

**RESOLUTION 10-21**  
**ADOPTING THE 2010-2011 FISCAL YEAR BUDGET**

**WHEREAS**, it is the desire of the City Council of South Weber City to adopt the Fiscal Year 2010-2011 Budget; and

**WHEREAS**, the public hearing to adopt the tentative budget was held on 11 May 2010, a public hearing for discussion of the budget was held on 25 May 2010, and a public hearing to adopt the final budget was held on 08 June 2010;

**NOW THEREFORE BE IT RESOLVED**, by the City Council of South Weber City, State of Utah, as follows.

**WHEREAS**, the CERTIFIED TAX RATE has not been received from Davis County as of this date. This rate will be adopted at a future date.

Miscellaneous conditions included in the budget are as follows.

**1. Salaries:** Two percent (2%) increase in personnel salaries. However, one percent (1%) Employee Incentive is allocated in this budget for the purpose of rewarding employees who consistently or significantly exceed expectations.

**2. Revenues:**

<b>General Fund</b>	<b>\$1,569,130</b>
<b>Recreation Fund</b>	<b>\$ 220,000</b>
<b>Country Fair Days Fund</b>	<b>\$ 35,800</b>
<b>Capital Improvement Fund</b>	<b>\$ 340,149</b>
<b>Water Utility Fund</b>	<b>\$ 800,000</b>
<b>Sewer Utility Fund</b>	<b>\$ 565,500</b>
<b>Sanitation Utility Fund</b>	<b>\$ 308,500</b>
<b>Storm Sewer Utility Fund</b>	<b>\$ 126,500</b>
<b>Sewer Impact Fee Fund</b>	<b>\$ 70,000</b>
<b>Storm Sewer Impact Fee Fund</b>	<b>\$ 55,000</b>
<b>Park Impact Fee Fund</b>	<b>\$ 45,000</b>
<b>Road Impact Fee Fund</b>	<b>\$ 40,000</b>
<b>Water Impact Fee Fund</b>	<b>\$ 75,000</b>
<b>Recreation Impact Fee Fund</b>	<b>\$ 41,000</b>
<b>Public Safety Impact Fee Fund</b>	<b>\$ 4,700</b>

**3. Expenditures:** The following budgets include spending the following amount of each fund balance:

Recreation Fund	\$ 31,341
Sewer Impact Fund	\$ 22,041
Park Impact Fee Fund	\$ 8,737
Recreation Impact Fee Fund	\$ 9,077
Public Safety Impact Fee Fund	\$ 8,700

**ADOPTED**, by the City Council of South Weber this **8<sup>th</sup> day of June, 2010**.

**APPROVED**

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**Jeffery G. Monroe, Mayor**

**Attest:**

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**Erika J. Ahlstrom, City Recorder**

# BUDGET MESSAGE

FISCAL YEAR 2010/2011

South Weber City

Prepared by Matt Dixon, City Manager

The impacts of the national recession have arrived in South Weber City. The General Fund revenue sources most impacted by the recession include building permits, interest income, and sales taxes. Building permit revenues dropped from a high in fiscal year 2007 of more than \$140,000 to a low in 2009 of only \$28,000. This represents an 80 percent decline. Fortunately, 2010 building permit revenues are expected to finish higher than budgeted. Could this be a sign the local economy is starting to make a turn for the better? Interest income has dropped from \$63,000 in 2007 to approximately \$8,500 in Fiscal Year 2010. Sales tax revenues have dropped from more than \$504,000 to approximately \$450,000. These declines have resulted in a very difficult budget year however, I am pleased to present the following, balanced budget for Fiscal Year 2011. I would like to thank Jami Jones, City Treasurer, and Tim Rees, partner with Karen Hendricks Stagg and Allen, for the many hours of work that has gone into preparing this year's budget.

The FY 2010/2011 budget includes allocations for 2% merit pay increases for employees. This amount will be allocated and used at the discretion of the City Manager, in conjunction with Department Heads, to distribute based on individual performance evaluations. The City did not see an increase in medical and dental premiums for the upcoming budget period nor was there an increase in liability insurance premiums from Utah Local Governments Trust. This year's budget does not contemplate a property tax increase but does include rate increases to both the water and sewer utility rates.

Below is a brief description of the various fund types and the funds contained within each fund type. I have provided a brief explanation of any substantive changes included in the FY 2010/2011 budget.

- I. **GOVERNMENTAL FUNDS.** Governmental funds are funds that are generally used to account for tax-supported activities. South Weber City has three governmental funds including: General Fund, Recreation Fund (special revenue fund), Country Fair Days Fund (special revenues fund), and the Capital Projects Fund.
  - a. **GENERAL FUND.** The General Fund serves as the chief operating fund of South Weber City. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.
    - i. **Budgetary Changes.** The FY2010/2011 budget has estimated revenues of \$1,569,130. This is only .5% less than the FY 2009/2010 budget. Interest income and court revenues are budgeted to

have the largest decrease of the revenue sources. Interest income is budgeted \$30,000 (75%) less and court fines are budgeted \$15,000 (8%) less than fiscal year 2009/2010. The city is starting to see an increase in building permit revenues over the last couple of years and the fiscal year 2010/2011 budget reflects continued increases in building permits.

Other changes in the 2010 General Fund budget include:

**Administration.** The administrative budget has been cut by 5% (\$24,442). This change is attributable mainly to the reallocation of some personnel costs, the reduction in professional services, and the fact that the city will not be holding a municipal election this year.

**Building Inspection.** The building inspection department budget for fiscal year 2010/2011 has been reduced by 18 percent (\$17,500). These reductions reflect cuts in professional service expenditures as well as reallocation of some of the personnel expenditures.

**Highways and Streets.** The highways and streets department budget for fiscal year 2010/2011 has been cut by \$25,280 (14%) with the largest cuts coming from capital equipment (\$10,000) and curb, gutter, and sidewalk restoration project money (\$10,000).

**RECREATION FUND.** Special revenue funds such as South Weber City's Recreation and Country Fair Days funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

**Budgetary Changes.** The Recreation Fund continues to struggle due to the debt service on the Family Activity Center (FAC). Since the construction of the FAC the city has subsidized the Recreation Fund from the General Fund. Typically this amount has ranged between \$70,000 and \$95,000 annually. The problem is that with the

slow down in the economy and with the steep drop in several of the General Fund revenue sources, the General Fund does not have excess revenues to be able to transfer to subsidize the Recreation Fund. The city will need to find additional revenue sources to support the Recreation Fund for fiscal year 2010/2011 or cuts will need to be implemented in order to balance the budget. Possible alternatives may include increasing fees and rates or cutting programs and/or personnel. When evaluating these alternatives the city should attempt to maintain, as much as possible, current services levels within the recreation programs.

**b. COUNTRY FAIR DAYS.** A special revenue fund used to account for the proceeds of specific revenue sources (donations, event registrations, etc.) that will be used specifically for expenditures related to Country Fair Days.

**i. Budgetary Changes.** The Country Fair Days Fund continues to be self-supporting. The revenues generated through activity registrations and donations typically cover the costs associated with organizing and carrying out this great community event. Although the economic conditions have hampered many private company's abilities to donate, the Country Fair Days committee seems to be able to continue to bring in donations to support the event. There are no significant changes in the fiscal year 2010/2011 budget.

**c. CAPITAL PROJECTS FUND.** Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds (i.e. water utility fund).

**Budget.** The FY 2010/2011 budget includes allocations of \$325,000 for completion of the Canyon Meadows Park and approximately \$100,000 for park improvement projects.

**d. IMPACT FEE FUNDS.** Impact fees are fees that are charged to builders to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development. Impact fees are

considered restricted revenues. Below is a summary of what we're budgeting to spend out of each fund.

- i. **WATER IMPACT FEE FUND** = \$5,000 for impact fee analysis.
- ii. **SEWER IMPACT FEE FUND** = \$92,041 for various projects.
- iii. **STORM SEWER IMPACT FEE FUND** = \$32,400 for various projects.
- iv. **RECREATION IMPACT FEE FUND** = \$50,077 for various projects.
- v. **PUBLIC SAFETY BUILDINGS IMPACT FEE FUND** = \$13,400 for installation of alert system in fire station.
- vi. **ROADS IMPACT FEE FUND** = \$17,225 for various projects.
- vii. **PARKS IMPACT FEE FUND** = \$53,737 for completion of Canyon Meadows Park and other projects.

II. **ENTERPRISE FUNDS.** Enterprise funds are used to report an activity for which a fee is charged to external users for goods or services. Below is a summary of South Weber City's four enterprise fund budgets.

- a. **WATER FUND.** The city has made significant adjustments over the past three years in an effort to improve the fiscal health of the Water Fund. For several years the fund was being subsidized by other utility funds, since the enterprise funds used to be consolidated into one large fund. This year it is anticipated the city will be bonding for a new 1 million gallon water tank and water main line improvements. The fiscal year 2010/2011 budget includes anticipated water rate increases of \$14 per connection. This year's budget also anticipates the Water Fund being reimbursed approximately \$300,000 for engineering expenses associated with the site selection and project design work for the water projects.
- b. **SEWER UTILITY FUND.** Central Weber Sewer Improvement District is currently constructing a new \$140 million processing facility in Marriott Slaterville. In order to fund this project the sewer district will be

issuing bonds. In order to pay the debt service on the bonds the district has approved several rate increases that will be passed along to their municipal customers over the next several years. To date the sewer rates have already experienced one increase of approximately 25%. The fiscal year 2010/2011 budget includes an anticipated 12.5% rate increase beginning July 1, 2010. This increase will be in the rates the district charges the city to process the sewage. Staff anticipates this rate increase will result in a rate increase to South Weber residents of approximately \$3.00 a month. Although we do not know when the next district rate increase will be, staff is expecting it may come as early as January 2011. Without knowing for sure, staff did not include the anticipated January increases in the fiscal year 2010/2011 budget. If the district chooses to increase rates in January 2011 the city will need to amend the budget at that time.

- c. **STORM SEWER AND GARBAGE UTILITY FUNDS.** No significant budgetary changes are expected for FY 2011.

In conclusion, this has been a very challenging budget year for the City. Several revenue sources have dropped to levels we haven't seen for almost a decade. This combined with an ever increasing demand for high quality services from South Weber residents, has made this budget a difficult one to balance.

I would like to thank members of the South Weber City staff and the Mayor and City Council for their hard work in developing this balanced budget. The city is certain to pull through the recession and will be running more lean and more efficient than ever before.

In addition to this message and accompanying budget document, staff will be preparing a Citizens Budget Document that will be available on the city's website as well as at the city office. This is a simple, short budget summary that shows where city dollars come from and how the city spends those dollars. It is designed to assist residents in understanding the city budget. If you have any questions about the information contained herein please contact myself or Jami Jones, City Treasurer with your questions.

# SOUTH WEBER CITY

Fiscal Year 2011 Budget

## GENERAL FUND

Account Description	FY 2009 Actual	FY 2010 Budget	FY 2010 Final	FY 2011 Budget	% Increase (Decrease)	Increase (Decrease)
<b>GENERAL FUND REVENUE</b>						
Tax Revenue	1,107,923	1,065,200	1,035,200	1,060,000	0%	(5,200)
License and Permits	63,704	63,000	76,120	103,000	63%	40,000
Intergovernmental Revenue	180,544	190,300	189,545	186,500	-2%	(3,800)
Charges for Services	18,217	12,950	24,110	19,250	49%	6,300
Fines and Forfeitures	196,996	195,000	162,000	180,000	-8%	(15,000)
Miscellaneous	53,533	46,000	26,800	16,000	-65%	(30,000)
Contributions and Transfers	9,900	4,380	4,390	4,380	0%	0
	0					
<b>Total General Fund Revenue</b>	<b>1,630,817</b>	<b>1,576,830</b>	<b>1,518,165</b>	<b>1,569,130</b>	<b>0%</b>	<b>(7,700)</b>

Account Description	FY 2009 Actual	FY 2010 Budget	FY 2010 Final	FY 2011 Budget	% Increase (Decrease)	Increase (Decrease)
<b>GENERAL FUND EXPENDITURES</b>						
Executive & Legislative	63,036	55,530	49,330	55,700	0%	171
Judicial	154,815	176,469	168,069	178,269	1%	1,801
Administration	425,105	490,096	467,701	466,777	-5%	(23,319)
Police Protection	122,952	130,250	124,250	122,250	-6%	(8,000)
Fire Protection	109,679	140,960	126,470	140,960	0%	0
Building Inspection	82,406	95,660	85,210	78,160	-18%	(17,500)
Streets	112,190	183,495	127,415	158,215	-14%	(25,280)
Class "C" Funds	43,201	180,321	180,150	178,050	-1%	(2,271)
Parks	89,226	119,050	97,680	111,600	-6%	(7,450)
Special Projects	4,490	5,000	3,500	4,000	-20%	(1,000)
Transfers	595,000	0	88,390	75,149	0%	75,149
<b>Total General Fund Expenditures</b>	<b>1,802,097</b>	<b>1,576,830</b>	<b>1,518,165</b>	<b>1,569,130</b>	<b>0%</b>	<b>(7,700)</b>
<b>GF Revenue over/(under) expenditures</b>	<b>(171,280)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-175%</b>	<b>(0)</b>

## SPECIAL FUND

Account Description	FY 2009 Actual	FY 2010 Budget	FY 2010 Final	FY 2011 Budget	% Increase (Decrease)	Increase (Decrease)
Capital Projects Revenues	752,423	929,323	1,196,227	340,149	-63%	(589,174)
Capital Projects Expenditures	892,599	860,000	1,196,227	325,000	-62%	(535,000)
Revenue over/(under) expenditures	(140,176)	69,323	0	15,149	-78%	(54,174)
Recreation Revenues	305,743	220,500	331,508	220,000	0%	(500)
Recreation Expenditures	286,302	296,698	331,508	220,000	-26%	(76,698)
Revenue over/(under) expenditures	19,441	(76,198)	0	0	100%	76,198
Country Fair Days Revenues	60,471	34,700	41,077	35,800	3%	1,100
Country Fair Days Expenditures	46,750	38,450	47,442	35,800	-7%	(2,650)
Revenue over/(under) expenditures	13,722	(3,750)	(6,365)	0	100%	3,750
Sewer Impact Fee Revenues	23,415	18,000	40,000	70,000	289%	52,000

Account Description	FY 2009 Actual	FY 2010 Budget	FY 2010 Final	FY 2011 Budget	% Increase (Decrease)	Increase (Decrease)
Sewer Impact Fee Expenditures	0	17,628	162,081	92,041	422%	74,413
Revenue over/(under) expenditures	23,415	372	(122,081)	(22,041)	-6025%	(22,413)
Storm Sewer Impact Fee Revenues	126,294	25,000	30,000	55,000	120%	30,000
Storm Sewer Impact Fee Expenditures	126,294	5,000	0	32,400	548%	27,400
Revenue over/(under) expenditures	0	20,000	30,000	22,600	13%	2,600
Water Impact Fee Revenues	20,490	16,000	37,000	75,000	369%	59,000
Water Impact Fee Expenditures	121,848	5,000	41,931	5,000	0%	0
Revenue over/(under) expenditures	(101,358)	11,000	(4,931)	70,000	536%	59,000
Park Impact Fee Revenues	12,255	9,000	46,000	45,000	400%	36,000
Park Impact Fee Expenditures	18,841	99,928	135,483	53,737	-46%	(46,191)
Revenue over/(under) expenditures	(6,586)	(90,928)	(89,483)	(8,737)	90%	82,191
Road Impact Fee Revenues	10,335	8,000	15,000	40,000	400%	32,000
Road Impact Fee Expenditures	146,824	5,000	0	17,225	245%	12,225
Revenue over/(under) expenditures	(136,489)	3,000	15,000	22,775	659%	19,775
Recreation Impact Fee Revenues	12,510	10,000	47,000	41,000	310%	31,000
Recreation Impact Fee Expenditures	0	134,334	170,603	50,077	-63%	(84,257)
Revenue over/(under) expenditures	12,510	(124,334)	(123,603)	(9,077)	93%	115,257
Public Safety Impact Fee Revenues	1,891	2,000	7,000	4,700	135%	2,700
Public Safety Impact Fee Expenditures	2,631	30,000	16,413	13,400	-55%	(16,600)
Revenue over/(under) expenditures	(740)	(28,000)	(9,413)	(8,700)	69%	19,300

### ENTERPRISE FUND

Account Description	FY 2009 Actual	FY 2010 Budget	FY 2010 Final	FY 2011 Budget	% Increase (Decrease)	Increase (Decrease)
Water Utility Fund Revenues	695,213	733,500	784,600	800,000	9%	66,500
Water Utility Fund Expenditures	588,925	733,415	678,507	854,873	17%	121,458
Revenue over/(under) expenditures	106,287	85	106,093	(54,873)	-64568%	(54,958)
Sewer Utility Fund Revenues	523,546	501,000	558,500	565,500	13%	64,500
Sewer Utility Fund Expenditures	550,726	751,909	776,847	560,707	-25%	(191,202)
Revenue over/(under) expenditures	(27,180)	(250,909)	(218,347)	4,793	102%	255,702
Sanitation Utility Fund Revenues	309,209	307,000	306,700	308,500	0%	1,500
Sanitation Utility Fund Expenditures	256,819	280,235	257,591	281,662	1%	1,428
Revenue over/(under) expenditures	52,390	26,765	49,109	26,838	0%	72
Storm Sewer Utility Fund Revenues	126,734	127,072	124,700	126,500	0%	(572)
Storm Sewer Utility Fund Expenditures	60,636	113,762	104,150	119,343	5%	5,581
Revenue over/(under) expenditures	66,099	13,310	20,550	7,157	-46%	(6,153)