



West Bountiful City Tentative Budget Message for Fiscal Year 2017/2018

To the Honorable Mayor Romney, City Council, and residents of West Bountiful City:

Utah Code Annotated § 10-6-111 requires the budget officer to prepare and file with the City Council a tentative budget for the coming fiscal year on or before the first regularly scheduled City Council meeting in May. This budget message introduces a tentative budget for the July 1, 2017 – June 30, 2018 fiscal year.

At their meeting on May 2, 2017, the City Council adopted the tentative budget and set a public hearing for June 6, 2017 at 7:30pm to receive public input prior to final consideration and approval. As updates become available and the Council continues to consider priorities, it is expected that relatively small changes will be made to the tentative budget prior to final approval. The tentative budget adopted by the Council must be available to the public at least 10 days prior to the public hearing. The final budget must be approved before June 22, unless a truth-in-taxation process is initiated to consider an increase in property taxes.

FISCAL YEAR 2018 TENTATIVE BUDGET SUMMARY

To organize and account for the various types of services provided, the budget is divided into several funds. Governmental funds are organized to show the revenues and expenses for services that are provided primarily through taxes. For West Bountiful City, these include the General Fund (administration, public safety, street maintenance, parks, community development, etc.), Recreation Arts & Parks (RAP) Tax Fund, Redevelopment Agency (RDA) Fund, Impact Fee funds, and various capital improvement funds. Enterprise funds represent services that are similar to commercial operations – these include the Water Fund, Solid Waste Fund, Storm Water Fund, and the Golf Course Fund.

GENERAL FUND

Overall, the health of the General Fund continues to improve from the lows experienced since FY 2008. The fund has experienced significant revenue growth from property tax receipts associated with an expansion at the local refinery and the expiration of a sales tax sharing agreement with a commercial development. Additionally, the tentative budget projects continued modest sales tax growth. The tentative budget proposes investments in capital projects and equipment (public works

yard, backhoe, loader, service truck, police vehicle, and used snow plow). Also included is funding for an additional police officer, bringing the City's total number of sworn officers to 10. Based on current projections and proposals, the tentative budget has the General Fund end the year with a fund balance of \$1.1 million.

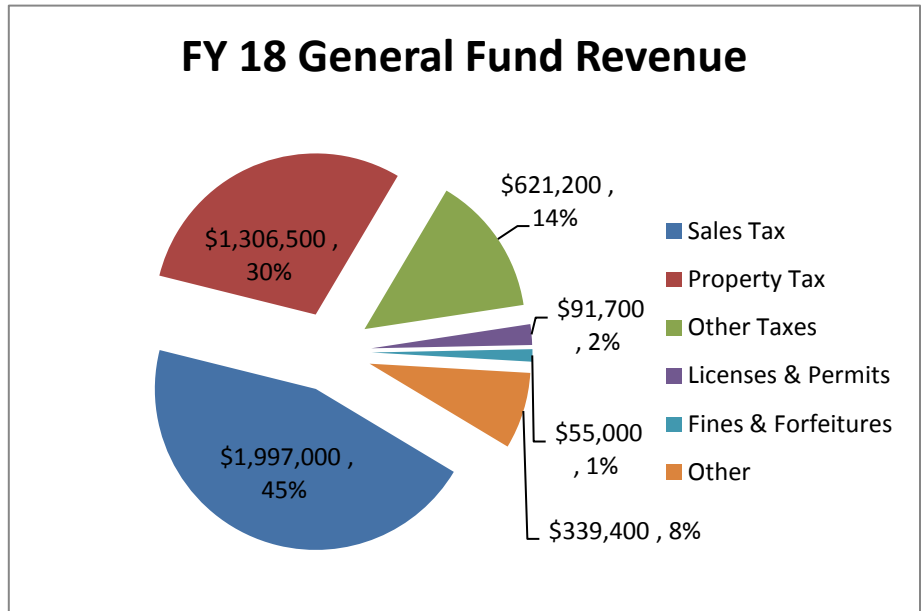
General Fund Revenues –

The FY 2018 tentative budget includes a conservative growth rate estimate of 2% for sales tax over the estimated collections of FY 2017.

The tentative budget does not propose an increase in property taxes or fee increases.

Revenues see significant increases based on the expiration of certain sales tax sharing with developments and property tax associated with refinery expansion.

Total revenues are projected at \$4.410,800.

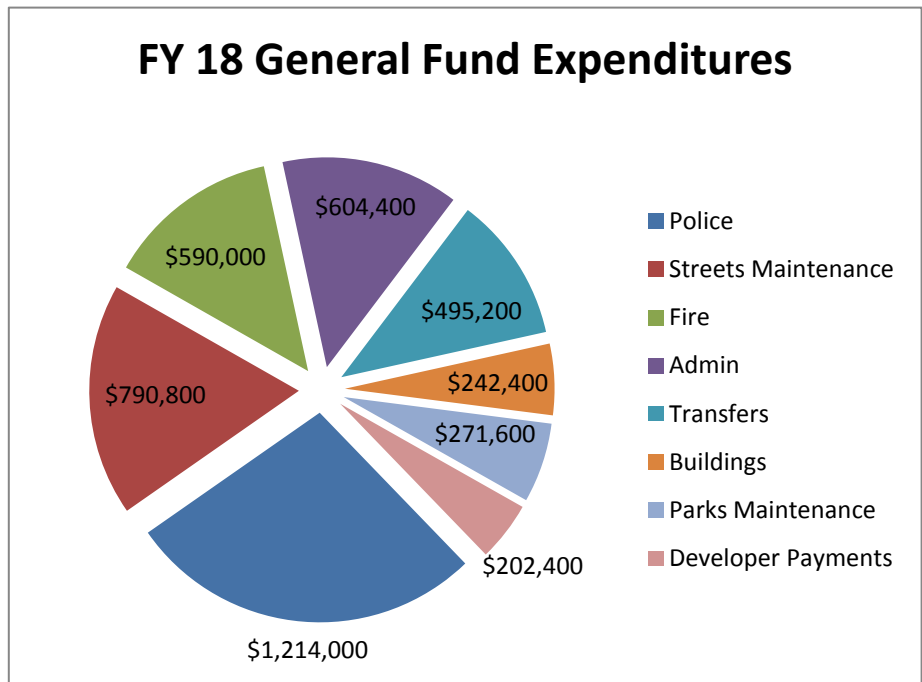


General Fund Expenditures –

This year's tentative budget makes significant investments designed to improve long term efficiency and enhance the quality of services.

In terms of capital investments, the budget contemplates funding for equipment such as a new backhoe, and used snow plow, etc. There is also a significant transfer for an eventual new public works yard.

In terms of human capital, the budget invests \$80K for an additional full-time police officer. The budget also includes additions for health premiums and standard merit increases.



RAP TAX FUND

Collection of RAP Tax revenues continue to grow with standard sales tax inflation. The tentative budget includes investments in the Golf Fund for course improvements (\$50K) and an \$181,000 retainage in the RAP Fund for future year improvements

IMPACT FEES & CAPITAL IMPROVEMENT FUNDS

To better account for projects that span multiple fiscal years, as well as to keep fluctuations in the General Fund to a minimum, the FY 2018 tentative budget includes several project-specific capital improvement funds. Designated resources from the Streets Capital Improvement Fund (property taxes designated for streets), Impact Fee funds, Storm Water Fund, and the Water Fund are allocated to specific projects. Any remaining balances at the conclusion of a project will be transferred back to their originating fund. Capital Improvement funds include:

- Pages Lane Improvements #2 (water line replacement, sidewalk improvements, and street expansion and repair) – \$740,000 total (including projected UDOT grant of \$500K).
- Jessi's Meadows Road Rebuild - \$550,000 in Streets Capital Fund.
- Public Works Yard - \$250,000 transfer from the General Fund.

WATER FUND

Water Fund revenues for FY 2018 are projected to be stable at \$1.3 million. The tentative budget includes increases for equipment, such as the fund's share for a backhoe, loader, and service vehicle. Capital improvement spending includes \$120,000K for the Pages Lane #2 project and \$1 million set aside for a new culinary water well, which is in the planning stage.

GOLF FUND

Revenues at the golf course are highly dependent on favorable weather, which makes them difficult to project with any accuracy. To mitigate the swings in revenue and help build a fund balance for the future, the tentative budget includes an operations transfer from the General Fund. The proposed expenditures reflect a continued strategy of catching-up on deferred needs, including investments in a new irrigation system, additional golf carts, and cart path maintenance.

Overall, the City's finances are healthy and stable. The FY 2018 tentative budget is designed to make strategic investments with available funds while retaining the flexibility to pull back spending when required by fluctuations in future year revenues.