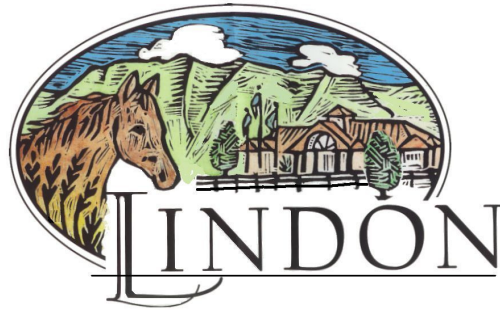


LINDON CITY
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Budget Highlights and Overview Section

This section of the City's 2010-2011 presents information regarding Lindon City's focus, Lindon City Initiatives, Capital Improvements, the Citywide Budget Summary, an Overview of Lindon City Accounting Structure, Personnel Summary, Budget Issues, and Citywide Debt.

Lindon City Focus (pages 24-25)

The Lindon City Focus talks about the Mayor and City Council's goals for Lindon City.

Lindon City Initiatives (pages 25-29)

The Lindon City Initiatives talks about Staffing Level Changes, Salary and Benefit Increases, Tax Levels, Fee Changes, Capital Improvements, and Fund Balance.

Lindon City 2010 budget Priorities (pages 30-31)

This section covers Citywide Expenditures and Revenues with several charts and graphs to illustrate where the money comes from and goes to

Improvements/Capital Projects Planned (pages 32-36)

This section talks about all of the capital projects the City has planned for 2010-2011.

Lindon City Budget Summary (pages 37-39)

The Budget Summary gives an account of the entire 2009-2010 budget.

Overview of Lindon City's Accounting Structure (pages 40-42)

Talks about the funds and fund types Lindon City utilizes.

Personnel Summary (pages 43-45)

The Personnel Summary lists all of the positions by classification and grade Citywide.

Major Budget Issues (pages 47-50)

This section covers all the major budget issues approved by the City Council.

Citywide Debt (pages 51-56)

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This section covers the entire Citywide debt divided by Governmental Activities and Business-Type Activities.

BUDGET HIGHLIGHTS

This is a balanced budget for Fiscal Year 2010-2011 that meets all legal requirements and accepted administrative practices. This budget document is the culmination of a major effort by numerous members of the City staff and each of you. We have again endeavored to apply the standards of the Government Finance Officer's Association (GFOA) to both the budget process and this



document, and will submit the document for consideration of the GFOA's Distinguished Budget Award. In applying the GFOA standards, we benchmark our performance against the standard for this process in local government.

LINDON CITY FOCUS

Lindon City's mission is to provide high quality, cost-effective service to our community now and in the future, while preserving and enriching Lindon City's identity as "A 'Little Bit of Country.'"

In addition, the Mayor and City Council strive to:

- ◆ Enhance livability by maintaining open space, developing and expanding the City's parks and trails systems, planning for low density housing, and promoting cohesion throughout the community.
- ◆ Support economic development by attracting quality businesses that compliment our community as well as addressing the needs of current businesses and commercial developments.
- ◆ Evaluate and improve aging infrastructure as well as provide for future growth.
- ◆ Conduct City operations so as to avoid, eliminate, reduce, transfer and manage risks and thus provide a safe environment in which to work, live and play.

LINDON CITY
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- ◆ Provide accountable, progressive, responsive, and open government while treating our residents, businesses, employees and visitors with fairness, respect and honesty.

This year the Mayor and City Council continue to show their commitment to valuing the input of the community and the efforts of our staff, protecting the integrity of our public utilities, and promoting high levels of maintenance at our numerous public facilities.

LINDON CITY INITIATIVES

The budget consists of the General Fund, Capital Improvement Projects Funds, five (5) Enterprise Funds, and a Redevelopment Fund. The budget was developed under the concept that Lindon City government exists to protect what is valued today while meeting tomorrow's needs.

Over the last ten years, there has been a dramatic increase in the number of parks, miles of streets, and City operated buildings and grounds. Each of these expansions, though often undertaken and funded in a single year, represents a commitment of time and resources for maintenance in the future. All this has to be taken into account when the budget is created each year.

Economic development is another initiative the City hopes to improve over the next several years. Lindon City is a small, quaint community, but has many resources for generating some large sales tax numbers. The 700 North Corridor here in Lindon is an excellent place for businesses, especially since 700 North has been expanded to two lanes each way.

Staffing Level Changes

The City has been down 6 positions since the beginning of fiscal year 2009, and has no intention of filling these empty positions for the 2010-2011 fiscal year.

Since the City completed the Aquatics Center in May 2009, and is planning on reopening again for the summer 2010 season, this would necessitate additional personnel to cover the season. Our Pool Manager has returned for another year of fun filled activities for children of all ages, teenagers, and adults. The City expects to hire around 80 additional personnel to cover various shifts at the pool for the summer months from late May through early September.

Salary and Benefit Increases

The administration of the City is committed to ensuring that employees are adequately compensated for the work they perform, that there are enough employees to do all the work necessary and there is adequate work space.

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There has been no Cost of Living Allowance (COLA) increase effective July 1, 2010 or merit increases (if earned), effective January 1, 2011, in this budget. This is mainly due to the downturn in the economy Lindon City has and is continuing to experience. We are all hopeful that the economy makes a full recovery soon.

Tax Levels

Property taxes are not increased. The City had an increase in the Certified Tax Rate in fiscal year 2009-2010 of 30% and opted not to pursue another tax increase given the current state of the economy. The total sales tax rate for Lindon City is 6.75%. The municipal portion of the sales tax remains at one percent, of which Lindon receives about 70%. The municipal energy sales and use tax rate was approved for an increase in November 2008, and went from 4.5% up to the maximum the state allows of 6%. This was to help offset the dramatic drop in sale tax revenues to continue the necessary services the citizens have come to expect. The cable franchise tax rate is still 5.0%. The telecommunications license tax is still at 3.5%.

Fee Changes

In fiscal year 2009-2010, Lindon City had many fee schedule changes due to the City being well below average for certain City fees. In fiscal year 2010-2011, the City has not increased many fees. The fees that were increased are noted below. A complete copy of the Fee Schedule can be found on pages 182-198.

- ◆ Cemetery Fee Changes
 - Cremation Burials – requires the purchase of a burial right
 - Resident (Opening/Closing Costs) \$200.00
 - Non-Resident (Opening/Closing Costs) \$300.00
 - Additional Fee for Weekend/Holidays/Evenings \$275.00
- ◆ Water Meter Installation Fee Change
 - The 1” Meter went from \$275.00 to \$325.00.
- ◆ Police Fee Changes
 - Alarm Permits \$25.00
 - Civil Paper Service Fee \$75.00
 - FAX Fee
 - Up to 10 pages \$2.00
 - Each additional page \$0.25
 - Investigative Subpoena, Subpoena Ducus Tecum, Civil Lawsuit
 - Copying Fees
 - Reports \$10 minimum, \$0.25 per pg.
 - Photos \$5.00 per page
 - CD Disk \$15.00
 - Research Time \$50 per hr, min. 1 hour.

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- Jail or Department Property Damage Restitution actual repair or replacement cost.
- Mailing/Postage Fee
 - Minimum \$1.00
 - Maximum actual cost over \$1.00
- Photos \$5.00 per page
 - CD Disk \$15.00
- Prisoner Transportation/Intra-State Extradition Mileage Fee \$0.55 per mile (one-way)- or as adjusted per current Internal Revenue Service Federal Mileage Rate
- Private Traffic Control/Security
 - Officer & Car \$75.00 per hour, min. 2 hours.
- Property Storage Fee \$15.00 per day commencing 72 hours after property is initially held.
- RAD (Resist Aggression Defensively)
 - Kids Class Fee \$5.00 per participant.
 - Women's Class Fee \$15.00 per participant.
- Sex Offender Registration Fee \$20.00
- Youth Court Fee \$30.00

Use of Reserves or Fund Balance

An important aspect of the financial health of a city is the fund balance. The fund balance is the excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit. Lindon City at the end of fiscal year 2009 had a fund balance ratio of 9%, or \$782,113, which is a 7% decrease from 2008. This decrease was due to a stagnant economy, lower consumer confidence, and a decrease in the overall sales tax revenue received by the City. Lindon City is dedicated to maintaining General Fund Reserves of no less than the state minimum of 5%. Over the past five years, Lindon City's General Fund balances are as follows:

◆ 2004	\$1,592,652
◆ 2005	\$1,123,515
◆ 2006	\$ 962,397
◆ 2007	\$1,038,538
◆ 2008	\$1,200,814

The State of Utah requires cities to maintain a fund balance in the General Fund of at least 5% and no more than 18% of budgeted revenues less qualifying transfers (Utah Code Annotated 10.6.116). Lindon City has exceeded the State maximum in the past and has had to make appropriations for capital projects to get the fund balance at or under the 18%. In 2009, Lindon City was no exception to the hard economic times felt by all Americans. The City received 17% less sales tax revenue in 2009 than in 2008, and was

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thus forced to appropriate fund balance for the 2009 fiscal year. This is the reasoning for the dramatic drop in Fund Balance from 2008 to 2009 fiscal years. The General Fund's estimated fund balance for July 1, 2010 is \$534,881, or 7.24%.

With the direction of the City Council, the City borrowed \$1,779,260 from the Enterprise Funds in fiscal year 2009-2010 to make up the short fall the General Fund was experiencing due to lack of Sales Tax Revenue being received. This money will be repaid as the Council directs in the future. It is Lindon City's policy to only use fund balance reserves for capital or one-time expenditures. The City strives to keep operational costs within the scope of its dependable revenue and only use the fund balance reserves to pay for major capital expenditures.

As you can see in the table on the next page, the fund balance in the Water Fund is budgeted to decrease 15.04%, and the Sewer Fund is budgeted to decrease 45.39%. This is because of the General Fund borrowing money from the Water Fund and Sewer Fund. The City transferred the entire \$1,779,260 over from the Water and Sewer Funds in March 2010 to build up our General Fund reserves and draw down on them as needed for fiscal year 2010-2011. As a result of the General Fund having to borrow from the Enterprise Funds, the 2010-2011 budget does not include raises for the employees as we try and work our way out of this hard economic time.

LINDON CITY 2010-2011 APPROVED BUDGET

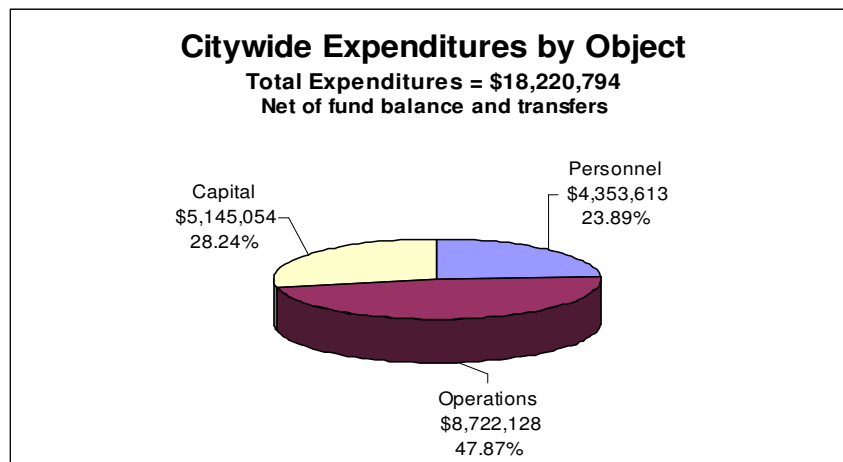
	Governmental Funds						Proprietary Funds				Recreation	Total All Funds
	General	Road	RDA	Parks CIP	SID	Debt Svc	Water	Sewer	Garbage	Storm		
Beginning Balances	1,824,393	897,671	1,465,876	1,197,301	(174,414)	-	2,378,818	1,261,290	24,966	2,569,613	(27,313)	11,445,514
Revenues												
Program revenues												
Charges for services	1,606,068						1,344,000	944,269	365,876	380,000	436,500	5,076,713
Grants and contributions	222,500											222,500
General revenues												
Property taxes	1,581,800											1,581,800
Sales tax	2,500,300											2,500,300
Other taxes	1,273,500	300,000	1,124,400									2,697,900
Other	204,050	13,800	8,500	25,600	42,371		67,400	2,718,800		30,050		3,110,571
Total revenues	7,388,218	313,800	1,132,900	25,600	42,371	-	1,411,400	3,663,069	365,876	410,050	436,500	15,189,784
Transfers In	-	-	9,713	-	-	944,306	-	-	-	-	819,519	1,773,538
Expenses												
General government	3,547,375		361,516		252,388							4,161,279
Public safety	3,171,683											3,171,683
Streets	313,948	370,000										683,948
Parks and recreation	484,036											484,036
Capital projects	-			1,000								1,000
Debt Service	-					944,306						944,306
Water							1,769,112					1,769,112
Sewer								4,235,589				4,235,589
Solid Waste									350,000			350,000
Storm Water Drainage	-									1,163,822		1,163,822
Recreation Fund											1,256,019	1,256,019
Total expenses	7,517,042	370,000	361,516	1,000	252,388	944,306	1,769,112	4,235,589	350,000	1,163,822	1,256,019	16,964,775
Transfers Out	1,160,688	213,306	363,076	-	36,468	-	-	-	-	-	-	1,773,538
Ending Balances	534,881	628,165	1,883,897	1,221,901	(420,899)	-	2,021,107	688,769	40,842	1,815,841	(27,313)	9,670,523
Percent Change	-70.7%	-30.02%	28.52%	2.05%	141.32%	0.00%	-15.04%	-45.39%	63.59%	-29.33%	0.00%	-15.51%

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2010 BUDGET PRIORITIES

Citywide Expenditures

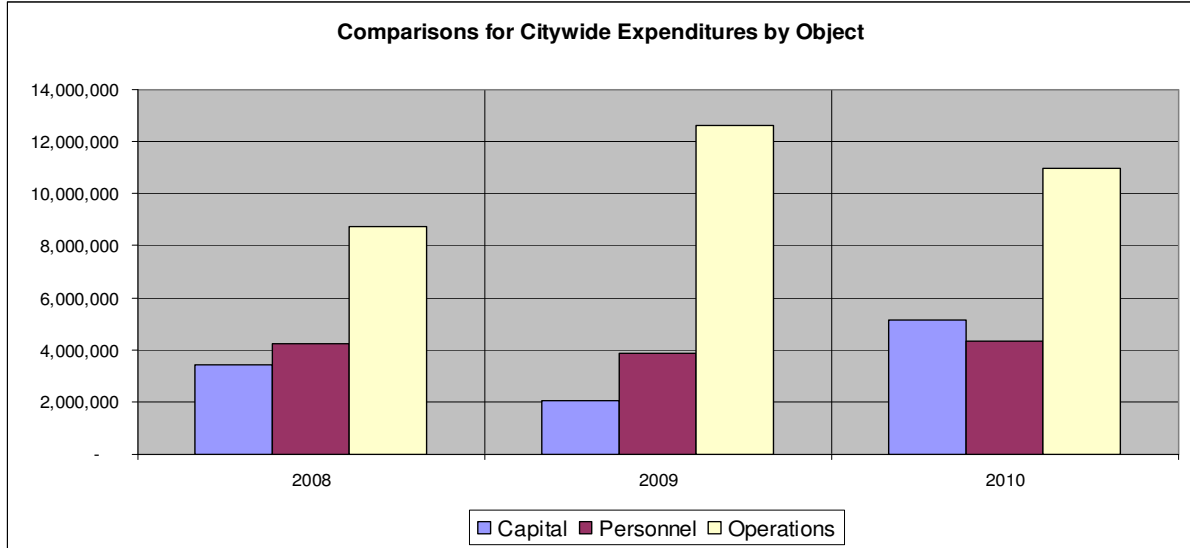
The total Citywide Budget for 2010-2011 is \$20,498,130. The graph below shows capital expenditures, personnel expenditures and operational expenditures for the entire City. You can see that capital expenditures are only 28.24% of budgeted expenses. Personnel have gone up slightly from the 2009-2010 fiscal year because of hiring additional personnel for the seasonal Aquatics Center. The reason the graph below shows on \$18,220,794 in Total Expenditures instead of the total Citywide Budget of \$20,498,130 is because the numbers below are “Net of fund balance and transfers,” meaning the numbers below do not include interfund transfers.



The graph below shows a three year trend of Citywide Expenditures by Object.

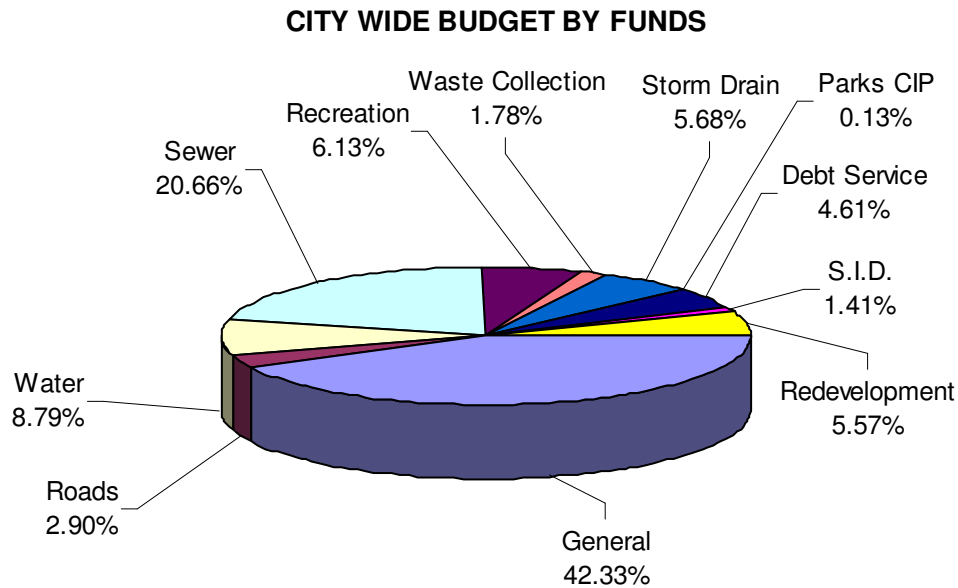
LINDON CITY

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Below is a chart depicting the Citywide Budget by Funds:



Fund	Budget
General	\$8,677,730
Roads	\$594,106
Water	\$1,801,612
Sewer	\$4,235,589
Recreation	\$1,256,019
Waste Collection	\$365,876
Storm Drain	\$1,163,822
Parks CIP	\$27,600
Debt Service	\$944,306
S.I.D.	\$288,856
Redevelopment	\$1,142,613
Total	<u>\$20,498,130</u>

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IMPROVEMENTS/CAPITAL PROJECTS PLANNED

Acct. #	Project	FY 09-10	FY 10-11	FY 11-12	Notes
10.46.310	City Engineer	-	137,000	283,000	
10.51.750	Property Purchase	420,000	275,000	-	Last pymt LDS Church
10.64.723	Murdock Canal Trail	-	-	-	Mag will pay
10.64.748	Creekside Oversizing	-	10,339	-	
10.75.969	UTOPIA	16,950	295,092	119,000	
51.40.725	I15 Widening	-	109,523	-	
51.40.748	Creekside Oversizing	-	13,925	-	
51.40.760	Meter Replacement	-	105,000	-	
51.40.765	Murdock Piping	1,172	5,859	6,234	
51.40.771	Murdock Utility Relocation	-	56,954	56,954	
52.30.550	Sewer Lift Station	-	2,650,000	-	Revenue Bond
52.40.605	Orem Sewer Plant Expansion	48,387	46,624	172,601	
52.40.765	I15 Widening	-	109,523	-	
52.40.771	Murdock Utility Relocation	-	56,954	56,954	
54.40.640	Storm Water Mgmt Program	-	20,000	-	
54.40.748	Creekside Oversizing	-	141,877	-	
54.40.758	Lindon Hollow Creek	-	491,000	-	
10.55.550	Orem/Fire EMS	1,088,727	1,088,727	1,088,727	
	Totals	1,575,236	5,476,397	1,500,470	

Impact of capital projects on future years – What will the projects above cost Lindon City in the future? The future operational costs are minimal. In contracting with Orem for their Fire and EMS Services for the third year in a row, Lindon residents will continue to enjoy a full time fire department. The response time for having our own Fire Department went from 12 minutes down to 3 minutes.

The Aquatics Center was opened in May 2009. Revenue from the Aquatics Center from May until June 2009 was credited to the new Recreation Fund, an Enterprise Fund set up at the beginning of fiscal year 2009-2010. The Aquatics Center employs 85 seasonal employees for the summer months. The City bonded for this new Aquatics Center for \$10 million, and will pay annual bond payments of around \$650,000 a year for 25 years.

Each year the City Engineer gives the City an estimate of what projects he thinks are most important to get done, and prioritizes those projects to different budget years. As you can see, the City Engineer is recommending additional projects for fiscal year 2010-2011 versus 2009-2010.

LINDON CITY
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One Capital Project that will have a big impact on the City, and the residents alike is the second item on the above list, the Property Purchase for \$275,000 for the 2010-2011 fiscal year. This property purchase is for the City acquiring the Red Church across the street from the City Center that will be renamed the Lindon City Community Center. This Community Center will eventually be turned into a Senior Center and a recreation center. This new building will host a variety of activities such as Senior activities, a place for residents to work out, and various recreation activities for youth and adults such as basketball and volleyball. (Please see pages 84 and 150 for additional information on the Senior Center and the Community Center). The City decided to pay for the Church out of the General Fund (Building Department) instead of the new recreation fund since the General Fund may need to subsidize the Recreation Fund if necessary.

The next one on the list was budgeted for the Murdock Canal Trail, which the City indicates that Mountainlands Association of Government (MAG) will pay for this project. MAG plans on starting this project towards the end of fiscal year 2010-2011 and into fiscal year 2011-2012. MAG will be putting a trail around the Murdock Canal that lies to the east in Lindon City. They are only doing the trail, no amenities, thus, the amenities will be the responsibility of the City when we choose to improve the trail in later fiscal years.

The Capital Improvement project named “Creekside Oversizing” (account numbers 10.64.748, 51.40.748, and 54.40.748) is split between the Parks Department, the Water Department, and the Storm Water Department. Meadow Park is a park in Lindon City in the new Fieldstone Home Development on the west side of the City. The Parks portion of \$10,339 is for the City’s portion of the expansion of a 4 foot sidewalk to a 6 foot sidewalk that will also serve as a trail for the residents that live there. The Water portion of \$13,925 is for upsizing water lines within the development, and the Storm Water portion of \$141,877 is for the expansion of the Storm Water system in that new development (see page 128 for further explanation).

In the Water Division, the City has several Capital Projects planned. One is the I15 Widening (account number 51.40.725). The Utah Department of Transportation (UDOT) is currently in the process of expanding I15 that runs through Utah County and Lindon City on a two year project. They will be expanding I15 to two additional lanes on each side. Since UDOT is doing this expansion, the City decided to take the opportunity to expand our casings that hold pipes that go under the freeway for our water and sewer lines. This project is anticipated to cost \$219,046 (as per the estimate the City received from the City Engineer) and is thus split evenly between the Water Department and the Sewer Department of \$109,523 each.

The Water Division is also responsible for the Murdock Piping project and the Murdock Utility Relocation that is split with Sewer as well. These two projects will work in conjunction with each other. The Murdock piping is to enclose the open canal with a large pipe, which is currently exposed. The City will relocate utilities lines which run

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under the canal. A total of these two projects will cost \$62,813 (\$56,954 for the relocation of the utility lines, and \$5,859 for the piping). See pages 128-129.

The Sewer Division is also responsible for their portion of the Murdock Utility Relocation, the I15 Widening project, and a new Orem Sewer Plant Expansion. The City Engineer recommended a 6% increase in Sewer fees to help pay for the Sewer Plant Expansion. The City will bond for this Expansion, and will share the cost with Orem City of 20%, and Lindon will be responsible for 80% of the cost. The above chart (page 32) indicates that the City will have to bond for \$2,650,000 which is Lindon City's share of the Sewer Plant Expansion. This expansion will expand the current treatment plant and allow for increased sewer flow for the residents of Lindon.

Other projects planned for the Sewer Fund (discussed on pages 128-129) is one called Infiltration Elimination which eliminates leaking water into the sewer pipes. A third party company is hired by the City to come in with tiny cameras to put into the sewer pipes to see if any extra water is leaking into the system. If they discover water leaking into the sewer pipes, they will fix the leak prior to the sewer hitting the treatment plant, which ultimately saves the City money.

Citywide Revenues

The chart on the next page shows the sources of Lindon City's revenue. This year, Lindon has a rather large portion of revenue classified as miscellaneous. Almost \$800,000 is budgeted for administrative costs paid to the General Fund by the Redevelopment, Water, Sewer, Garbage, and Storm Drainage Funds, and another \$800,000 is funding from other cities for joint projects.

As the following graph shows, sales tax has become a major source of revenue in recent years. The Mayor and City Council recognize the unpredictable nature of sales tax. They prefer to use the majority of this revenue for improvements, capital purchases and other one time expenditures, rather than relying on it for operational costs. The sales tax revenue decreased 17% from the 2008-2009 fiscal year to the 2009-2010 fiscal year. Because of the economic slowdown still being experienced by most companies, Lindon City has found it difficult to fund certain projects and capital improvements for fiscal year 2010-2011. As you can see from the chart on the next page, sales tax continues a downward trend for the last year. Lindon City believes that this is a temporary situation in the economy, and that the sales tax revenue will start to gradually increase over fiscal year 2010-2011.

The Storm Water Drainage Fund is also carrying its share of Capital Improvements in 2010-2011. The Storm Water Fund must also share in its cost of the Creekside Oversizing of \$141,877. This provides a larger improved ditch for storm water flow.

The major Capital Improvement in the Storm Water Drainage Fund is the Lindon Hollow Creek (54.40.758), which is a relocation of a ditch through wetlandsthat the City

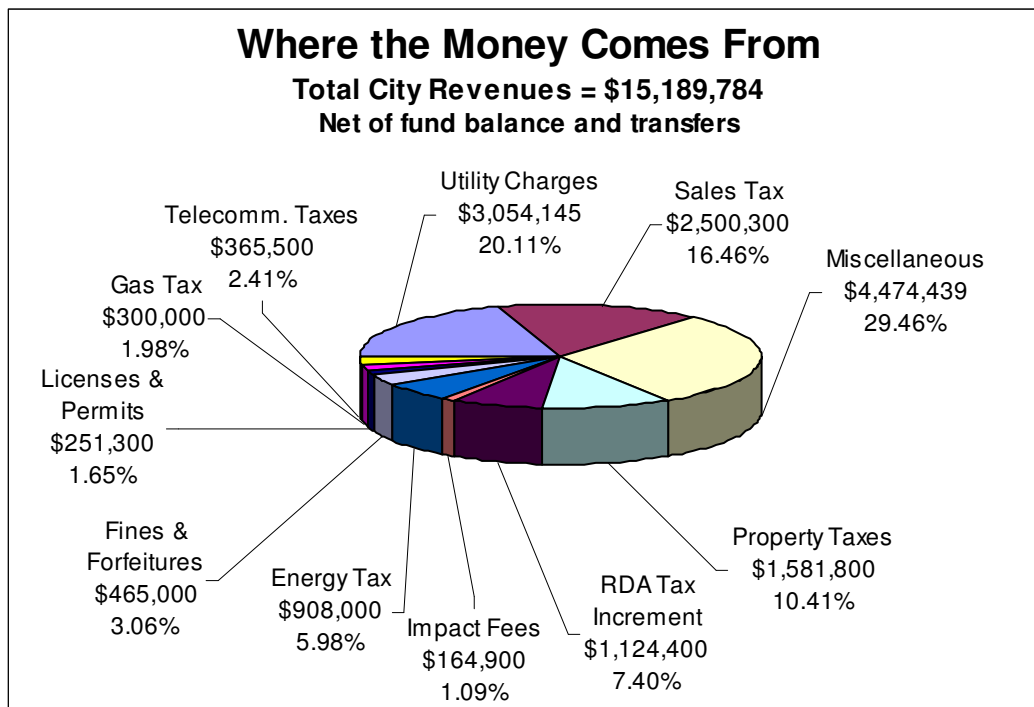
LINDON CITY

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purchased in 2009-2010 fiscal year. The City is working with Orem City, and Anderson/Geneva Construction to relocate this meandering ditch to the north side of the wetlands. The relocation of the ditch will help carry the storm water before it reaches the lake on the west side of the City. See page 146 for additional information.

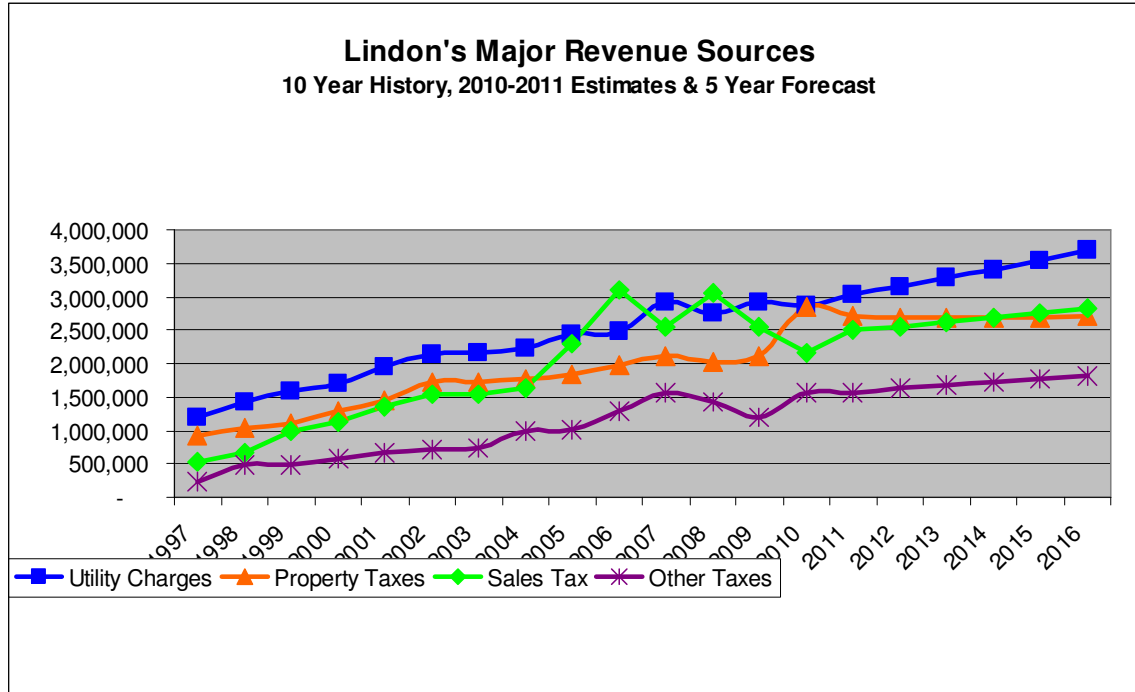


Wetlands the City purchased in 2009-ditch to be relocated



LINDON CITY

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Other major revenue sources include Utility Charges, Property Taxes, and Other Taxes. Utility Charges consist of water, sewer, garbage and recycling, pressurized irrigation and storm water drainage charges to Lindon residents. The Utility Charges are projected to increase four percent per year based on growth of the City and the economy.

In 2009, Lindon City received about 16.7% of the total property taxes paid by residential and commercial owners. Lindon's Certified Tax Rate (CTR) will increase from .001686 to .001873 due to decreasing property valuations in the City. Essentially when valuations decrease, the CTR will increase to guarantee the City the same revenue throughout the year. For many years, valuations rose, which made the CTR decrease. Because of the economic slow down, valuations in 2010 have decreased, thus causing the CTR to increase. This, however, is not a property tax increase. This is simply an adjustment made by the county to compensate for the loss in valuations for the City. Property taxes also include the tax increment that the Redevelopment Agency (RDA) receives for three project areas. The portion of property taxes received by District 3, the largest project area is 80%. Also, the West Side RDA project area has expired, and therefore no budget is included in this document for the West Side.

On the next few pages is the Budget Summary for the City:

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BUDGET SUMMARY

	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 AMENDED	2010-11 REQUESTED
GENERAL FUND REVENUES				
Taxes				
Property Taxes	1,263,778	1,215,016	1,541,811	1,581,800
General Sales & Use Tax	3,067,758	2,543,776	2,151,153	2,500,300
Other Taxes	1,080,511	1,197,828	1,271,580	1,273,500
Licenses & Permits	450,350	219,475	217,775	220,850
Grants & Intergovernmental	399,614	373,919	12,734	222,500
Charges for Services	92,537	57,169	30,600	30,350
Fines & Forfeitures	412,485	415,898	456,000	465,000
Miscellaneous Revenue	297,384	916,450	721,658	204,050
Class B & C Roads	1,127,330	45,891	313,620	313,800
Cemetery	28,955	35,051	30,320	80,500
Transfers & Contributions	696,827	1,597,516	2,600,708	809,368
Use of Fund Balance, General Fund	-	471,300	-	1,289,513
Use of Fund Balance, Road Fund	-	708,134	74,010	280,306
Use of Impact Fee Fund Bal, Road Fund	-	173,000	-	-
TOTAL GENERAL FUND REVENUES	8,917,529	9,970,424	9,421,969	9,271,836
GENERAL FUND EXPENDITURES				
Legislative	104,338	100,952	110,883	130,034
Judicial	414,395	479,260	532,634	535,043
Administrative	628,721	636,535	624,383	644,778
City Attorney	66,859	57,167	52,748	56,000
City Engineer	251,778	217,829	85,000	137,000
Elections	4,289	0	7,687	0
Government Buildings	431,781	480,936	521,898	732,600
Police Services	2,108,813	2,604,810	2,019,053	2,057,221
Fire Protection Services	302,759	1,100,366	1,093,277	1,094,377
Protective Inspections	342,181	306,711	243,569	251,817
Animal Control Services	90,392	31,585	19,979	20,085
Highway & Public Improvements	800,932	504,259	376,579	313,948
Class B & C Roads	163,010	979,758	163,165	370,000
Public Works Administration	0	397,577	403,589	397,706
Parks	540,789	433,514	520,736	484,036
Recreation	89,430	28,198	0	0
Library Services	26,822	26,591	25,000	25,000
Cemetery	8,491	9,498	6,350	60,608
Planning & Economic Development	190,186	236,769	235,722	239,697
Transfers	1,139,564	1,259,625	1,270,166	1,373,994
Contributions	47,143	51,433	56,550	337,092
Appropriation, General Fund Bal.	274,144	0	1,042,280	0
Appropriation, Class B & C Fund Bal.	871,719	0	0	0
Appropriation, Road Impact Fees	18,997	27,053	10,720	10,800
TOTAL GENERAL FUND EXPENDITURES	8,917,529	9,970,424	9,421,969	9,271,836
WATER FUND REVENUES				
Utility Fees	1,349,011	1,430,155	1,315,000	1,344,000
Impact Fees	140,671	46,340	32,500	32,500
Other	1,503,439	679,377	45,256	34,900
Use of Fund Balance	0	0	769,052	390,212
TOTAL WATER FUND REVENUES	2,993,122	2,155,872	2,161,808	1,801,612
WATER FUND EXPENDITURES				
Personnel	336,860	258,856	247,179	257,766
Operations	745,711	1,150,320	1,880,957	1,065,085
Capital	105,891	0	1,172	446,261
Appropriation to Fund Balance	1,804,659	746,695	32,500	32,500
TOTAL WATER FUND EXPENDITURES	2,993,122	2,155,872	2,161,808	1,801,612
SEWER FUND REVENUES				
Utility Fees	848,179	897,755	890,820	944,269
Impact Fees	299,899	56,689	66,000	66,000
Other	1,117,787	256,909	3,897	2,652,800
Use of Fund Balance	0	199,000	1,204,380	572,520
TOTAL SEWER FUND REVENUES	2,265,865	1,410,352	2,165,097	4,235,589
SEWER FUND EXPENDITURES				
Personnel	231,694	149,377	104,542	107,222
Operations	622,840	943,917	1,849,493	826,890
Capital	37,588	7,186	211,062	3,301,477
Appropriation to Fund Balance	1,373,744	309,872	0	0
TOTAL SEWER FUND EXPENDITURES	2,265,865	1,410,352	2,165,097	4,235,589

LINDON CITY

2010-2011 APPROVED BUDGET

BUDGET SUMMARY

	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 AMENDED	2010-11 REQUESTED
WASTE COLLECTION REVENUES				
Utility Fees	316,397	354,429	359,262	365,876
Use of Fund Balance	2,219	0	0	0
TOTAL WASTE COLLECTION REVENUES	318,615	354,429	359,262	365,876
WASTE COLLECTION EXPENDITURES				
Operations	318,615	354,315	349,729	350,000
Appropriation to Fund Balance	0	114	9,533	15,876
TOTAL WASTE COLLECTION EXPENDITURES	318,615	354,429	359,262	365,876
STORM WATER DRAINAGE REVENUES				
Utility Fees	238,602	244,815	314,909	380,000
Impact Fees	98,709	24,177	30,000	30,000
Other	1,968,996	343,083	560,050	50
Use of Fund Balance	0	144,316	0	753,772
TOTAL STORM WATER DRAINAGE REVENUES	2,306,307	756,391	904,959	1,163,822
STORM WATER DRAINAGE EXPENDITURES				
Personnel	116,603	85,810	102,286	91,051
Operations	30,432	-212,051	435,017	399,895
Capital	375,610	882,633	36,621	672,877
Appropriation to Fund Balance	1,783,662	0	331,035	0
TOTAL STORM WATER DRAINAGE EXPENDITURES	2,306,307	756,391	904,959	1,163,822
RECREATION FUND REVENUES				
Bond Proceeds/Interest	0	10,215,216	1,600	1,600
Admission	0	31,837	345,700	359,400
Lessons/Programs	0	29,028	47,319	40,500
Rentals	0	29,275	37,013	35,000
Transfer from General Fund	0	-10,199,929	720,721	819,519
Use of Fund Balance	0	373,728	0	0
TOTAL RECREATION FUND REVENUES	0	479,154	1,152,353	1,256,019
RECREATION FUND EXPENDITURES				
Personnel	0	83,637	285,125	324,094
Operations	0	-9,797,767	867,228	931,925
Capital	0	10,193,285	0	0
Appropriation to Fund Balance	0	0	0	0
TOTAL RECREATION FUND EXPENDITURES	0	479,154	1,152,353	1,256,019
RECREATION COMPLEX C.I.P. REVENUES				
Bond Proceeds	-	9,397,038	-	-
Other	-	903,611	-	-
Use of Fund Balance	21,762	-	-	-
TOTAL RECREATION COMPLEX C.I.P. REVENUES	21,762	10,300,649	-	-
RECREATION COMPLEX C.I.P. EXPENDITURES				
Professional Services	18,927	594,156	-	-
Capital	2,835	9,506,493	-	-
Appropriation to Fund Balance	-	200,000	-	-
TOTAL RECREATION COMPLEX C.I.P. EXPENDITURES	21,762	10,300,649	-	-
HERITAGE TRAIL C.I.P. REVENUES				
Federal Grants	2,216,429	-	-	-
Other	410,363	-	-	-
Use of Fund Balance	-	212,233	-	-
TOTAL HERITAGE TRAIL C.I.P. REVENUES	2,626,792	212,233	-	-
HERITAGE TRAIL C.I.P. EXPENDITURES				
Professional Services	96,350	-	-	-
Capital	2,381,729	212,233	-	-
Appropriation to Fund Balance	148,713	-	-	-
TOTAL HERITAGE TRAIL C.I.P. EXPENDITURES	2,626,792	212,233	-	-
PARKS C.I.P. REVENUES				
Impact Fees	50,478	18,003	25,600	25,600
Other	0	0	0	0
Use of Fund Balance	641,085	21,067	46,000	2,000
TOTAL PARKS C.I.P. REVENUES	691,563	39,070	71,600	27,600
PARKS C.I.P. EXPENDITURES				
Operations	617	7,507	3,000	1,000
Capital	690,946	31,563	20,000	0
Appropriation to Fund Balance	0	0	48,600	26,600
TOTAL PARKS C.I.P. EXPENDITURES	691,563	39,070	71,600	27,600

LINDON CITY

2010-2011 APPROVED BUDGET

BUDGET SUMMARY

	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 AMENDED	2010-11 REQUESTED
DEBT SERVICE REVENUES - transfers	1,223,403	1,040,976	1,131,107	944,306
DEBT SERVICE EXPENDITURES				
Principal	936,148	798,131	918,912	764,895
Interest	274,121	237,763	207,623	174,839
Paying Agent Fees	13,134	5,082	4,572	4,572
TOTAL DEBT SERVICE EXPENDITURES	1,223,403	1,040,976	1,131,107	944,306
SPECIAL IMPROVEMENT DIST. REVENUES				
Special Assessments	58,239	190,039	42,371	42,371
Other	130,470	163,730	550	0
Use of Fund Balance	77,774	0	438,751	246,485
TOTAL SPECIAL IMPROVEMENT DIST. REVENUES	266,483	353,769	481,672	288,856
SPECIAL IMPROVEMENT DIST. EXPENDITURES				
Operations	266,483	183,521	481,672	288,856
Appropriation to Fund Balance	0	170,247	0	0
TOTAL SPECIAL IMPROVEMENT DIST. EXPENDITURES	266,483	353,769	481,672	288,856
REDEVELOPMENT AGENCY FUND				
STATE STREET DISTRICT REVENUES				
Tax Increment	146,699	107,616	209,896	199,400
Other	26,083	18,387	13,713	13,963
Use of Fund Balance	292,047	0	0	0
TOTAL STATE STREET DISTRICT REVENUES	464,830	126,003	223,609	213,363
STATE STREET DISTRICT EXPENDITURES				
Operations	464,830	70,330	98,778	93,916
Capital	0	0	0	0
Appropriation to Fund Balance	0	55,673	124,831	119,447
TOTAL STATE STREET DISTRICT EXPENDITURES	464,830	126,003	223,609	213,363
WEST SIDE DISTRICT REVENUES				
Tax Increment	118,143	119,711	181,310	0
Other	17,884	8,674	4,100	0
Use of Fund Balance	0	0	0	0
TOTAL WEST SIDE DISTRICT REVENUES	136,027	128,385	185,410	0
WEST SIDE DISTRICT EXPENDITURES				
Operations	37,614	68,520	80,497	0
Capital	0	0	0	0
Appropriation to Fund Balance	98,413	59,865	104,913	0
TOTAL WEST SIDE DISTRICT EXPENDITURES	136,027	128,385	185,410	0
DISTRICT #3 REVENUES				
Tax Increment	491,793	677,411	922,258	925,000
Other	27,965	10,194	3,250	4,250
Use of Fund Balance	0	0	39,183	0
TOTAL DISTRICT #3 REVENUES	519,759	687,605	964,691	929,250
DISTRICT #3 EXPENDITURES				
Operations	493,239	530,204	879,691	630,676
Other	0	0	85,000	0
Appropriation to Fund Balance	26,520	157,401	0	298,574
TOTAL DISTRICT #3 EXPENDITURES	519,759	687,605	964,691	929,250
TOTAL CITY BUDGET	22,752,057	28,015,312	19,223,537	20,498,130

LINDON CITY
2010-2011 APPROVED BUDGET

OVERVIEW OF LINDON CITY ACCOUNTING STRUCTURE

Fund Descriptions

The following is a list of funds used by Lindon City to track resources and outlay. All of these funds are accounted for in the City's financial statements as well. Lindon City accounts for the following funds and fund types in accordance with generally accepted accounting principles (GAAP).

Governmental Funds

These are funds through which most governmental functions typically are recorded and financed and include the following funds which will be described in further detail in the following sections:

The General Fund is made up of 19 Divisions, namely:

- ◆ Legislative
- ◆ Judicial
- ◆ Administrative
- ◆ City Attorney
- ◆ City Engineer
- ◆ Elections
- ◆ General Governmental Buildings
- ◆ Police
- ◆ Fire Safety
- ◆ Protective Inspections
- ◆ Animal Control Streets Division
- ◆ Parks Division
- ◆ Library
- ◆ Cemetery
- ◆ Planning and Economic Development
- ◆ Class B&C Road Fund

Special Revenue Fund

- ◆ Redevelopment Agency Fund

Capital Projects Funds

- ◆ Parks Capital Improvement Project (CIP) Fund
- ◆ Special Improvement District (SID) Fund

Debt Service Fund

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Proprietary Funds

These funds are used to account for a government's ongoing business-like activities. These activities are further classified into one of two types of funds. Enterprise Funds are used to recover costs for providing services to the general public as follows:

- ◆ Water Fund
- ◆ Sewer Fund
- ◆ Waste Collection Fund
- ◆ Storm Water Drainage Fund
- ◆ Recreation Fund

Lindon City's General Fund operational departments include Legislative, Court, Administrative, Planning and Economic Development, Protective Inspections (Building), Public Safety and Public Works. The Administration Department oversees the Front Office, and contracted services and other general government activities. The Public Works Department is comprised of the Streets, Parks, Water and Sewer Divisions. The Public Works Director is also the Sexton and thus supervises the Cemetery operations. Below is a table showing how the City's accounting funds are expended in the different operational departments which are described in the following sections: (a) General Funds page 55, (b) Other Funds page 117, and (c) Enterprise funds page 122. Contracted Services includes the Fire budget the City contracts with Orem City for.

DEPARTMENTAL EXPENDITURES BY FUND

Accounting Fund	Legislative	Court	Administrative		Police/Animal Control	Planning & Economic Development	Building / Protective Inspections	Public Works Admin
			Administra- tion	Contracted Services				
General	\$467,126	\$535,043	\$1,402,378	\$1,287,377	\$2,077,306	\$239,697	\$251,817	\$397,706
Road								
Redevelopment			\$27,916					
Debt Service								
Parks CIP								
Water			\$320,729					
Sewer			\$264,766					
Garbage			\$8,800	\$341,200				
Storm Drainage			\$185,769					
Recreation			\$0					
S.I.D.			\$1,388					
TOTALS	\$467,126	\$535,043	\$2,211,746	\$1,628,577	\$2,077,306	\$239,697	\$251,817	\$397,706

LINDON CITY
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Accounting Fund	Public Works					Non-departmental	Recreation	TOTALS
	Cemetery	Streets	Parks	Water	Sewer			
General	\$60,608	\$313,948					\$ 484,036	\$7,517,042
Road		\$370,000						\$370,000
Redevelopment						\$333,600		\$361,516
Debt Service						\$944,306		\$944,306
Parks CIP			\$1,000					\$1,000
Water				\$1,448,383				\$1,769,112
Sewer					\$3,970,823			\$4,235,589
Garbage								\$350,000
Storm Drainage		\$978,054						\$1,163,822
Recreation							\$ 1,256,019	\$1,256,019
S.I.D						\$251,000		\$252,388
TOTALS	\$60,608	\$1,662,002	\$1,000	\$1,448,383	\$3,970,823	\$1,528,906	\$1,740,055	\$18,220,794

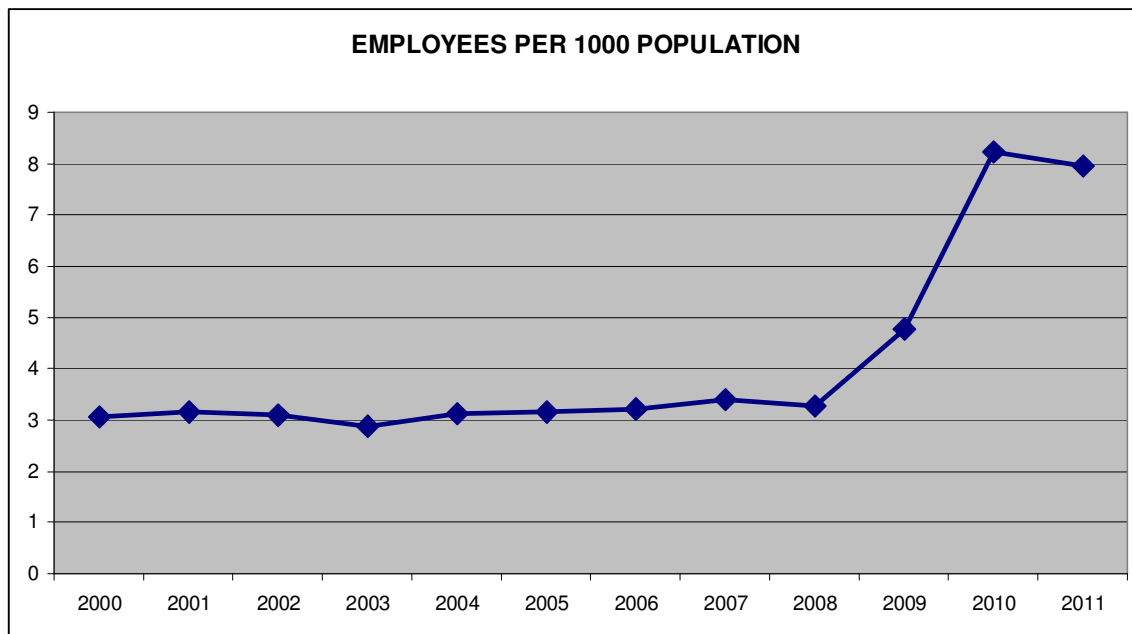
The tables above show the various operational departments within Lindon City, and their various totals. This is net of fund balance and transfers, meaning transfers are not included in these tables. This is to give a true picture after all the transfers have taken place what the City expenditures really look like. The City is currently in the third year of payments to acquire our new facility, called the Lindon Community Center, and plans to take possession in November 2010.

In the Sewer Fund, the City will bond for approximately \$2,650,000 for a Revenue Bond to help build the Sewer Lift Station. Orem City will be responsible for 20% of this cost, which will help improve the sewer flow system for residents.

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PERSONNEL SUMMARY

During the second season of the Aquatics Center opening, Lindon City maintained a ratio of about 8 employees per 1000 population as depicted in the chart below. During the winter months when the Aquatics Center is closed, Lindon City maintains a ratio of about 4 employees per 1000 population. The chart below shows the ratio of employees to population based off the number of employees needed to staff the Aquatics Center for the season. Additional personnel information is available in the Compensation Programs section.



The Position Classifications and Salary Schedule on the next page show the ranges of the current positions that Lindon City employs. Following this chart is a summary of the changes in the number of full time, part time, and seasonal personnel in the different departments.

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Position Classification and Salary Schedule

Grade	Classification	Salary Range		
		Lower	Upper	
Professional, Technical, and Clerical				
11	Accounts Payable	\$ 28,080	\$ 42,078	Annually
14	Administrative Professional II	33,010	49,442	Annually
12	Administrative Professional I	29,640	44,408	Annually
6	Administrative Receptionist	10,733	16,068	Annually
8	Assistant Court Clerk	23,899	35,797	Annually
16	Assistant Planner	36,774	55,078	Annually
0	Cashier	7.25	7.25	Hourly
23	Chief Building Official	53,602	80,309	Annually
31	City Administrator	82,493	123,552	Annually
6	Clerk/Typist I	10,733	16,068	Annually
17	Code Enforcement Officer	38,813	58,115	Annually
0	Council Members	6,620	6,620	Annually
19	Recorder	43,222	64,730	Annually
23	Finance Director	53,602	80,309	Annually
0	Head Cashier	9.00	9.00	Hourly
0	Head Lifeguard	9.50	9.50	Hourly
0	Head Swim Instructor	9.50	9.50	Hourly
26	Judge (part time)	31,512	47,195	Annually
0	Lifeguard	7.60	7.60	Hourly
0	Mayor	11,254	11,254	Annually
21	Parks and Recreation Director	48,131	72,093	Annually
13	Parks Maintenance Tech	31,283	46,862	Annually
17	Parks Superintendent	38,813	58,115	Annually
26	Planning and Zoning Director	63,024	94,390	Annually
0	Planning Commission	1,200	1,200	Annually
0	Pool Manager	11.50	11.50	Hourly
25	Public Works Director	59,717	89,440	Annually
17	Public Works Inspector	38,813	58,115	Annually
0	Recreation Program Manager	12,000	12,000	Annually
13	Senior Court Clerk	31,283	46,862	Annually
18	Streets Superintendent	40,955	61,339	Annually
0	Swim Coach	10.00	10.00	Hourly
0	Swim Instructor	8.60	8.60	Hourly
20	Treasurer	45,614	68,328	Annually
11	Utilities Clerk	28,080	42,078	Annually
18	Waste Water superintendent	40,955	61,339	Annually
13	Waste Water Technician	31,283	46,862	Annually
18	Water Superintendent	40,955	61,339	Annually
13	Water Systems Maintenance Tech	31,283	46,862	Annually
Police				
6	Crossing Guards	8,256	12,360	Annually
25	Police Chief	59,717	89,440	Annually
17	Police Officers	38,813	58,115	Annually
21	Police Sergeant	48,131	72,093	Annually
9	Police Secretary	18,907	28,330	Annually

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PERSONNEL SUMMARY

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
LEGISLATIVE											
Mayor & Council											
FT	0	0	0	0	0	0	0	0	0	0	0
PT	6	6	6	6	6	6	6	6	6	6	6
Planning Commission											
FT	0	0	0	0	0	0	0	0	0	0	0
PT	7	7	7	7	7	7	7	7	7	7	7
COURT											
FT	1	1	1	1	2	2	2	2	2	2	1
PT	1	2	2	2	1	1	1	1	1	1	3
ADMINISTRATIVE											
Administration											
FT	2	2	2	2	2	2	2	2	2	2	2
PT	0	1	1	1	1	1	1	2	2	2	0
Finance & Treasury											
FT	3	3	4	4	5	5	5	5	5	4	4
PT	1	1	0	0	0	0	0	0	0	0	0
COMMUNITY DEVELOPMENT											
Building (Note: 2 clerks work for both the Building and the Planning Departments)											
FT	2.5	2.5	2.5	2.5	2.5	3.5	4	4	4	2	2
PT	0.5	0.5	0.5	0.5	0.5	0.5	0	0	0	0	0
Planning											
FT	1.5	1.5	1.5	1.5	1.5	1.5	2	3	3	3	3
PT	1.5	1.5	1.5	1.5	1.5	1.5	1	1	1	1	1
RECREATION											
FT	0	0	0	0	0	0	0	0	0	0.5	0.5
PT	1	1	1	1	1	1	1	1	1	78	78
POLICE											
FT	0	0	0	0	0	0	0	0	16	17	17
PT	0	0	0	0	0	0	0	0	2	5	5
PUBLIC WORKS											
Director, Inspector & Clerical											
FT	3	3	3	3	3	3	4	4	4	3	3
PT	1	1	1	1	1	1	1	1	1	0	0
Parks											
FT	2	2	2	1	1	1	1	2	2	2.5	2.5
PT	0	0	0	0	0	0	0	0	0	0	0
Sewer											
FT	2	2	2	2	2	2	2	2	2	1	1
PT	0	0	0	0	0	0	0	0	0	0	0
Storm Drainage											
FT	0	0	0	0	1	1	1	1	2	1	1
PT	0	0	0	0	0	0	0	0	0	0	0
Streets											
FT	2	2	2	2	2	2	2	2	2	2	2
PT	3	3	3	3	3	3	3	3	0	0	0
Water											
FT	2	3	3	3	3	3	3	3	2	2	2
PT	0	0	0	0	0	0	0	0	0	0	0
TOTAL											
FT	21	22	23	22	25	26	28	30	46	42	41
PT	22	24	23	23	22	22	21	22	21	100	100

Comments:

In 2001-02, a full-time position was added in the Water division.
In 2001-02, a part-time position was added in the Court. In 2004-05, that position became full-time.
In 2001-02, a part-time position was added in the Administrative department.
In 2002-03, a part-time position in the Finance & Treasury division became a full-time position.
In 2003-04, a full-time position in the Parks division was vacated and still has not been filled.
In 2004-05, full-time positions were added in the Finance & Treasury and Storm Drain areas.
In 2004-05, a part-time position in the Court became a full-time position.
In 2005-06, a full-time position was added in the Building department.
In 2006-07, a part-time position in Community Development became a full-time position.
In 2007-08, added FT positions in Parks and Planning, also PT position in Admin.
In 2008-09, added 16 FT police officers, 2 PT admin personnel for police, and 1 storm position
In 2009-2010, added 75 PT positions for new Aquatics Center, lost 1 police officer, 1 storm position, and 2 PT admin
In 2010-2011, rehired 85 PT positions for the Aquatics Center, not replaced any other personnel

LINDON CITY 2010-2011 APPROVED BUDGET

Economic Factors

Lindon's economy has seen a downturn in recent months. In the last year, Lindon City has seen their sales tax revenue be reduced 17% since the beginning of the 2008-2009 fiscal year. Due to the volatile nature of Lindon's robust economy, Lindon has seen more reduced revenues than most cities in Utah. This is due to a drop in new car sales, and a drop in new home sales. Consumer confidence has been shaken, not only in Utah, but around the nation. However, economists are hopeful that things will rebound, and the economy will start showing improvement.

The relatively new freeway exit, built in 2005, called the Pleasant Grove and Lindon Exit, is known in Lindon as the 700 North Corridor. It is a perfect place for any business to call home. Since the economy has slowed, many businesses that have showed potential interest in developing this land have halted their plans in order to see if the economy is going to climb. Lindon City is hopeful that additional businesses will want to develop this area for visitors and citizens to enjoy.



LINDON CITY
2010-2011 APPROVED BUDGET

MAJOR BUDGET ISSUES

The Lindon City Council considered and voted to approve the following three budget issues. Other issues discussed during the budget process are also addressed in this section.

Budget Issue #1

Issue: Should Lindon City continue to fund the health insurance and dental insurance for employees?

Background: As a result of rapidly increasing insurance premiums, Lindon City contracted with First West Benefits Solutions (FWBS) again this year to bid out insurance benefits offered to its employees. In fiscal year 2009-2010, the City saw an 8% decrease in our overall health care insurance renewal premium through Aetna. For the 2010-2011 fiscal year, the City saw a 4.68% increase in our overall renewal premium with Aetna. The City will continue to offer the High Deductible Health Plan (HDHP), and a traditional plan through Aetna.

In fiscal year 2009-2010, the City changed Dental insurance providers from Delta Dental to Educator's Mutual. For the 2010-2011 fiscal year, Educator's Mutual increased their renewal rate a little over 9%.

As of July 1, 2010, the City will have 42 full time employees, one $\frac{3}{4}$ time employee, and 85 seasonal employees to run the Aquatics Center and help out with Parks and Public Works projects. Lindon City provides full-time employees a benefit allowance equal to the family medical and dental premiums plus an additional insurance allowance of \$10.50 per month less employee participation of \$52.00 per month. Any unused portion of the benefit allowance goes into the employee's choice of a 401K or 457 accounts. Benefited employees who do not take medical insurance must provide proof of coverage through another agency.

The following changes are still in effect this year:

1. Employee payroll deductions will increase or decrease each year for one more year by the lesser of:
 - a. Half of the percentage increase in the total of the medical and dental premiums, or
 - b. \$10.00 per month.
 - c. For example, the insurance benefits increased 4.68% for fiscal year 2010-2011 with FWBS. Half of that is 2.34%. The current payroll deduction is \$53.32. The increase on the payroll deduction would be $\$53.32 \times 2.34\%$ or \$1.25. (This increase is limited to \$10 if there is a large increase in the

LINDON CITY
2010-2011 APPROVED BUDGET

insurance benefits for employees. Lindon City contracted with the employees to provide this benefit for 5 years, and the City is currently in the 4th year of offering this benefit). The new payroll deduction would then be \$54.57 per month.

2. For those benefited employees who do not take medical insurance through Lindon City, the Benefit Allowance will freeze at the 2006-2007 level. That level is:
 - a. \$1,224.79 if not electing medical insurance and employed before July 1, 2007.
 - b. \$500.00 if not electing medical insurance and employed after July 1, 2007.
3. If a benefited employee hired before July 1, 2007 drops or picks up medical insurance, their benefit allowance will be calculated as numbers 1-3 above apply.

Recommendation: Fully fund the insurance premiums as stated above.

Fiscal Impact: A total increased cost of \$26,703 for fiscal year 2010-2011. These funds HAVE BEEN included in the budget.

Budget Issue #2

Issue: Should Lindon City increase the Storm Water Utility rates and the Culinary Water Utility rates?

Background: The City Engineer has reviewed the Storm Water Utility rates, and is recommending this rate be changed from \$3.75 up to \$4.50 for the Storm Water. The first time consumers saw an increase in their utility rate since 1997 was in fiscal year 2009-2010 when the rate increased \$0.75. The City Council has opted to readdress this fee every fiscal year if necessary.

The following rates would go into effect beginning July 1, 2010:

- ◆ Culinary Water Utility Fee (based on pumping costs)
 - 1" meter below North Union Canal
 - From \$14.28 + \$1.17/kgal to \$14.59 + \$1.20/kgal
 - 1" meter above North Union Canal
 - From \$16.68 + \$1.36/kgal to \$15.84 + \$1.22/kgal
 - 1" meter Upper Foothills
 - From \$25.95 + \$1.49/kgal to \$25.60 + \$1.46/kgal
- ◆ As you can see from the above rates, the water rates, the only increase seen is the 1" meter below North Union Canal, and that is just the CPI increase of 2.2% that the City Engineer recommends each year. The other areas of Lindon are going to actually see a decrease in their overall rates as pumping costs to pump the water up the hill have gone down, and that savings is being passed on to the residents.

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Sewer Utility Fee

- ◆ From \$10.67 + \$1.92/kgal to \$11.31 + \$2.04/kgal
- ◆ The City Engineer recommended increasing the Sewer Utility Fee by the 6% for Lindon City's share in the cost of building the new Sewer Plant.

Storm Water Drainage Fee

- ◆ From \$3.75 to \$4.50.
- ◆ Due to numerous projects being approved in the Storm Water Drainage Fund, the City Engineer recommended a fee increase of \$0.75 for the 2010-2011 fiscal year.
- ◆

Recommendation: Approve the 2.2% increase in Culinary Water and an approximate increase of 6% in Sewer, and a \$0.75 increase in the Storm Water Fund.

Fiscal Impact: The increase in revenue is estimated to be about \$20,900 for Culinary Water, and approximately \$53,449 for Sewer, and \$67,000 for the Storm Water Fund. These funds HAVE BEEN included in the budget.

Budget Issue #3

Issue: Should Lindon City fill the Storm Water Technician Position?

Background: On June 14, 2010, Lindon City's Public Works Inspector retired, leaving another vacant position in Public Works. Since the EPA Mandates and the City Engineer Recommends filling the Storm Water Technician Position, the City Council opted to fill the vacant position in Storm Water instead of the inspector position.

The Retirement of the PW Inspector leaves another vacant position in Public Works.

Recommendation: Fill the Storm Water Technician Position.

Fiscal Impact: PW Inspector: \$58,115.20, Storm Water Technician Position: \$31,283.20.

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BUDGET CALENDAR

The following is a presentation of the Budget Calendar for the 2010-2011 fiscal year.

BUDGET CALENDAR		
Date	Event	Participants
Tuesday, May 4	Tentative Budget	City Council Lindon Citizens
Tuesday, June 1	Proposed Budget Public Hearing	City Council Redevelopment Agency Municipal Building Authority Lindon Citizens
Tuesday, June 15	Final Budget Public Hearing	City Council Redevelopment Agency Municipal Building Authority Lindon Citizens
	Adoption of Final Budget	Notice Published within 30 Days of Final Adoption
Tuesday, August 16	(IF NEEDED) Budget Tax Rate Public Hearing to amend the Certified Tax Rate	City Council Lindon Citizens
	Adoption of Final Budget	Notice Published within 30 days of Final Adoption

However, the budget process is constantly ongoing. Although not considered part of the budget calendar, an annual Retreat in February is held at which the Mayor, City Council and Department Heads meet to discuss and brain storm about City issues. This influences the City's budget by addressing new projects and goals that stem from concerns raised by residents and Council Members. These items may be immediately addressed or may need many years of planning, such as a Recreation Complex.

Department Heads submit their budget requests. There are several Budget Committee meetings and City Council work sessions. These meetings and work sessions help guide the development of the City Budget through input and justification by Department Heads and direction and prioritization from the Mayor and City Council. Residents are encouraged to attend and comment in the June public hearings.

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CITYWIDE DEBT

Lindon City does not have any general obligation debt. The City's debt service requirements for the 2010-2011 fiscal year total \$2,129,750. The principal consists of \$1,408,610, and the interest consists of \$721,140. The outstanding principle for all Citywide Debt consists of \$17,148,839. Descriptions of long-term debt follow.

GOVERNMENTAL ACTIVITIES

2005 RDA District 3 Refunding Bond

The Lindon City Redevelopment Agency, Tax Increment Revenue Refunding Bonds Series 2005 was issued by the Lindon City Redevelopment Agency in August 2005 in the amount of \$3,095,000 with a coupon rate of 3.92%. The proceeds were used to refund the Lindon City Redevelopment Agency, Utah Neighborhood Redevelopment Tax Increment Revenue Bonds, Series 1999 which was used to install infrastructure and related improvements as part of the District Three Redevelopment Project Area. The principal outstanding at July 1, 2010 was \$1,450,000 with interest requirements totaling \$228,418. Although it is included in the general long-term debt account group of Lindon City for reporting purposes, Lindon City has no obligation to repay these bonds. The bonds are repaid from the tax increment revenue of the Redevelopment Agency. These bonds are scheduled to mature in June 2015.

2005 MBA Refunding Bond

The Municipal Building Authority of Lindon City, Utah Lease Revenue Refund Bonds, Series 2005 were issued August 2005 in the amount of \$1,492,000 with a coupon rate of 3.58%. The proceeds were used to refund the MBA Lease Revenue Bonds (Capital Appreciation Bonds) Series 2000B which were issued in exchange for right-of-way property for the new interchange constructed by Utah Department of Transportation on Interstate 15. There is no principal or interest outstanding for this bond. The final payment will be made in September 2010.

2000 Gateway S.I.D.

The Special Improvement District Bonds (Lindon Gateway Project) No. 00-01 Series 2001 in the amount of \$2,400,000 was issued in July 2001 with a coupon rate of 5.6%. The proceeds were used to fund special improvements that benefited property owners in the Lindon Gateway Project area. The property owners are assessed annually to retire the bonds. The principal outstanding at July 1, 2010 was \$150,000 with interest requirements totaling \$25,984. These bonds are scheduled to mature in September 2012.

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2005 Sales Tax Revenue Bond

The Sales Tax Revenue Bonds Series 2005 was issued for \$3,700,000. Debt service payments are made annually with interest at 3.75%. The liability is split between Governmental and Proprietary funds in order to help finance the road, water and storm drain improvements of 700 North, west of Geneva Road. The principal outstanding at July 1, 2010 for the Road portion of this debt was \$2,278,562 with interest requirements totaling \$781,802. These bonds are scheduled to mature in June 2025.

UTOPIA Backstop Obligation

In 2004, Lindon City joined with 16 other cities to form the Utah Telecommunications Open Infrastructure Agency (UTOPIA) which would provide the mechanisms necessary to receive funding and install fiber-optic lines within the cities. UTOPIA would then lease space on the fiber-optic lines to companies who would provide services and charge the users. In order to secure funding, all of the cities involved had to agree to set aside funds that would ensure debt service payments could be made even if the expected lease revenue was not achieved. Lindon's "backstop" requirement is \$308,700. We were allowed three years to build this up and must keep the full amount set aside until the bonds are paid off in 2027. If the cities are required to use all or part of their backstop to make a debt service payment, they are expected to replenish the backstop. In fiscal year 2009-2010, it became necessary for UTOPIA to call on this "backstop" and reissue the bond, thus extending the life of the bond until 2032. As per the bond agreement, Lindon City must pay our portion of the "backstop" back as well as our portion of the said shortfall.

BUSINESS-TYPE ACTIVITIES

1994 Culinary Water Bond

The Water Revenue Bonds Series 1994, Lindon City, Utah consisted of \$1,404,000 in debt issued to finance additions and improvements to the culinary water system. Debt service payments are made annually with interest at 2.5%. There is no principal or interest outstanding as these bonds are scheduled to mature in January 2011.

2005 Sales Tax Revenue Bond

The Sales Tax Revenue Bonds Series 2005 was issued for \$3,700,000. Debt service payments are made annually with interest at 3.75%. The liability is split between Governmental and Proprietary funds in order to help finance the road, water and storm drain improvements of 700 North, west of Geneva Road. The principal outstanding at July 1, 2010 for the Water portion of this debt was \$156,442 with interest requirements totaling \$53,677. The principal outstanding at July 1, 2010 for the Storm Water portion

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of this debt was \$424,996 with interest requirements totaling \$145,821. These bonds are scheduled to mature in June 2025.

2006 Water Revenue Bond

The Water Revenue Bonds Series 2006, Lindon City, Utah consisted of \$256,000 in debt issued to finance the replacement of the culinary waterline on 400 North, from Canal Drive to 200 East. Debt service payments are made annually with interest at 5.0%. The principal outstanding at July 1, 2010 was \$135,122 with interest requirements totaling \$29,522. These bonds are scheduled to mature in September 2016.

1998 Central Utah Projects (CUP) Allotment Obligation

The City entered into an agreement with the Central Utah Water Conservancy District (CUWCD) to acquire an allotment of 1,425 acre feet of Central Utah Projects (CUP) water. The agreement was for 50 years starting in 1998 at an estimated cost of \$160 per acre foot. The City deferred payments for 10 years and is amortizing the payments over forty years. In January 2000, the City received a grant of \$1,899,011 from CUWCD. As part of the terms of the grant, the City gave back rights to 500 acre feet, leaving the City with rights to 925 acre feet per year. Lindon City received notice that the total repayment for the block is \$3,279,033 with an annual payment of \$142,404 beginning February 2008. Debt service payments are made annually with interest at 3.222%. The principal outstanding at July 1, 2010 was \$3,009,939 with interest requirements totaling \$1,303,340. These bonds are scheduled to mature in February 2047.

2008 Sales Tax Revenue Bond – Aquatics Center Bond

The 2008 Sales Tax Revenue Bond – Aquatics Center, Lindon City, Utah was issued for \$9,565,000. Debt service payments are made annually with interest at 4.0%. The proceeds used to build the New City Center Pool that is fully operational and functional. The principal outstanding at July 1, 2010 was \$9,020,000 with interest requirements totaling \$5,119,182. These bonds are scheduled to mature in January 2034.

2009 Sales Tax Revenue Bond – Hogan

The 2009 Sales Tax Revenue Bond, Lindon City, Utah was issued for \$800,000. Debt service payments are made annually with interest at 3.88%. The proceeds were used to build the Flow Rider in conjunction with the Aquatics Center that became fully operational in June of 2009. The Flow Rider is the first of its kind in Utah County, and has attracted many visitors from all over the state. For the first season, the City charged an entrance fee, plus a \$10 ride fee per day for an all day pass. The City had excess funds from the completion of the Aquatics Center and the flow rider, and thus used the remaining funds in the Hogan Bond to payoff the first two principal and interest payments. Therefore, the next payment due on this bond is July 15, 2012. These bonds are scheduled to mature in July 2014.

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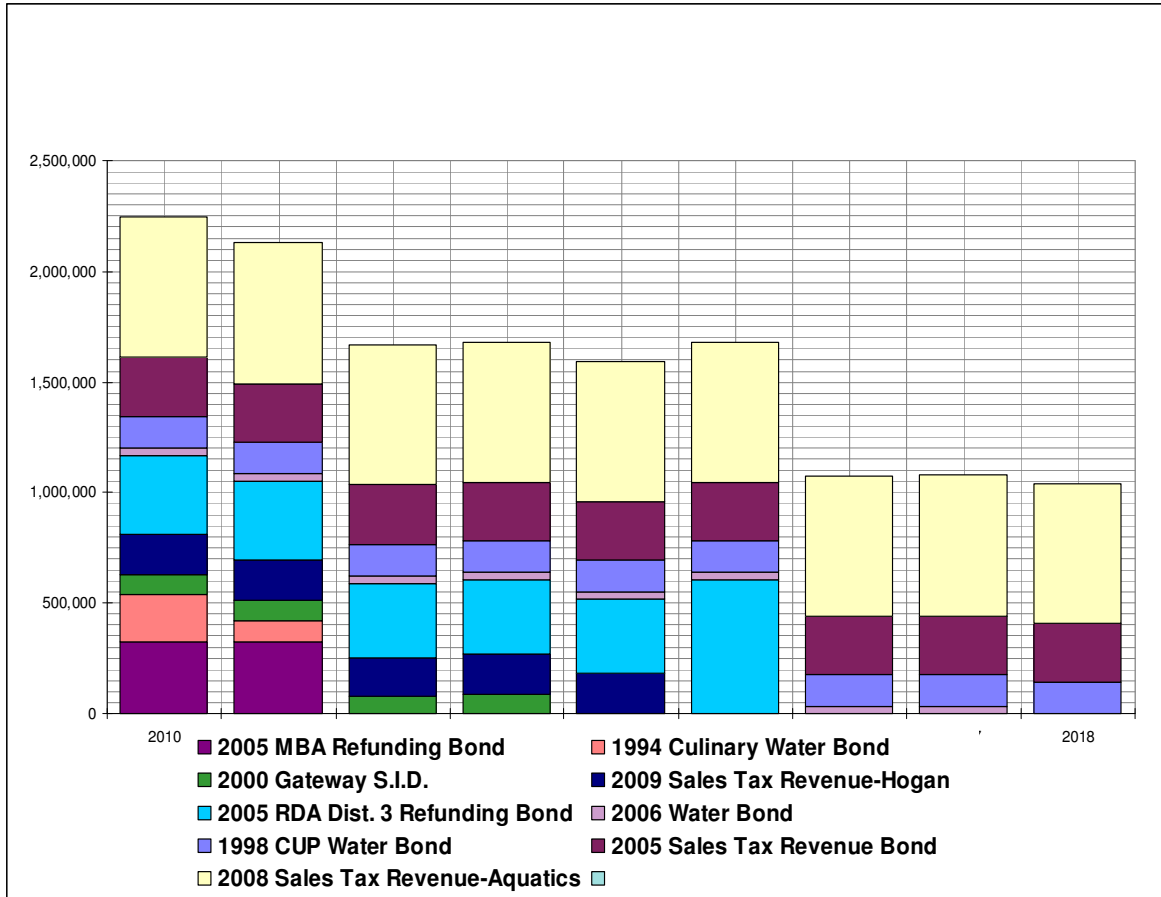
LEGAL LIMITS

The Utah State Constitution, Article XIV, Section 4 states, “no city ... shall become indebted to an amount, including existing indebtedness, exceeding four per centum of the value of the taxable property therein...” According to the Utah County Auditor’s Office, the 2010 real property taxable value for Lindon City is \$879,250,858. This sets the limit of indebtedness at \$35,170,034. As of July 1, 2010, Lindon City’s total outstanding debt principal is \$18,557,450. This is well within the state limit.

The following graphs summarize Lindon City’s debt obligations over the next 10 years. For more on Lindon City’s debt policies please refer to the Financial Policies section.

LINDON CITY 2010-2011 APPROVED BUDGET

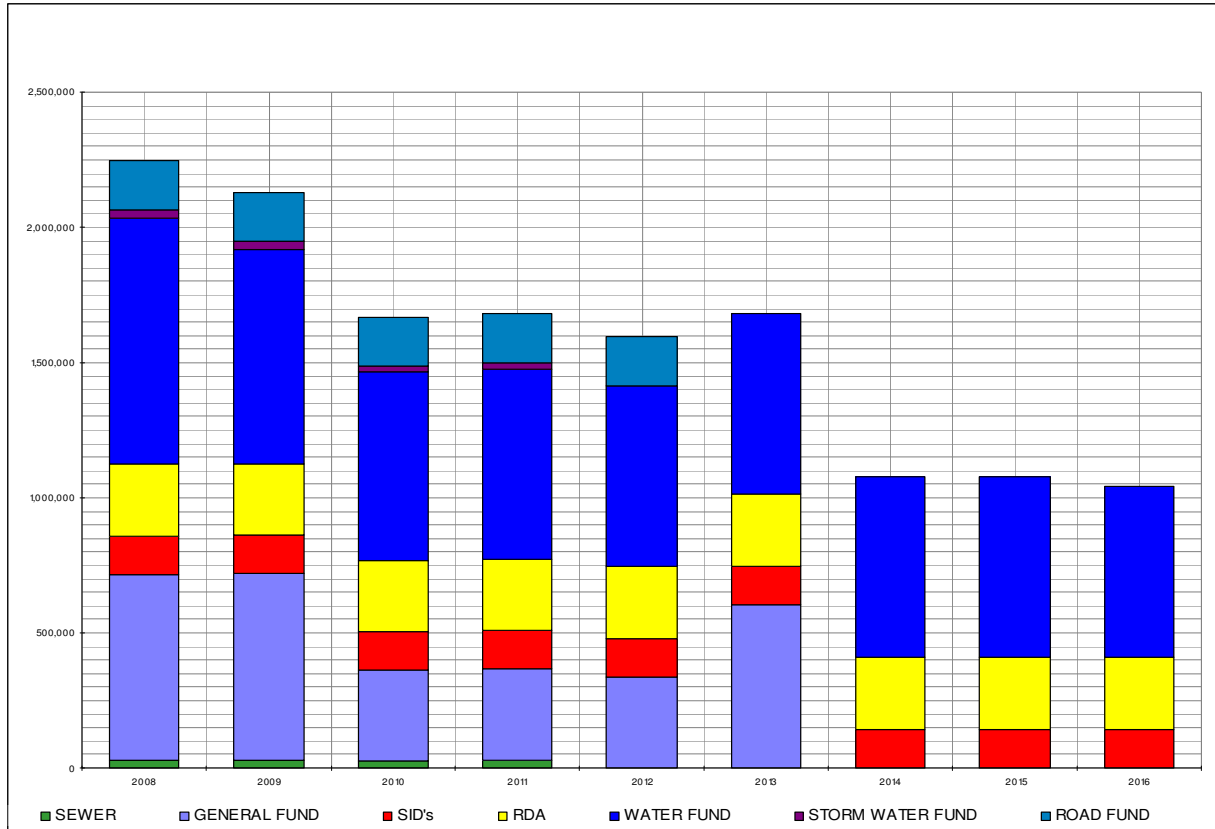
ANNUAL DEBT PAYMENTS BY OBLIGATION



Obligation	Principal & interest payments for fiscal year ending:										Original Principal
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
2005 MBA Refunding Bond	325,987	325,728									1,492,000
1994 Culinary Water Bond	215,450	92,250									1,404,000
2000 Gateway S.I.D.	87,856	92,880	74,400	88,704							2,400,000
2009 Sales Tax Revenue-Hogan	180,076	180,492	180,478	180,231	180,751						800,000
2005 RDA Dist. 3 Refunding Bond	360,341	361,326	335,840	334,903	335,574	603,775					3,095,000
2006 Water Bond	33,153	33,153	33,153	33,153	33,153	33,153	33,153	33,153			256,000
1998 CUP Water Bond	142,404	142,404	142,404	142,404	142,404	142,404	142,404	142,404	142,404	142,404	3,279,033
2005 Sales Tax Revenue Bond	266,538	265,988	266,250	266,288	266,100	266,688	266,013	266,113	265,950	266,525	3,700,000
2008 Sales Tax Revenue-Aquatics	634,105	635,530	636,280	636,343	636,030	635,343	634,205	637,363	634,720	636,420	9,565,000
TOTALS	2,245,909	2,129,750	1,668,805	1,682,025	1,594,013	1,681,362	1,075,775	1,079,032	1,043,074	1,045,349	25,991,033

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ANNUAL DEBT PAYMENTS BY FUND



FUND	Principal & interest payments for fiscal year ending:										Original Principal
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
SEWER	29,285	30,960	24,800	29,568	0	0	0	0	0	0	800,000
GENERAL FUND	686,328	687,054	335,840	334,903	335,574	603,775	0	0	0	0	4,587,000
SID's	142,404	142,404	142,404	142,404	142,404	142,404	142,404	142,404	142,404	142,404	3,279,033
RDA	266,538	265,988	266,250	266,288	266,100	266,688	266,013	266,113	265,950	266,525	3,700,000
WATER FUND	911,994	791,893	694,233	699,064	669,183	668,496	667,358	670,516	634,720	636,420	12,025,000
STORM WATER FUND	29,285	30,960	24,800	29,568	0	0	0	0	0	0	800,000
ROAD FUND	180,076	180,492	180,478	180,231	180,751	0	0	0	0	0	800,000
TOTALS	2,245,909	2,129,750	1,668,805	1,682,025	1,594,013	1,681,362	1,075,775	1,079,032	1,043,074	1,045,349	25,991,033

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