205,292	1,253,375	1,303,381
Materials, Supplies, & Services	380,910	298,769	373,582	291,747	307,523	268,868	284,991
Capital	345	-	-	-	-	-	-
Total Requirement	1,389,125	1,387,006	1,387,006	1,450,804	1,512,815	1,522,243	1,588,372
% Change from Prior Period	70%	0%	0%	5%	4%	1%	4%

Table 44 (above) represents the Fire Department's actual expenditures for 2012, 2013 adjusted budget, 2014 approved budget, and 2015– 2018 budget plan.

Fire Department Performance Measures	Target 2013
% of required annual business inspections completed	80
% of annual performance evaluations completed	90
# of times per year capital assets are inventoried	1
% of times daily weekly vehicle checks completed	100

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

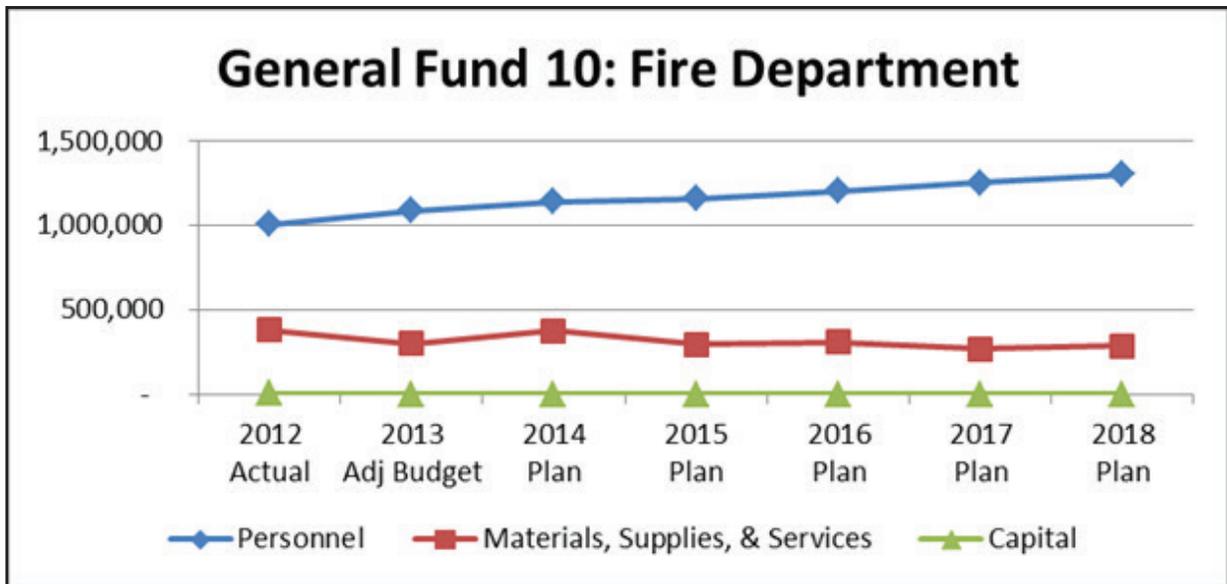


Figure 41 (above) represents Personnel, Materials, Supplies and Services and Capital Outlay major requirements from fiscal years 2012 - 2018.

Personnel requirements that include wages/salaries, benefits and training increased by 4 percent. Fiscal years 2015-2018 are budgeted using 4 percent annual personnel increases. FTE's are expected to remain stable at 16.

Materials, Supplies and Services (MSS) show a varied fluctuation from fiscal years 2014 to 2018.

Total departmental requirements are expected to fluctuate in 2014 through 2018.

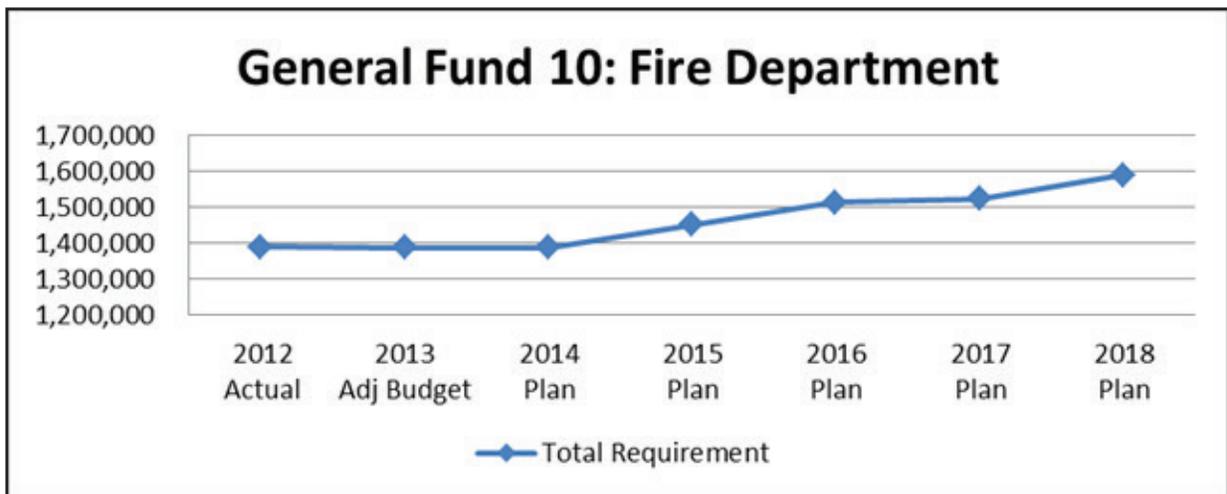
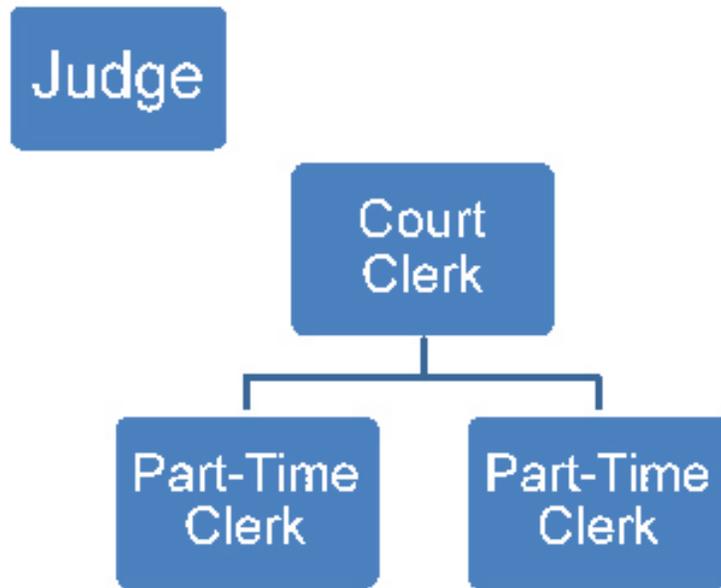


Figure 42 (above) represents total departmental requirements.



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	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	120,545	120,285	121,939	126,757	131,768	136,982	142,406
Materials, Supplies, & Services	8,074	86,180	82,380	82,380	82,380	82,380	82,380
Total Requirement	128,619	206,465	204,319	209,137	214,148	219,362	224,786
% Change from Prior Period	69%	61%	-1%	2%	2%	2%	2%

Table 46 (above) represents the Court’s actual expenditures for 2012, 2013 adjusted budget, 2014 approved budget, and 2015 – 2018 budget plan.

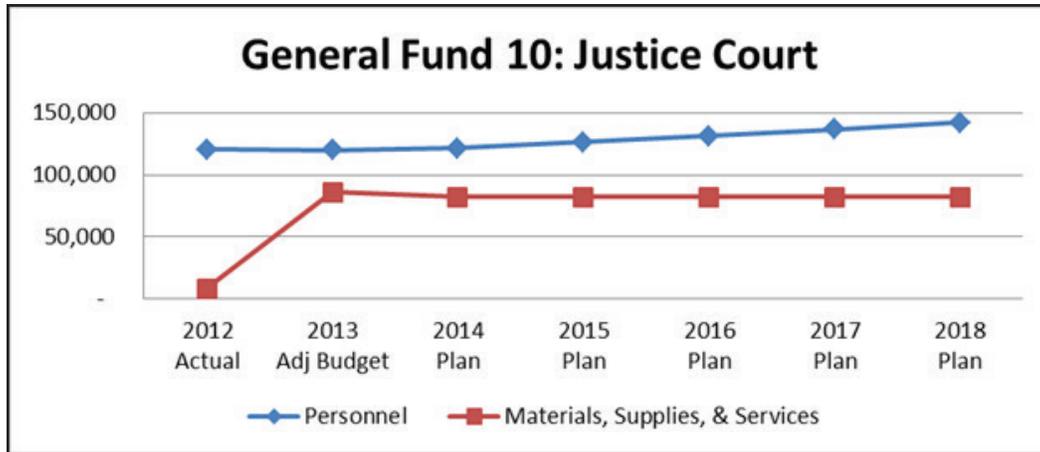


Figure 43 (above) represents Personnel, Materials, Services, and Supplies (MSS) major requirements from fiscal years 2012 – 2018.

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 increase at an average of 4 percent annually between 2014 and 2018.

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.

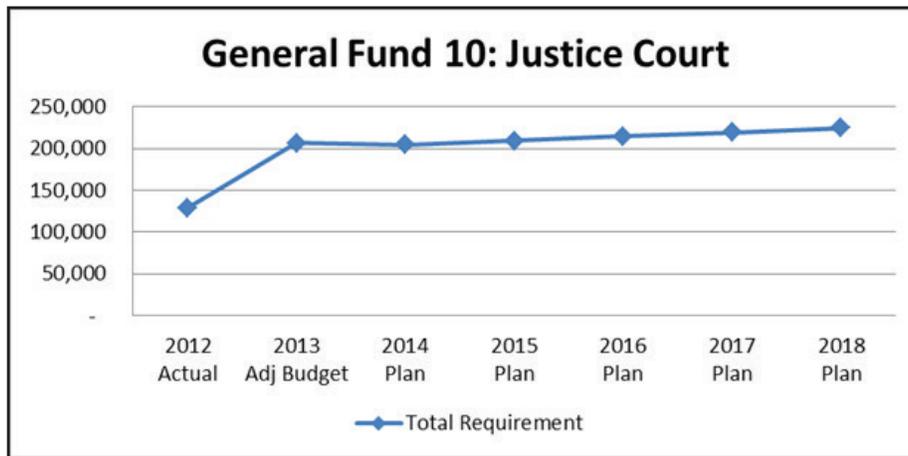
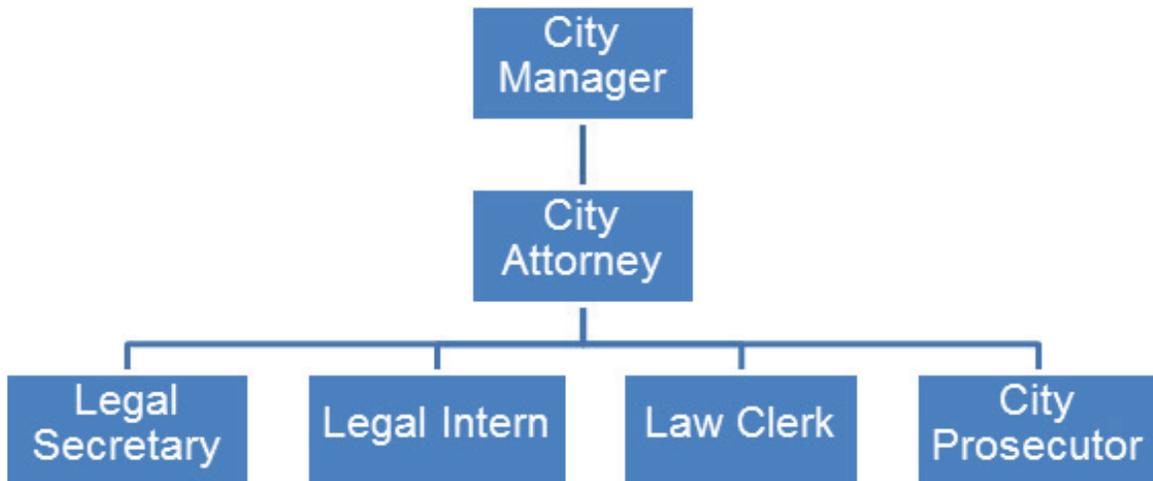


Figure 44 (above) represents total departmental requirements from fiscal years 2012 – 2018.

Materials, Supplies and Services are expected to stay constant from 2014-2018. Total departmental requirements are expected increase 2 percent between 2015-2018, largely due to anticipated personnel costs.

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

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



Mission:

Civil: Advise the Mayor, City Council, City Manager and employees in all areas of municipal civil law. These functions include: (a) drafting and reviewing contracts; (b) advising the City on all aspects of local government law, including land use law, civil rights, construction law, real estate and employment law; (c) drafting and reviewing municipal and State legislation; (d) advising on insurance and risk management issues; (e) defending and prosecuting lawsuits to protect the rights and interests of the City and its officers, employees and elected officials; (f) managing outside legal counsel; and (g) managing or engaging in appellate advocacy before all State and Federal courts.

Criminal: Prosecute misdemeanors, including class A misdemeanors, and handle appeals from the Justice Court to District Court. In addition, (a) advise the Police Department regarding warrants, investigations and other criminal matters; (b) civilly abate public nuisances; and (c) assist in the enforcement of City ordinances and codes including building, fire and housing codes, land use law and zoning law.

2013 City Attorney Highlights
Fiscal Year 2012-13 was an eventful year for the City Attorney’s Office. We hired a part-time prosecutor, law clerk, and unpaid intern and purchased necessary equipment for these new members of our office. Because of the increased staff, we were able to accomplish tasks that we were unable to previously. For example, we provided significant training of the police department, which resulted in improvement of key areas including fewer dismissals of DUI and domestic violence cases. We were also able to near completion of significant code revisions. We also significantly revised the City’s agreements, including bond, subdivision, and master development agreements.

2014 Attorney Goals
During Fiscal Year 2013-14, the City Attorney’s Office expects to continue code revisions and police training. We also hope to establish policies and procedures for our Administrative Code Enforcement program and for the calling of performance and warranty bonds. In addition, we plan on revamping our standard construction contracts. Finally, we plan on seeking successful resolution of several pending lawsuits.

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. Personnel expense is expected to increase 4 percent annually from 2015-2018.

General Fund 10: Attorney							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	135,810	208,670	223,378	232,313	241,606	251,270	261,321
Materials, Supplies, & Services	26,152	45,210	45,210	45,704	45,959	46,219	46,484
Total Requirement	161,962	248,880	268,588	278,018	287,565	297,489	307,805
% Change from Prior Period	12%	54%	8%	4%	3%	3%	3%

Table 48 (above) represents the Attorney Department’s actual expenditures for 2013, 2014 adjusted budget, approved 2014 budget, and 2015-2018 budget plan.

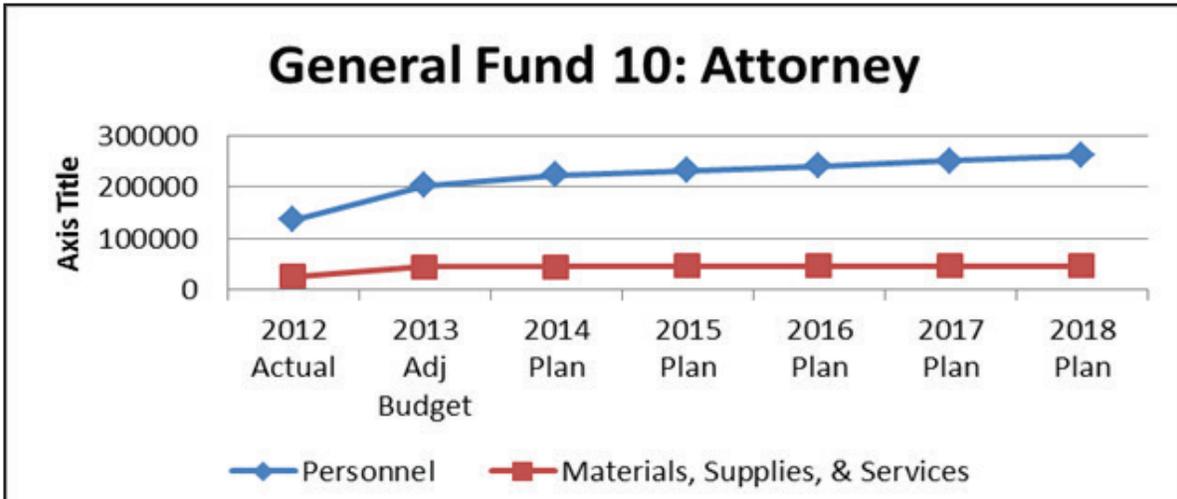


Figure 45 (above) represents Personnel, Materials, Services and Supplies (MSS) major requirements from fiscal years 2012 – 2018.

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

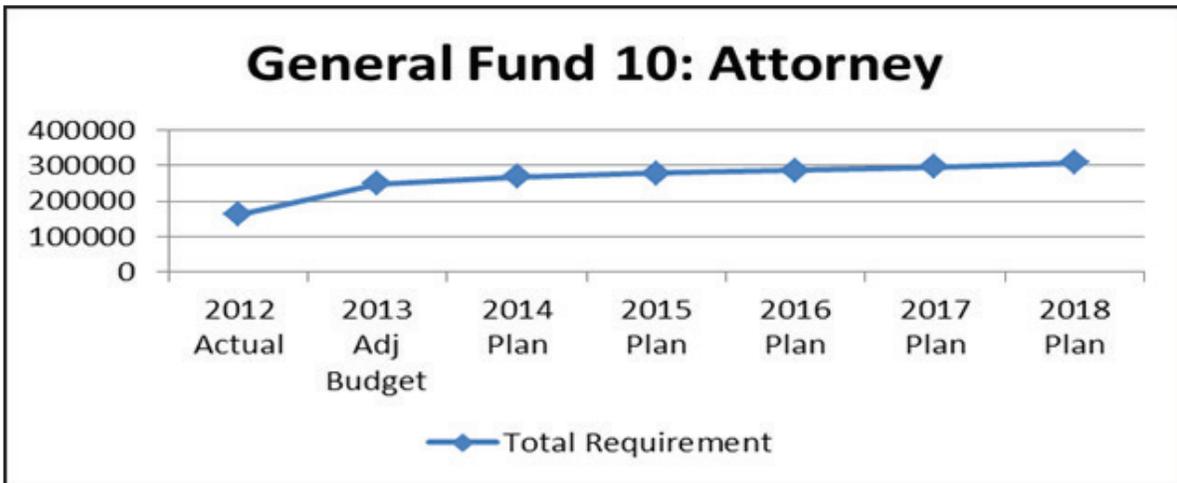


Figure 46 (above) represents total departmental requirements from fiscal years 2012 – 2018.



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, Civic Events, and Communities That Care

General Fund 10: Recreation, Civic Events, and Communities That Care							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	71,584	107,741	107,475	111,315	115,309	119,462	123,782
Materials, Supplies, & Services	118,619	112,308	113,612	116,556	119,648	122,894	126,302
Total Requirement	190,204	220,048	221,087	227,871	234,957	242,356	250,084
% Change from Prior Period	75%	16%	0%	3%	3%	3%	3%

Table 49 (above) represents Recreation, Civic Events and Communities that Care actual expenditures for 2012, adjusted budget for 2013, 2014 budget and budget plan for 2015 – 2018.

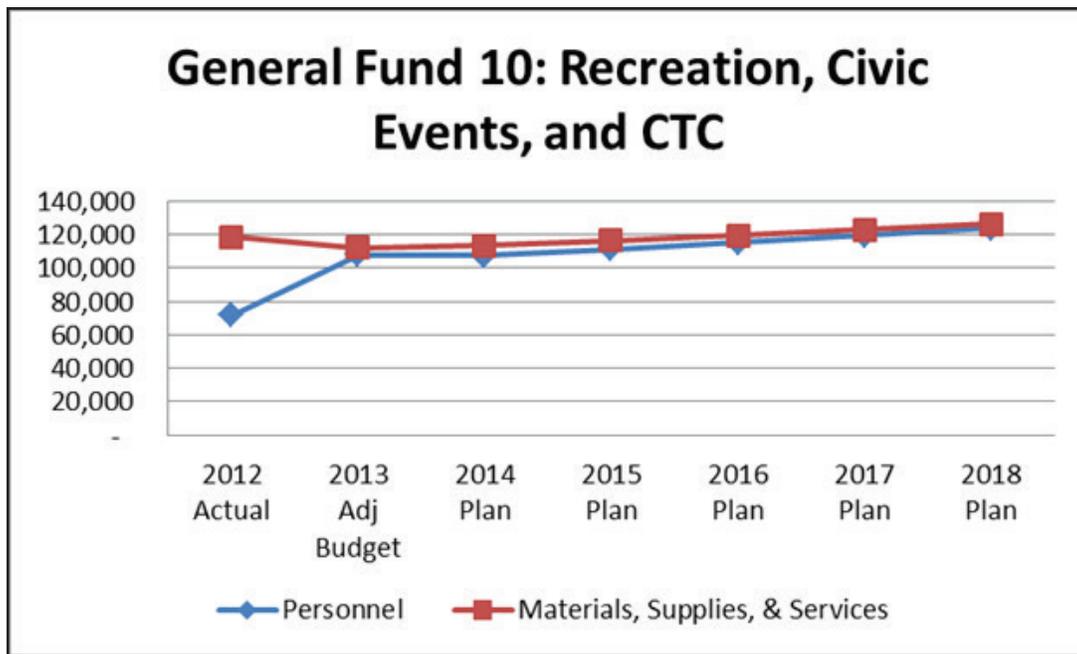


Figure 47 (above) represents Personnel and Materials, Services, and Supplies (MSS) major requirements.

Personnel costs account for market position adjustments (if necessary), staffing levels and employee benefits (i.e. retirement, health care, FICA). Personnel costs are expected to increase at an average of 3 percent annually between 2014 and 2018. Positions funded in the Recreation, Civic Events and CTC department include the Recreation Coordinator, recreation referees and CTC Coordinator. The CTC coordinator is partially funded through county/local grant where Utah County pays 50 percent and Eagle Mountain pays 25 percent of eligible expenses. Staffing levels are expected to remain constant at 2.8 FTEs with program levels remaining constant.

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

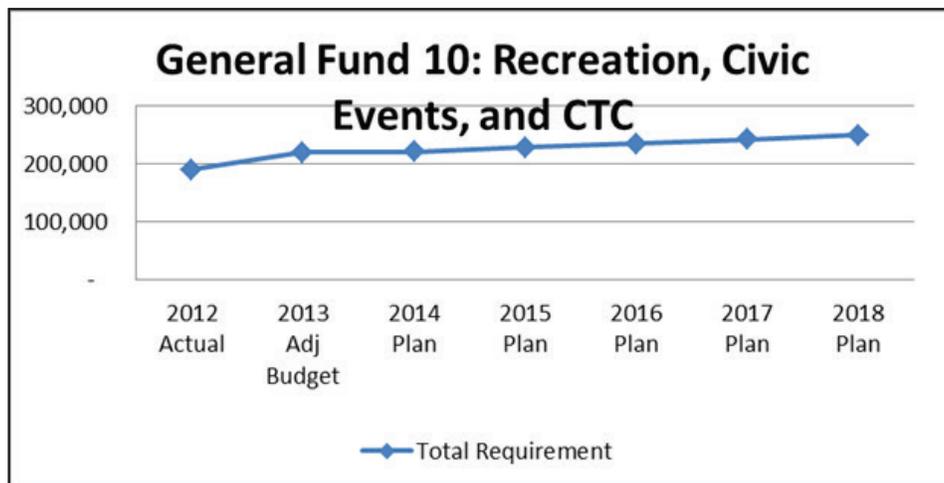


Figure 48 (above) represents total departmental requirements.

Performance Measure	Target 2013
# of months articles or announcements are in newsletter	12
% of times department webpage updated once a month	90
# of new programs/activities	1
% of programs that break even	100
% increase in recreation participation	10

Table 50 (above) represents the Leisure Services performance measures for fiscal years 2012 – 2013.



2013 City Library Highlights

The Saratoga Springs Library provided vital services to the citizens of the community. In addition to providing materials for check out, computers for public use and a Wi-Fi connection for our community, the library provided a preschool age story hour on Tuesday mornings at 10:00 a.m. The Summer Reading Program has also grown to include a School-aged session which brings in over 200 children and 75 adults each week. In FY 2013 there were a total 4,152 library card holders, 26,397 visits and 1,103 computer users.

General Fund 10: Library Services							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	-	17,500	109,817	132,209	135,818	141,638	147,519
Materials, Supplies, & Services	35,332	34,160	32,010	32,010	32,010	32,010	32,010
Capital	-	18,101	-	-	-	-	-
Total Requirement	35,332	69,761	141,827	164,219	167,828	173,648	179,529
% Change from Prior Period	100%	97%	103%	16%	2%	3%	3%

Table 51 (above) represents Library Services adjusted budget for 2013, 2014 budget and budget plan for 2015 – 2018.

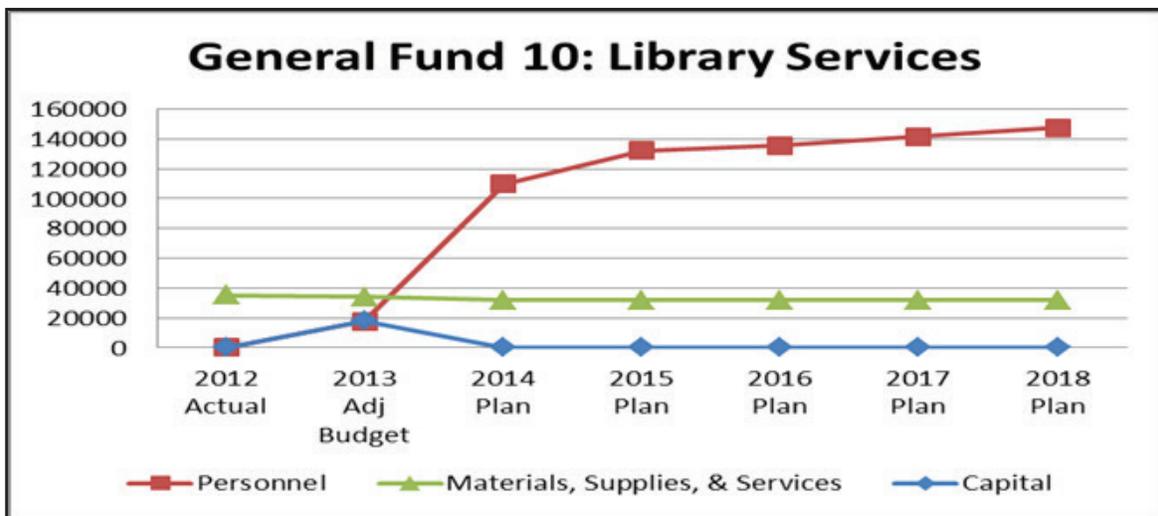


Figure 49 (above) represents Personnel, Materials, Services, and Supplies (MSS) and Capital major requirements

Personnel include two part-time librarians beginning in January 2013 and continuing for the full year in FY 2014 and beyond.

Materials, Supplies and Services requirements are expected to remain relatively flat beginning in fiscal year 2013.

Capital requirements are expected to remain at 0 in fiscal year 2014 after renovations of the library were completed in 2013.

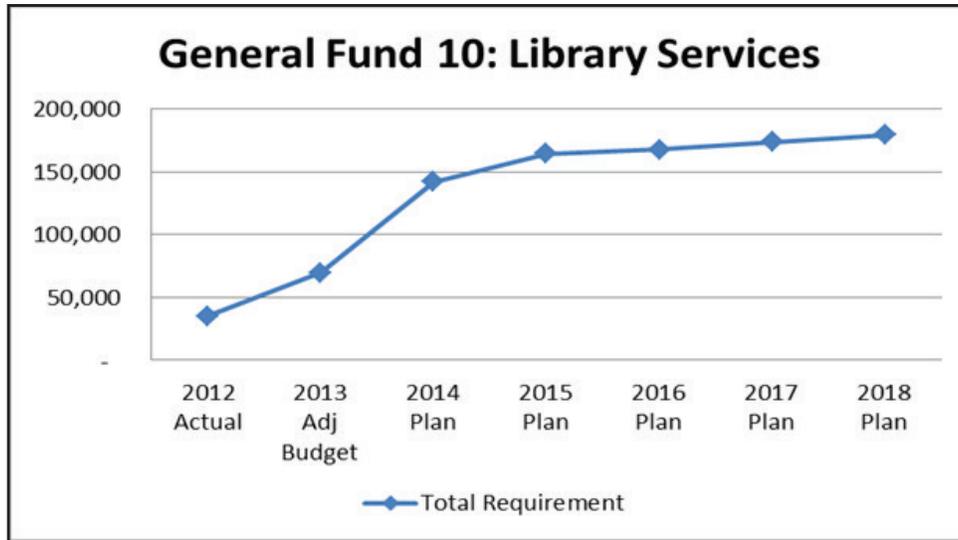
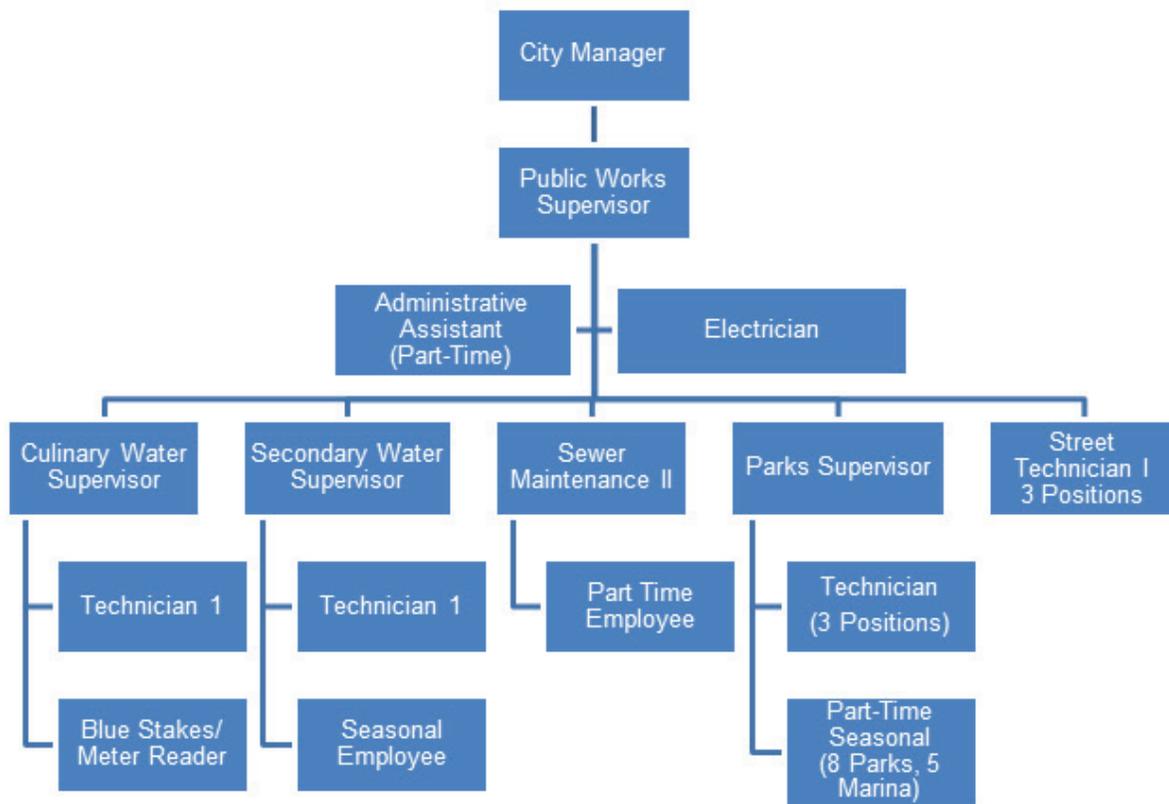


Figure 50 (above) represents total department requirements.

2013 City Library Goals

The overarching goal for the library is to become certified with the State of Utah. The certification process is a three-year process which will allow us to become eligible for many additional funding opportunities, such as:

- (1) We are able to become a member of the North Utah County Library Cooperative. This allows us to share books with 5 other libraries, thus expanding our collection by over 100,000 books.
- (2) Become eligible for the Federal Library and Services Technology Act (LSTA) funds, provided we meet federal requirements.
- (3) Eligibility for the Community Library Enhancement Fund (CLEF).
- (4) Apply for the State Development Grant.
- (5) Receive training and development from the Utah State Library.



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.

Fiscal Year 2012 Accomplishments

- Came in at or under budget in all departments.
- Responded to 765 calls for service.
- Responded to 3,375 blue stake locates.

General Fund 10: Highways and Public Works Departments							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	335,230	457,244	540,175	559,379	579,349	600,117	621,713
Materials, Supplies, & Services	308,577	260,753	446,033	408,551	414,344	420,428	404,715
Total Requirement	643,806	717,997	986,208	967,930	993,694	1,020,545	1,026,429
% Change from Prior Period	176%	12%	37%	-2%	3%	3%	1%

Table 52 (above) represents the Public Works Department's actual expenditures for 2012, adjusted budget for 2013, 2014 tentative budget and budget plan for 2015 – 2018.

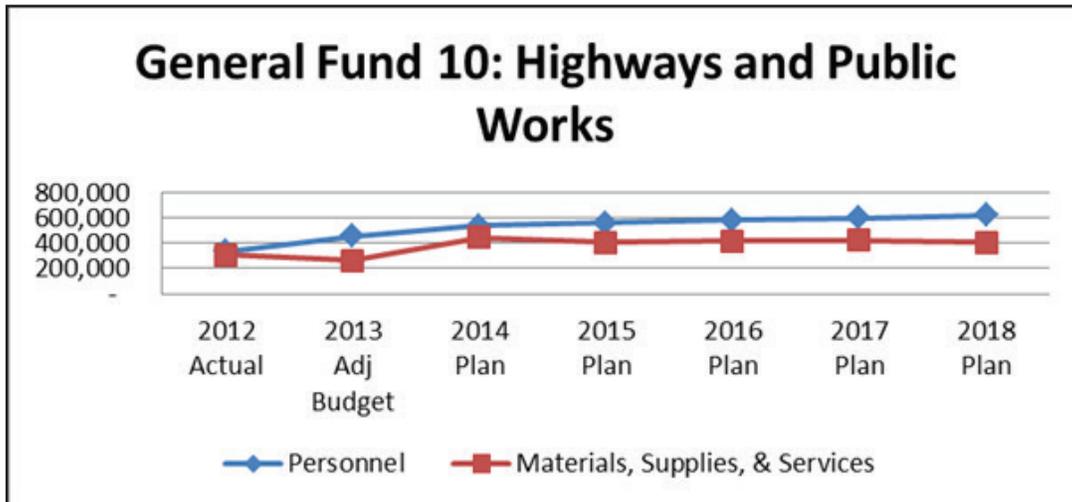


Figure 51 (above) represents Personnel and Materials, Supplies, and Services, (MSS) major requirements for fiscal year 2012 - 2018.

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 increase in fiscal year 2013 due to the addition of seasonal employees and rising retirement and health insurance costs. Personnel costs are expected to increase at an average of 4 percent annually between 2014 and 2018. Staffing levels increased from 22 to 25 FTEs (including the Parks & Open Space department) to fund new seasonal employees in public works and parks. FTE's are expected to remain consistent at 25.

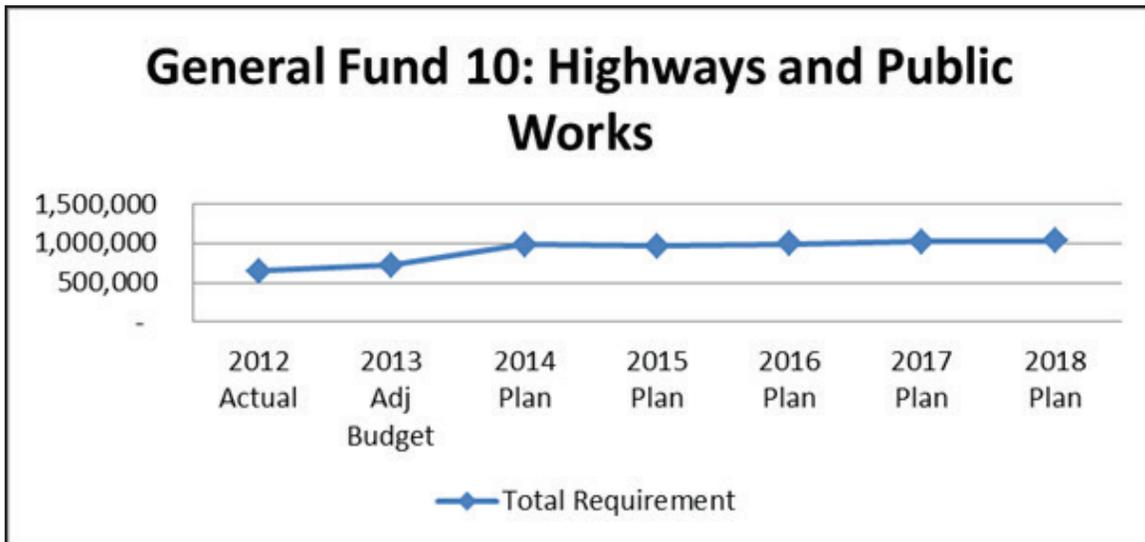


Figure 52 (above) represents total departmental requirements for fiscal years 2012 - 2018.

Materials, Supplies and Services are expected to decrease in 2013 due to planned road projects and road maintenance being moved from the General Fund to the respective Capital Project Funds.

Total departmental requirements are expected to decrease slightly in 2013 and increase between 1-2 percent from fiscal years 2014-2018.

Public Works Department	Target 2013
Maintain water system certification from DDW	100
% of employees successfully pass water certification exams	90
# of fire hydrants not in service	0
% of fire hydrants operational	100
# of water line breaks	0
Maintain sewer system per DWQ and local requirements	100
# of sewer backups	0
# of sewer backups due to blocked mains	0
% of known potholes repaired within 2 weeks	80
% of streets plowed after major storm in 6 hours	100
% of streets plowed after minor storm in 4 hours	100
# of times in the year city streets are swept	1
# of secondary water breaks	0
% of park equipment safe and operational	100

Table 53 Fiscal Year 2013 Public Works performance measures

PARKS AND OPEN SPACES

General Fund 10: Parks & Open Space Department							
Requirements by Major Object	2012 Actual	2013 Adj Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Personnel	283,848	422,979	495,932	506,990	518,480	530,420	542,827
Materials, Supplies, & Services	276,062	217,848	233,293	229,870	232,575	235,416	238,400
Capital	-	-	-	-	-	-	-
Total Requirement	559,911	640,827	729,225	736,859	751,055	765,836	781,226
% Change from Prior Period	79%	14%	14%	1%	2%	2%	2%

Table 54 (above) represents the Parks and Open Space's actual expenditures for 2012, adjusted budget for 2013, 2014 tentative budget and budget plan for 2015 – 2018.

Personnel costs account for market position adjustments (if necessary), staffing levels and employee benefits (i.e. retirement, health care, FICA, training). Fiscal year 2013 personnel costs are expected to increase due to the addition of two seasonal employees. Employee costs are expected to increase 4 percent between 2015-2018.

Materials, Supplies and Services are expected to decrease in 2013. This is mainly due to some capital expenses that were previously budgeted in this fund being moved to the proper capital fund. Other expenses are expected to increase an average of 2 percent.



Figure 53 (below) represents Personnel, Materials, Supplies and Services (MSS) and Capital major requirements for fiscal year 2012 - 2018.

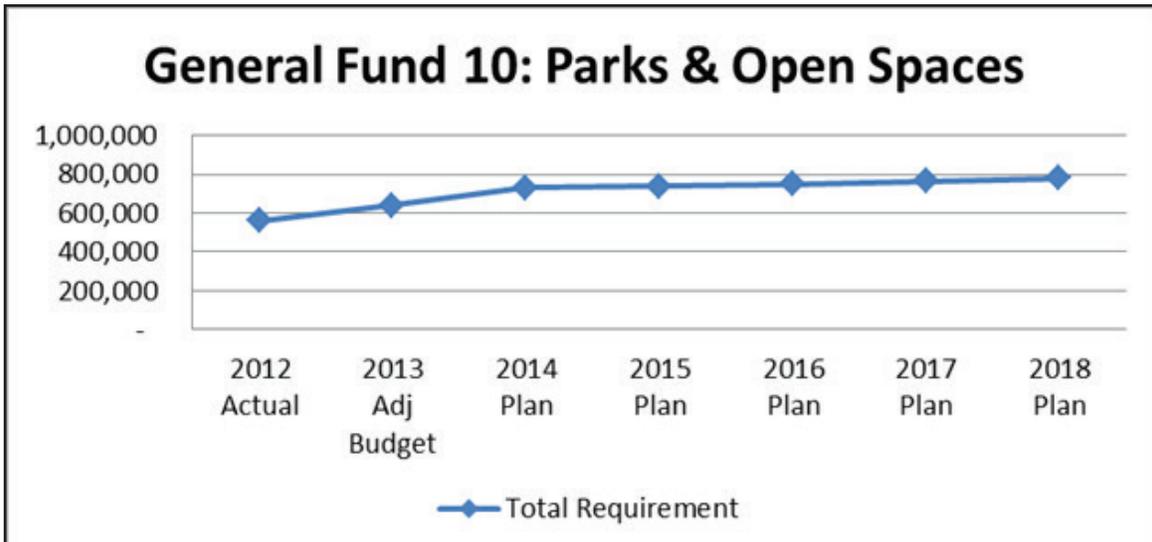
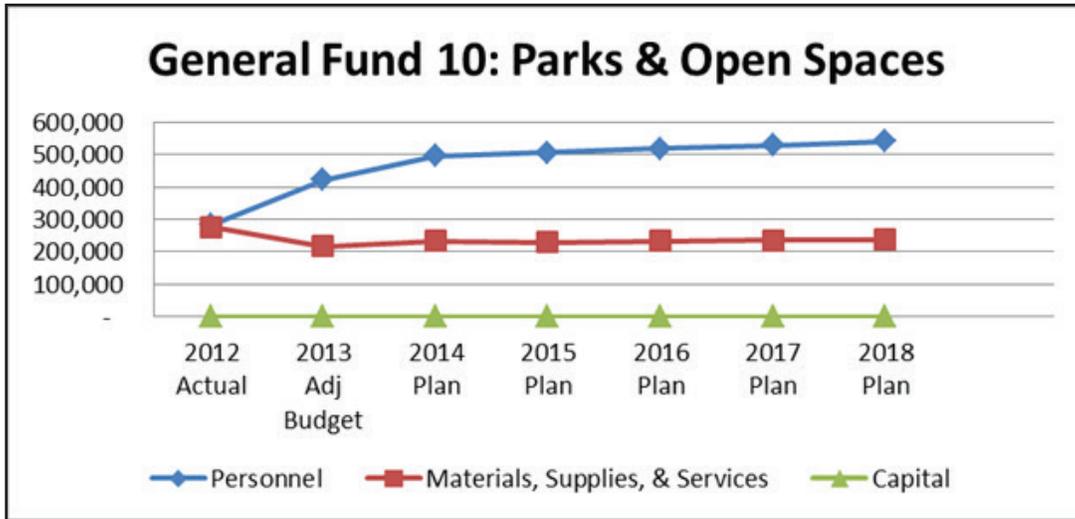


Figure 54 (above) represents total departmental requirements for fiscal years 2012 - 2018.

C I T Y O F



BUDGET SUMMARIES

SARATOGA SPRINGS



General Fund 10: Resources & Requirements							
Resources	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Tax	5,789,134	5,750,423	5,773,595	5,976,981	6,188,373	6,408,112	6,636,558
Licenses & Permits	563,917	481,500	482,100	505,242	529,522	554,996	581,724
Intergovernmental	810,056	782,202	782,202	723,119	723,699	743,961	764,804
Charges for Services	1,163,403	1,249,435	1,252,495	1,316,541	1,381,264	1,449,203	1,520,516
Other Revenue	1,554,029	1,292,784	1,282,274	1,305,670	1,313,958	1,322,406	1,331,017
Contributions and Transfers	-	1,307,694	1,308,659	1,284,449	1,310,138	1,336,341	1,363,066
Fund Operating Revenues	9,880,539	10,864,038	10,881,325	11,112,001	11,446,954	11,815,019	12,197,684
% Change From Prior Period	3%	10%	0%	2%	3%	3%	3%
Requirements							
Legislative	98,858	105,352	106,428	108,487	110,615	112,815	114,159
Administrative	460,813	479,937	534,506	554,812	575,893	597,780	620,507
Utility Billing	59,055	74,478	74,478	71,424	74,578	77,866	81,296
Treasurer	114,953	128,678	135,802	141,781	148,027	154,554	161,372
Recorder	83,724	86,243	103,003	98,330	109,791	105,391	117,136
Attorney	161,962	248,880	261,265	270,402	279,644	289,252	299,238
Justice Court	132,069	231,465	228,316	233,093	238,063	243,233	248,612
Non-Departmental	339,858	441,033	317,175	325,134	332,874	341,614	350,774
General Gov't Buildings & Grounds	169,018	132,036	120,627	124,359	128,238	132,270	136,463
Planning and Zoning	208,016	220,931	306,597	315,155	327,206	336,463	346,090
Police	3,062,267	3,220,565	3,393,622	3,514,505	3,640,284	3,771,517	3,907,926
Fire	1,392,740	1,491,156	1,613,444	1,548,641	1,610,399	1,619,565	1,685,421
Building	339,804	410,960	454,045	471,277	489,204	507,854	527,257
Highways	438,484	492,014	680,013	651,839	667,311	683,458	678,211
Engineering	538,590	630,071	723,404	722,771	746,570	771,325	797,076
Public Works	205,322	225,983	295,767	305,246	315,104	325,356	336,019
Parks & Open Space	559,911	640,827	723,498	730,904	744,861	759,394	774,527
Recreation	190,204	244,790	226,161	232,948	240,037	247,439	255,171
Economic Development	17,996	120,000	109,918	113,714	117,663	121,769	126,040
Library Services	35,332	69,761	141,827	164,219	167,828	173,648	179,529
Miscellaneous Expenses	-	-	-	-	-	-	-
Total Fund Operating Requirements	8,608,977	9,695,160	10,549,896	10,699,039	11,064,188	11,372,564	11,742,823
Transfers and Other Uses	2,538,216	1,168,878	331,429	209,821	209,914	209,968	210,038
Total Fund Requirements	11,147,193	10,864,038	10,881,325	10,908,860	11,274,102	11,582,532	11,952,861
% Change From Prior Period	6%	-3%	0%	0%	3%	3%	3%

Table 55 – General Fund Resources and Requirements

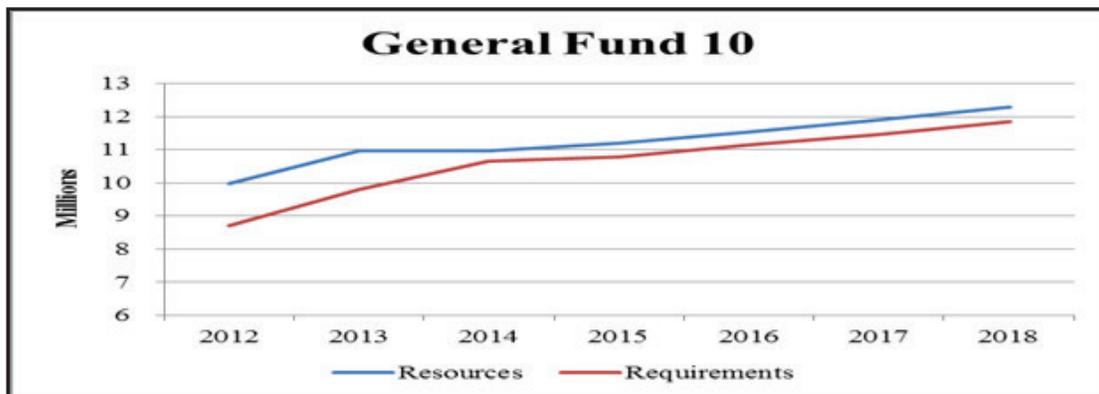


Figure 55 – General Fund Resources and Requirements by Year



Street Lighting SID Funds 22 and 23: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	149,123	147,500	147,500	151,925	156,483	161,177	166,013
Other Revenue	16,662	66,695	67,007	61,912	-	-	-
Fund Operating Revenues	165,784	214,195	214,507	213,837	156,483	161,177	166,013
% Change From Prior Period	18%	29%	0%	0%	-27%	3%	3%

Street Lighting SID Funds 22 and 23: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	-	-	-	-	-	-	-
Materials, Supplies, and Services	81,683	123,781	120,789	122,897	125,111	127,434	129,875
Administrative Charge	27,830	28,413	29,508	29,508	29,508	29,508	29,508
Total Fund Requirements	109,513	152,195	150,297	152,405	154,618	156,942	159,383
% Change From Prior Period	42%	39%	-1%	1%	1%	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.

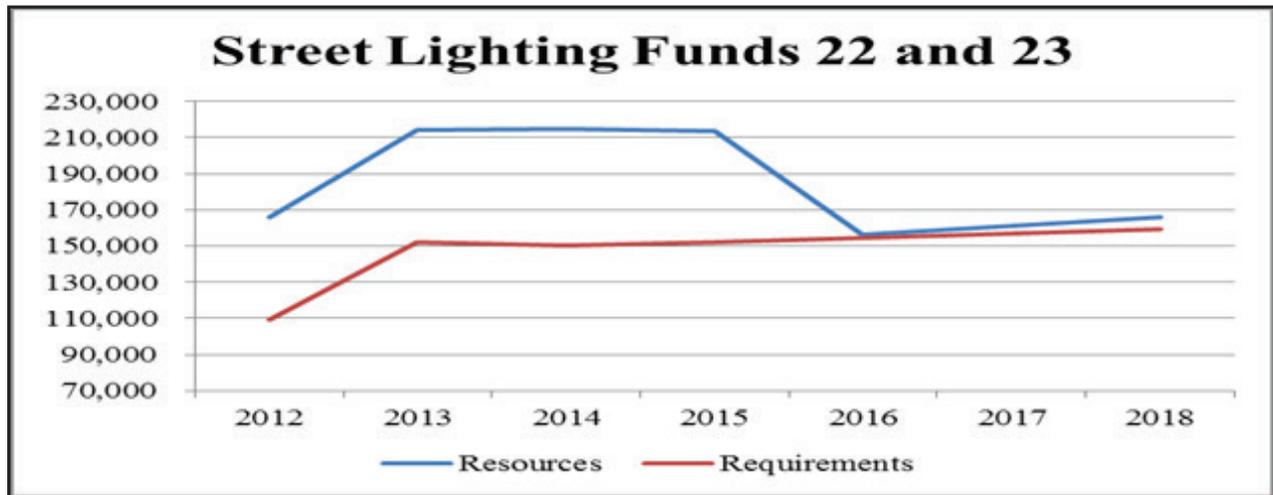


Figure 56 – Street Lighting Resources and Requirements by Year



Parks Capital Projects Fund 32: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	700,200	400,000	400,000	420,000	441,000	463,050	486,203
Intergovernmental	200,862	132,891	132,891	-	-	-	-
Interest Revenue	1,314	-	-	-	-	-	-
Donations	94,197	-	-	-	-	-	-
Total Resources	996,573	532,891	532,891	420,000	441,000	463,050	486,203
% Change From Prior Period	114%	-47%	0%	-21%	5%	5%	5%

Parks Capital Projects Fund 32: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	1,888,690	1,790,300	451,843	1,000,000	1,200,000	450,000	-
% Change From Prior Period	54%	-5%	-75%	121%	20%	-63%	-100%

Table 57 – Parks Capital Projects Resources and Requirements

The Parks Capital Projects Fund activities are managed primarily by the Capital Facilities and Engineering department. The City will complete a capital facility and impact fee analysis during fiscal year 2013.

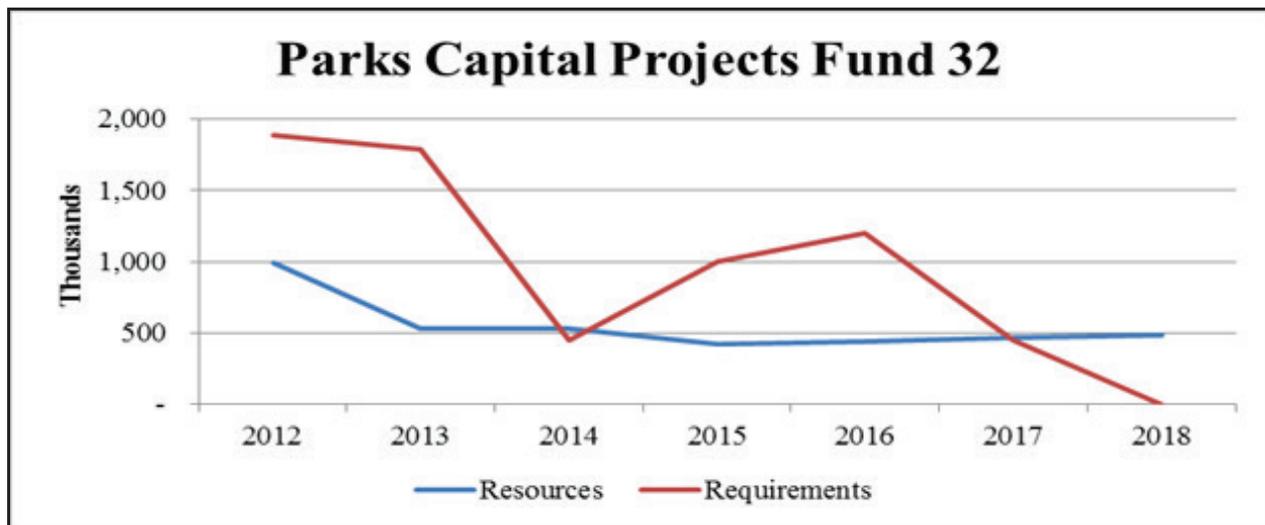


Figure 57 – Parks Capital Projects Resources and Requirements by Year

Roads Capital Projects Fund 33: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	930,285	475,000	475,000	479,750	484,548	489,393	494,287
Intergovernmental	-	-	-	-	-	-	-
Other Financing Sources	-	25,000	25,000	-	-	-	-
Interest Revenue	25,043	-	-	-	-	-	-
Total Resources	955,327	500,000	500,000	479,750	484,548	489,393	494,287
% Change From Prior Period	-75%	-48%	0%	-4%	1%	1%	1%

Roads Capital Projects Fund 33: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	46,203	5,190,342	4,500,000	500,000	-	-	-
% Change From Prior Period	-99%	11134%	-13%	-89%			

Table 58 – Roads Capital Projects Resources and Requirements

The Roads Capital Projects Fund activities are managed primarily by the Capital Facilities and Engineering department. The City started a capital facilities and impact fee analysis during fiscal year 2013.

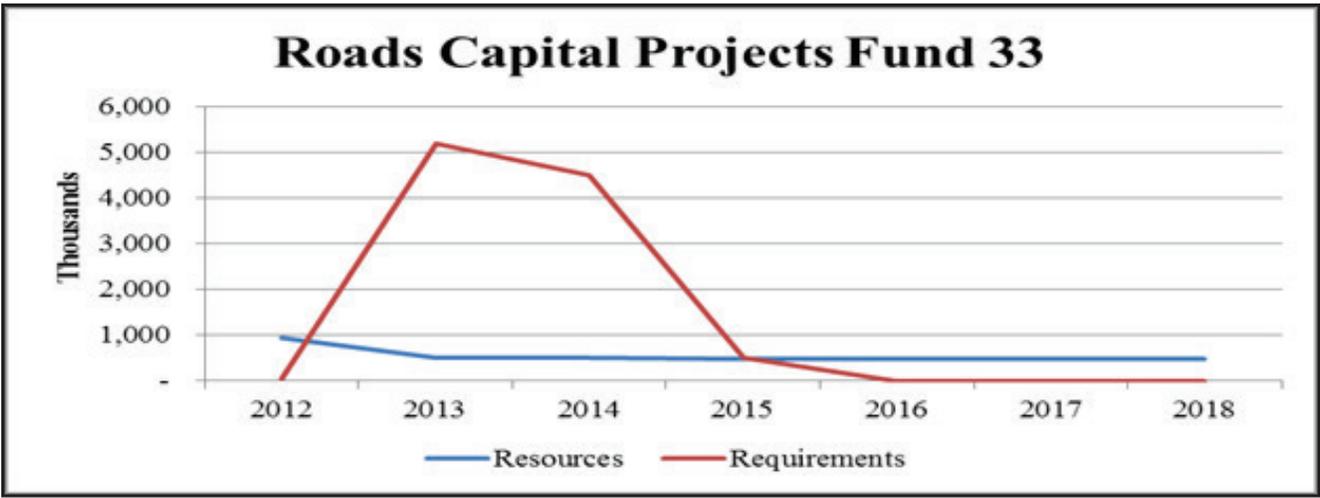


Figure 58 – Roads Capital Projects Resources and Requirements by Year

Public Safety Capital Projects Fund 34: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	410,550	250,000	250,000	252,500	255,025	257,575	260,151
Interest Revenue	2,653	-	-	-	-	-	-
Total Resources	413,203	250,000	250,000	252,500	255,025	257,575	260,151
% Change From Prior Period	85%	-39%	0%	1%	1%	1%	1%

Public Safety Capital Projects Fund 34: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	5,313	326,247	300,000	-	-	-	5,000,000
% Change From Prior Period	-100%	6040%	-8%	-100%			

Public Safety Capital Projects Fund 34: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	410,550	250,000	250,000	252,500	255,025	257,575	260,151
Interest Revenue	2,653	-	-	-	-	-	-
Total Resources	413,203	250,000	250,000	252,500	255,025	257,575	260,151
% Change From Prior Period	85%	-39%	0%	1%	1%	1%	1%

Public Safety Capital Projects Fund 34: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	5,313	326,247	300,000	-	-	-	5,000,000
% Change From Prior Period	-100%	6040%	-8%	-100%			

Table 59 – Public Safety Capital Projects Fund Resources and Requirements

The Public Safety Capital Projects fund activities are primarily managed by the Capital Facilities and Engineering department. The City started a capital facilities and impact fee analysis during fiscal year 2013.

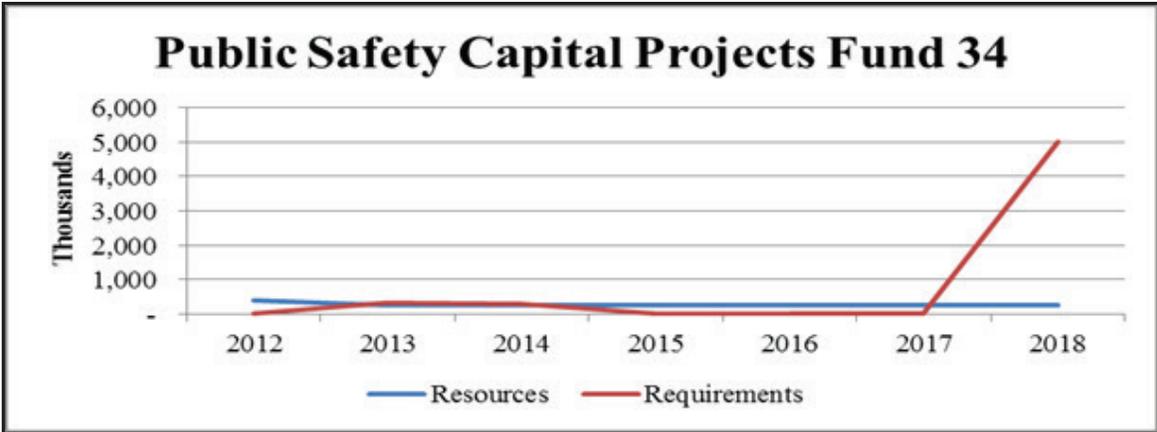


Figure 58 – Roads Capital Projects Resources and Requirements by Year

Capital Projects (General) Fund 35: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Transfers In	1,262,468	3,533,232	1,168,872	1,168,872	1,168,872	1,168,872	1,168,872
Other Revenue	52,488	1,047,233	347,233	344,133	344,133	344,133	344,133
Total Resources	1,314,956	4,580,465	1,516,105	1,513,005	1,513,005	1,513,005	1,513,005
% Change From Prior Period	582%	248%	-67%	0%	0%	0%	0%

Capital Projects (General) Fund 35: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	2,418,870	2,490,703	2,101,968	1,171,968	1,171,968	1,171,968	1,171,968
% Change From Prior Period	110099%	3%	-16%	-44%	0%	0%	0%

Table 60 – General Capital Projects Fund Resources and Requirements

The General Capital Projects Fund activities are primarily managed by the Capital Facilities and Engineering department. Resources are expected to increase in fiscal year 2014. This is primarily due to one-time revenue received in 2013 being used for capital purchases in 2014. Requirements are also expected to decrease in 2014, largely due to carryover projects.

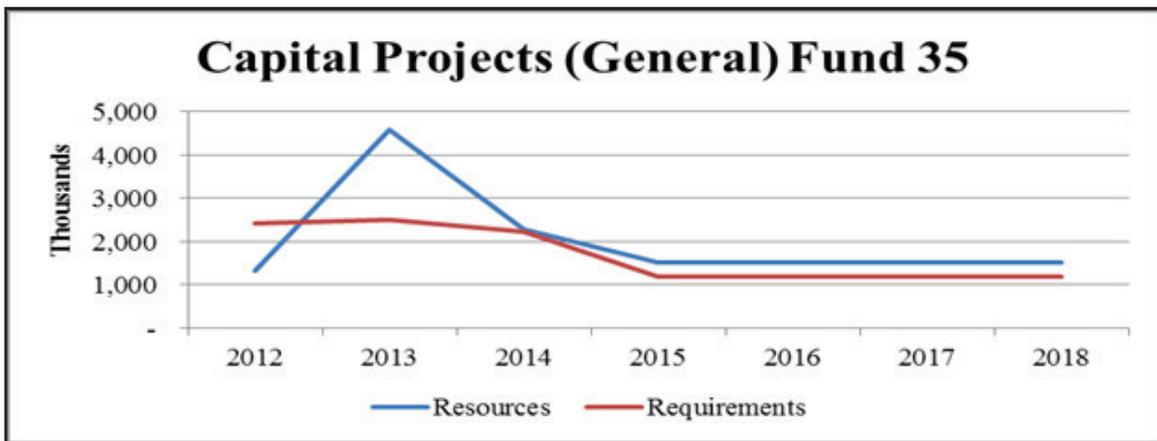


Figure 60 – General Capital Projects Fund Resources and Requirements by Year



Debt Service Fund 40: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Transfers In	291,000	291,800	292,450	292,452	292,951	293,300	294,001
% Change From Prior Period			0%	0%	0%	0%	0%

Debt Service Fund 40: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Debt Service	288,500	289,300	289,950	290,450	290,800	291,000	291,000
Materials, Supplies, and Service	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total Requirements	291,000	291,800	292,450	292,950	293,300	293,500	293,500
% 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.

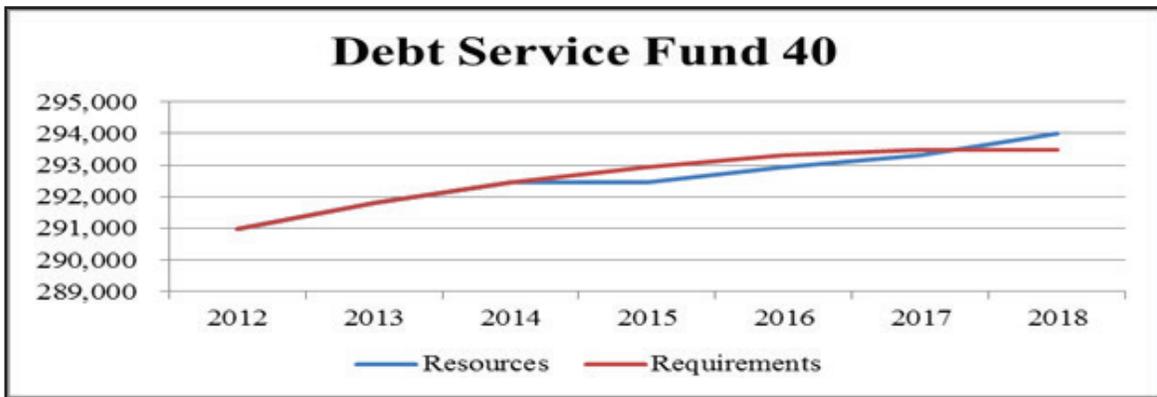


Figure 61 – Debt Service Fund Resources and Requirements by Year



Water Utility Fund 51: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	2,479,451	2,495,850	2,495,850	2,545,767	2,596,682	2,648,616	2,701,588
Other Revenue	57,588	55,000	55,000	56,100	57,222	58,366	59,534
Fund Operating Revenues	2,537,039	2,550,850	2,550,850	2,601,867	2,653,904	2,706,982	2,761,122
% Change From Prior Period	-2%	1%	0%	2%	2%	2%	2%

Water Utility Fund 51: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	377,390	394,118	422,966	438,074	453,778	470,101	487,067
Materials, Supplies, and Services	783,857	989,454	1,218,038	1,792,249	900,752	909,469	918,405
Capital Outlay	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Transfers	-	(558,187)	-	-	-	-	-
Administrative Charge	749,658	694,367	784,758	784,758	784,758	784,758	784,758
Total Fund Requirements	1,910,906	1,519,753	2,425,762	3,015,080	2,139,288	2,164,327	2,190,230
% Change From Prior Period	44%	-20%	60%	24%	-29%	1%	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 2014. This is primarily due to increases in water utility rates and growth in customer accounts. Resource increases of 5 percent are anticipated between 2015-2018.

Requirements are expected to increase between fiscal year 2013 and 2014. Transfers out are expected to increase in 2014 mainly due to debt service requirements for the 2011 Sales Tax Revenue Bond.

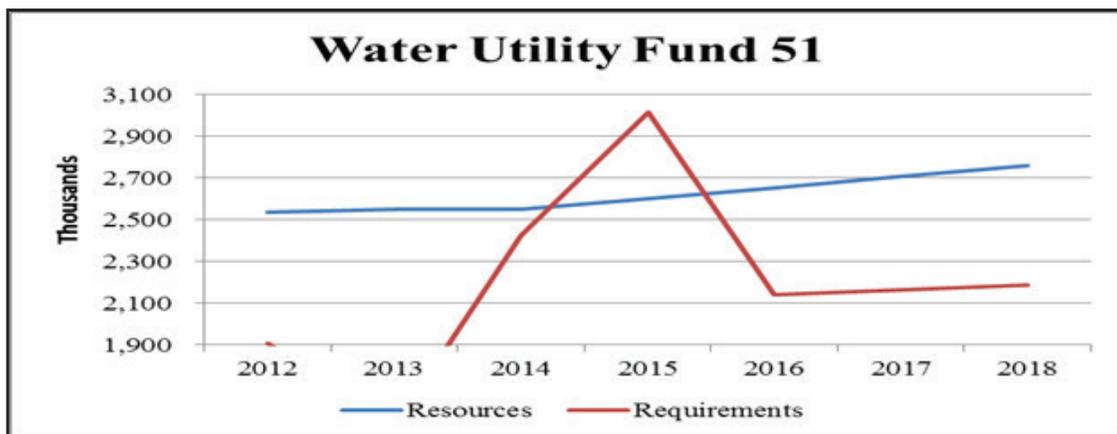


Figure 62 – Water Utility Fund Resources and Requirement by Year



Culinary Water Impact Fee Fund 56: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fee Revenue	539,020	300,000	300,000	303,000	306,030	309,090	312,181
Other Revenue	1,092,131	600,000	600,000	600,000	600,000	600,000	600,000
Transfers	-	1,772,269	444,075	-	-	-	-
Fund Operating Revenues	1,631,151	2,672,269	1,344,075	903,000	906,030	909,090	912,181
% Change From Prior Period	107%	64%	-50%	-33%	0%	0%	0%

Culinary Water Impact Fee Fund 56: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	(15,058)	2,281,479	653,000	-	-	-	-
Developer Reimbursements	-	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service	149,566	380,128	380,019	380,635	379,937	379,955	379,955
Depreciation	-	-	-	-	-	-	-
Total Fund Requirements	134,508	3,161,607	1,533,019	880,635	879,937	879,955	879,955
% Change From Prior Period	-21%	2250%	-52%	-43%	0%	0%	0%

Table 63 – Culinary Water Impact Fee Fund Resources and Requirements

Resources for the culinary water impact fee fund are expected to decrease in 2014. The City saw a significant increase in impact revenue in 2012 but wants to remain conservative in its forecast for 2014.

Requirements are expected to decrease, mainly due to lower developer reimbursements, which are tied to impact fee revenue.

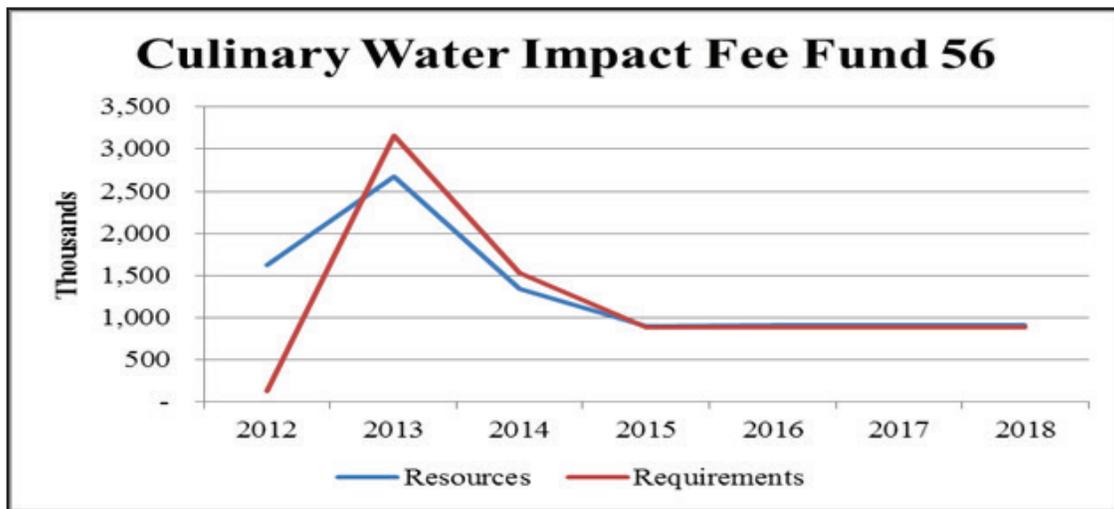


Figure 63 – Culinary Water Impact Fee Fund Resources and Requirements by Year



Secondary Water Impact Fee Fund 57: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fee Revenue	-	-	-	-	-	-	-
Other Revenue	(326)	300,000	200,000	200,000	200,000	200,000	200,000
Transfers	-	5,477	5,477	5,477	5,477	5,477	5,477
Fund Operating Revenues	(326)	305,477	205,477	205,477	205,477	205,477	205,477
% Change From Prior Period	-100%	-93667%	-33%	0%	0%	0%	0%

Secondary Water Impact Fee Fund 57: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	354	859,366	565,000	-	-	-	1,769,000
Debt Service	34,186	30,326	76,330	74,250	72,086	69,840	69,840
Transfers	-	-	-	-	-	-	-
Depreciation	179,034	-	-	-	-	-	-
Total Fund Requirements	213,575	889,692	641,330	74,250	72,086	69,840	1,838,840
% Change From Prior Period	37%	317%	-28%	-88%	-3%	-3%	2533%

Table 64 – Secondary Water Impact Fee Fund Resources and Requirements

Resources for the secondary water impact fee fund are anticipated to increase in 2014. This is largely due to anticipated increases in impact fee revenue.

Requirements are anticipated to increase 2014 as the City undertakes an expansion of the secondary water system.

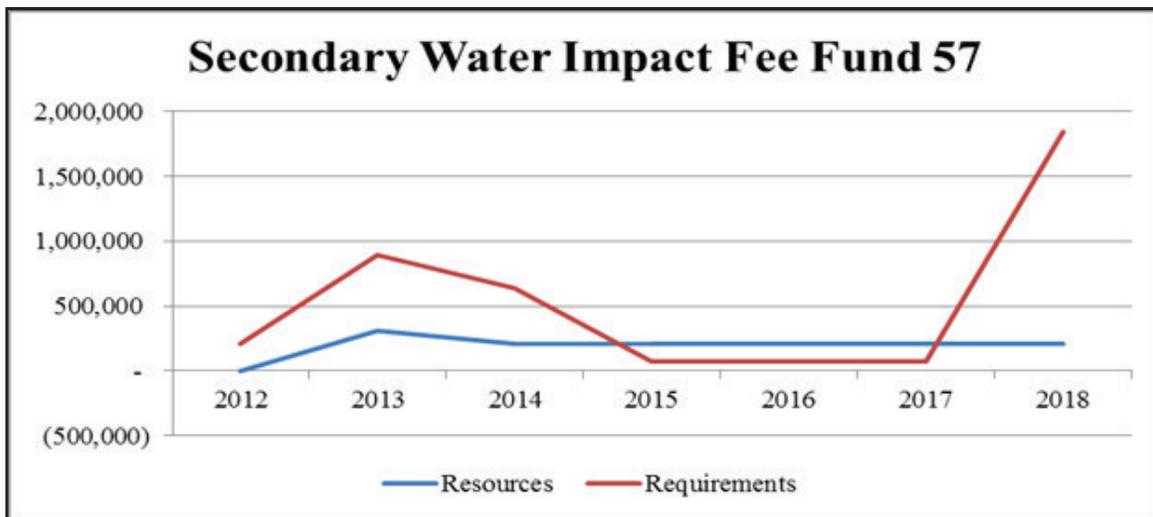


Figure 64 – Secondary Water Impact Fee Fund Resources and Requirements by Year



Sewer Utility Fund 52: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	1,998,486	2,016,000	2,016,000	2,056,320	2,097,446	2,139,395	2,182,183
Other Revenue	-	-	-	-	-	-	-
Fund Operating Revenues	1,998,486	2,016,000	2,016,000	2,056,320	2,097,446	2,139,395	2,182,183
% Change From Prior Period	18%	1%	0%	2%	2%	2%	2%

Sewer Utility Fund 52: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	66,982	131,794	137,799	137,831	137,864	137,897	137,933
Materials, Supplies, and Services	1,110,786	1,770,844	1,787,784	1,706,545	1,695,815	1,709,776	1,622,691
Depreciation	-	-	-	-	-	-	-
Transfers	-	(330,443)	(47,713)	(47,795)	(47,795)	(47,795)	(47,795)
Administrative Charge	374,833	341,439	377,702	377,702	377,702	377,702	377,702
Total Fund Requirements	1,552,601	1,913,635	2,255,571	2,174,283	2,163,586	2,177,579	2,090,530
% Change From Prior Period	43%	23%	18%	-4%	0%	1%	-4%

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 2014 due to growth in the number of customers. Fund requirements are expected to increase in 2014 due to increased materials, supplies and services (sewage treatment charges) as well as the addition of a full-time sewer employee.

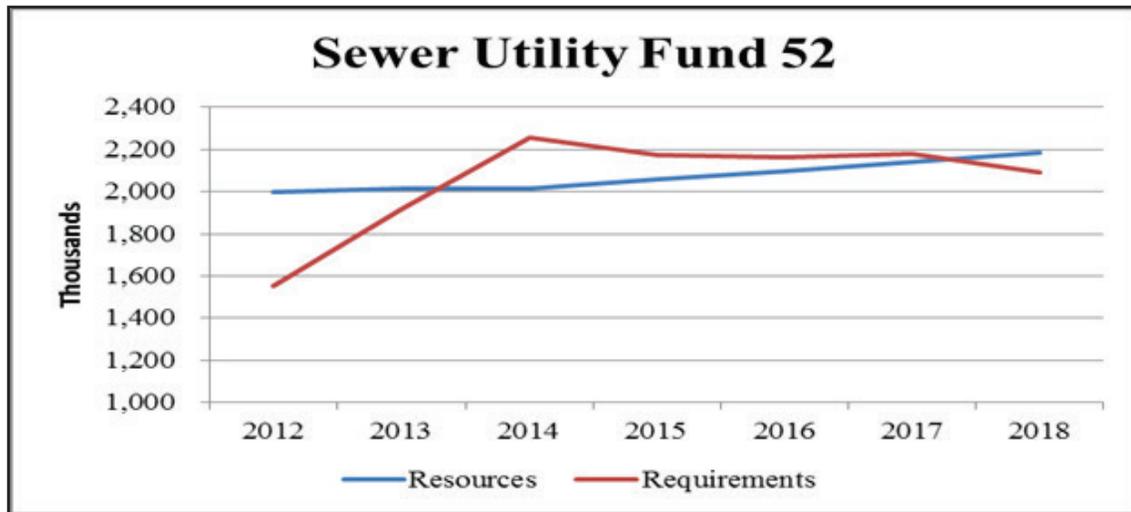


Figure 65 – Sewer Fund Resources and Requirements by Year



Wastewater Impact Fee Fund 53: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fee Revenue	214,606	150,000	150,000	151,500	153,015	154,545	156,091
Other Revenue	-	-	-	-	-	-	-
Transfers	-	5,973	5,973	5,973	5,973	5,973	-
Fund Operating Revenues	214,606	155,973	155,973	157,473	158,988	160,518	156,091
% Change From Prior Period	-17%	-27%	0%	1%	1%	1%	-3%

Wastewater Impact Fee Fund 53: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	6,619	1,055,719	175,000	-	1,873,000	-	-
Developer Reimbursements	193,071	200,000	-	-	-	-	-
Depreciation	76,925	-	-	-	-	-	-
Total Fund Requirements	276,615	1,255,719	175,000	-	1,873,000	-	-
% Change From Prior Period	222%	354%	-86%	-100%	0%	-100%	0%

Table 66 – Wastewater Impact Fee Fund Resources and Requirements

Resources for the wastewater impact fee fund are expected to increase in 2014. This is largely due to an anticipated transfer into the fund. Requirements are expected to decrease because of lower developer reimbursements (which are tied to impact fee revenue).

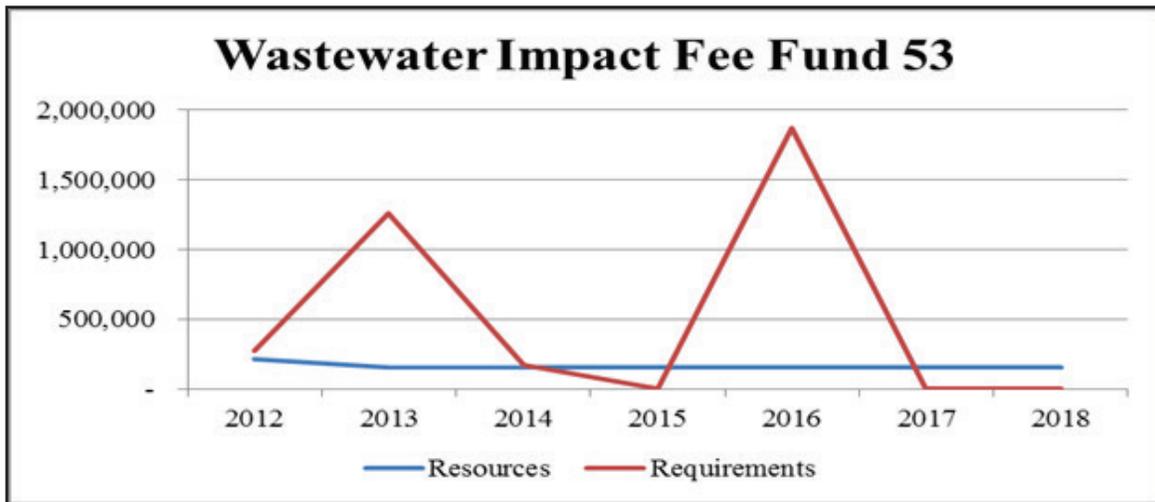


Figure 66 – Wastewater Impact Fee Fund Resources and Requirements by Year



Storm Drain Utility Fund 54: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	-	361,000	361,000	364,610	368,256	371,939	375,658
Other Revenue	737	-	45,455	-	-	-	-
Fund Operating Revenues	737	361,000	406,455	364,610	368,256	371,939	375,658
% Change From Prior Period	-100%	48899%	13%	-10%	1%	1%	1%

Storm Drain Fund 54: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	-	1,667	1,667	1,667	1,667	1,667	1,667
Materials, Supplies, and Services	24,916	63,375	63,483	63,597	63,717	63,843	63,975
Capital Outlay	2,150	-	67,500	-	-	-	-
Depreciation	409,318	-	-	-	-	-	-
Transfers	-	(24,417)	-	-	-	-	-
Administrative Charge	251,974	209,377	226,092	226,092	226,092	226,092	226,092
Total Fund Requirements	688,358	250,002	358,743	291,357	291,477	291,602	291,735
% Change From Prior Period	0%	-64%	43%	-19%	0%	0%	0%

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 2014. This is due to an increase in the number of customers. Requirements are also expected to increase as the administrative charge increases slightly from 2014 - 2018.

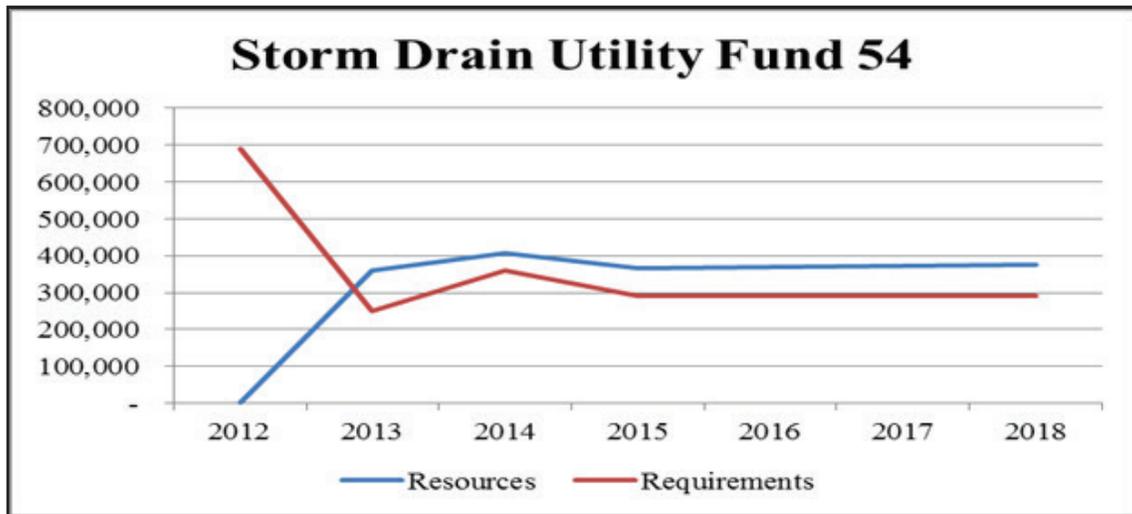


Table – 67 Storm Drain Fund Resources and Requirements



Storm Drain Capital Projects Fund 31: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Impact Fees	235,778	259,062	259,062	264,243	269,528	274,919	280,417
Interest Revenue	5,310	5,000	5,000	-	-	-	-
Vehicle Equipment Rent	-	19,200	19,200	19,200	19,200	19,200	19,200
Total Resources	241,088	283,262	283,262	283,443	288,728	294,119	299,617
% Change From Prior Period	1%	17%	0%	0%	2%	2%	2%

Storm Drain Capital Projects Fund 31: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Capital Outlay	14,118	1,209,976	419,200	219,200	219,200	219,200	219,200
% Change From Prior Period	-16%	8470%	-65%	-48%	0%	0%	0%

Table 68 – Storm Drain Capital Projects Fund Resources and Requirements

Resources for the storm water fund are expected to be constant in 2014 because impact fee revenue is expected to stay the same from 2013.

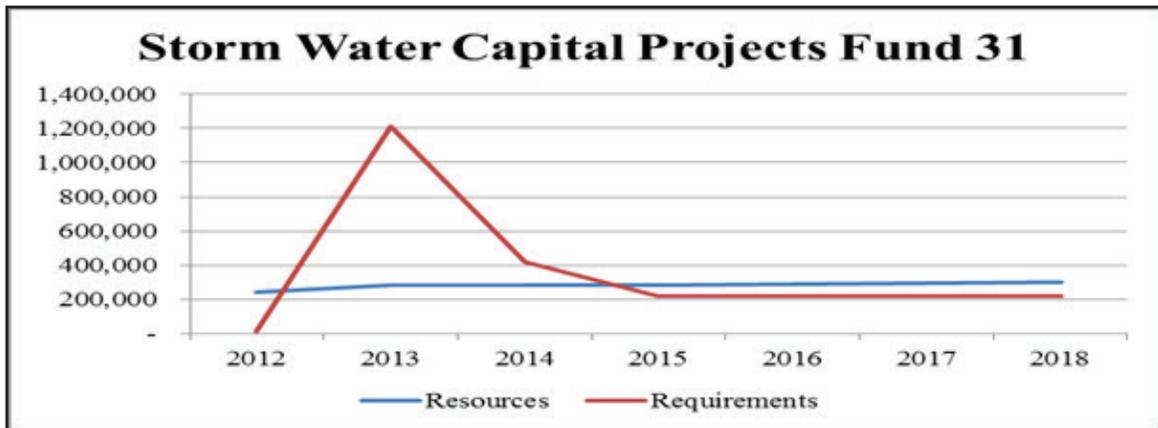


Figure 68 – Storm Drain Capital Projects Fund Resources and Requirements by Year



Garbage Utility Fund 55: Requirements							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Personnel	-	-	-	-	-	-	-
Materials, Supplies, and Services	724,086	705,924	719,510	733,370	747,508	761,930	776,642
Administrative Charge	32,686	35,008	34,424	34,424	34,424	34,424	34,424
Total Fund Requirements	756,772	740,932	753,934	767,793	781,931	796,354	811,066
% Change From Prior Period	17%	-2%	2%	2%	2%	2%	2%

Storm Drain Utility Fund 54: Resources							
Major Object	2012	2013	2014	2015	2016	2017	2018
	Actual	Adj Budget	Budget	Plan	Plan	Plan	Plan
Charges for Services	-	361,000	361,000	364,610	368,256	371,939	375,658
Other Revenue	737	-	45,455	-	-	-	-
Fund Operating Revenues	737	361,000	406,455	364,610	368,256	371,939	375,658
% Change From Prior Period	-100%	48899%	13%	-10%	1%	1%	1%

Table 69 – Garbage Utility Fund Resources and Requirements

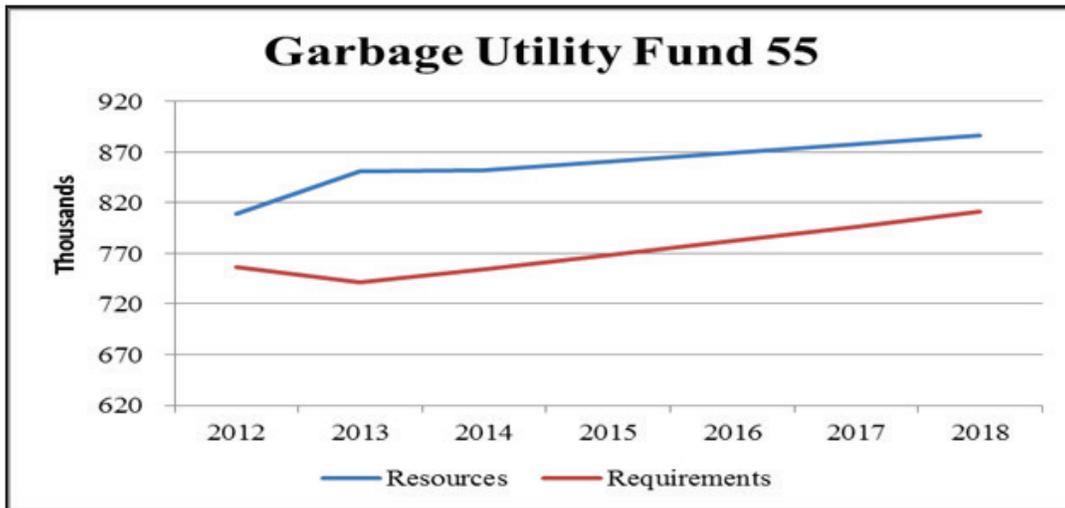


Figure 69 – Garbage Utility Fund Resources and Requirements by Year

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.