



State of the City Report

September 2023

Loving Lindon!

Lindon City continues to see new development occurring in its residential, commercial, industrial and office sectors. It is a growing, vibrant community that is loved by its residents. Through a commitment to prudent financial responsibility, and planning for an improved quality of life, Lindon City is on a continued trajectory of economic and community building success.

This report gives an overview of various public services and activities provided by Lindon City. It will highlight Lindon's past achievements, aspects of the current Fiscal Year (FY) 2024 budget (July 1, 2023 – June 30, 2024), examine crucial taxes & fees collected by the city and provide insight into some of Lindon's future challenges.

Lindon's Past Year at a Glance (FY2023):

Lindon City is a full-service municipality covering about 8.5 square miles and serves a population of just over 12,000 people. The city provides a wide scope of urban services and amenities that are on par with services and amenities provided by much larger neighboring cities.

SERVICES, MAINTENANCE RESPONSIBILITIES, & PERFORMANCE STATS (JULY 1, 2022 - JUNE 30, 2023)

Public Works <ul style="list-style-type: none">91 miles of water lines86 miles of sewer lines53.48 miles of secondary water lines50.5 miles storm drain line13 miles open ditches870 fire hydrants57 cemetery interments	Streets <ul style="list-style-type: none">62 miles of streets maintainedOperates 5 snow plows74 tons of asphalt used to fill potholes981 street signs maintained493 street lights	Utilities <ul style="list-style-type: none">~ 3,682 culinary connections~ 2,703 secondary water connections~1.15 billion gallons secondary water delivered~4.46 million gallons culinary water delivered
Parks & Rec; Senior Cntr <ul style="list-style-type: none">67 acres of parks6.5 miles of trails75,549 visitors to Aquatics Center (2023 season)4,985 individual Rec. program participants5,772 Senior Lunches Served	Development <ul style="list-style-type: none">341 bldg permits issued\$49,627,588 = value of building projects56 land use applications processed67 resolved code enforcement cases877 business licenses issued	Public Safety <ul style="list-style-type: none">15 full-time Police Officers<ul style="list-style-type: none">8,985 service calls358 traffic accidents2,371 traffic stops (1,051 citations issued)541 arrestsFull-time Fire & EMS services contracted through Orem Fire Dept.
Employees <ul style="list-style-type: none">56 full-time33 permanent part-time (includes elected & appointed officials)190 temp/seasonal35% = personnel costs as % of Operating Rev.	Justice Court <p>Processed:</p> <ul style="list-style-type: none">218 criminal cases32 civil cases2,465 traffic related cases129 warrants issued487 warrants recalled222 restitution payments	Finance <ul style="list-style-type: none">\$4.2M ending General Fund balance (savings)No issuance of additional debtIncreased savings for future capital facilities needs

FY2022-23 Accomplishments & Grants Awards

- Installed over 2,600 secondary water meters
- Completed major upgrades to rodeo arena
- Completion of Anderson Farms Park (new 10-acre park)
- Completed \$2.5 million in road maintenance projects
- 2022-23 Grant & Donation highlights:
 - \$750,000 – State of Utah; Piping Main Ditch
 - \$400,000 – CUWCD; PRA Secondary Water
 - \$81,823 – State of Utah; AquaTrax software
 - \$50,000 – Powell donation; Centennial Painting
 - \$20,000 – Utah County; CTC programing
 - \$17,908 – State of Utah; Police DUI enforcement
 - \$14,000 – State of Utah; Emergency Management
 - \$7,500 – State of Utah; Police Mental Health Assistance
 - \$5,613 – Utah County; recreation grant
 - \$5,500 – Eldred Sunset grant; Senior Center
- **\$14,510,758 in grants and donations since 2005**



NEWLY REFURBISHED RODEO ARENA AT 2023 LINDON DAYS

Lindon City Recognitions

- 2023: Best Places to Raise a Family in Utah County (#5 of 28), *Niche*
- 2020: Suburbs with Best Public Schools in Utah (19th of 74), *Niche*
- 2017: Safest Cities in the State of Utah (6th), *LendEDU*
- 2013, 2011, 2009: "100 Best Small Cities to Live In America", *CNN Money Magazine*

Regional Recognitions that include Lindon City (Provo-Orem Metropolitan Area):

- 2023: Best-Performing Cities (1st), *Milken Institute*
- 2023: Happiest State in the United States (Utah; 1st), *WalletHub.com*
- 2022: Best-Performing Cities (1st), *Milken Institute*
- 2019: Most Educated Cities in America (10th), *WalletHub.com*

FY2024 Budget – Saving for the Future

Lindon City has committed to build its General Fund balance (savings/reserves) as close as possible to the maximum allowed by the State in order to help avoid tax & fee increases during economic downturns. The city is projecting it will end its current budget year (June 30, 2024) with



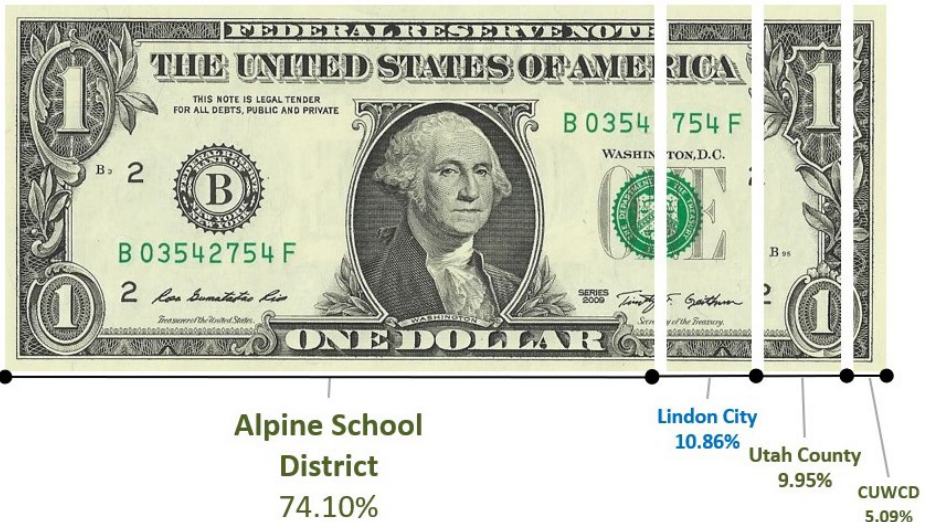
about \$3.77 million, or 28.15% of revenues, saved in its General Fund balance (State allows max of 35%). The city has prioritized using past one-time revenues to pay down debts ahead of schedule. This has saved hundreds of thousands in interest and has freed up General Funds for other expenditures like road maintenance funding and new employee positions needed to accommodate growth and demands on the city.

Lindon is in the fortunate position of having a smaller population which benefits from a large commercial & industrial sales tax base. Lindon's citizens and businesses enjoy below average property taxes, moderate fees, and excellent city services and amenities. As part of the FY2024 budget the City Council decided to supplement the city's Sewer fund with \$500,000 of General Fund monies thus reducing overall sewer rate increases on citizens. Increasing costs due to inflation is a recurring issue that typically leads to increased rates and fees. However, these increases are done incrementally. Lindon's thriving financial position enables it to meet demand for increased services and amenities without the need to *significantly* increase taxes and fees.

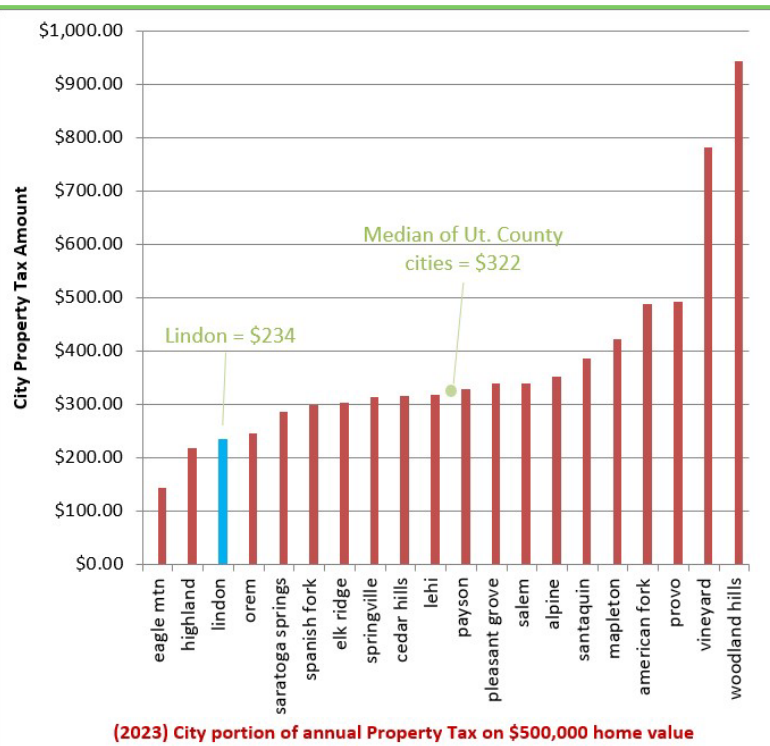
Where do your property tax dollars go?

Property Taxes (2023)

Unrealized by many taxpayers is that Lindon City receives only a small portion of assessed property taxes. The majority of property tax in Lindon is imposed by Alpine School District (74.10%), followed by Lindon City (10.86%), Utah County (9.95%), and Central Utah Water Conservancy District (5.09%).



For the 2023 tax year, Lindon will receive \$234 from a residential property with a market value of \$500,000. For \$234 the property owner essentially purchases their access to one-year of full-time police/fire & EMS coverage, parks & trails, snow plowing, fixing of potholes, street signs, streetlights,



resurfaced roadways, a Senior Center, city fair & cultural events, a Community Center, library card reimbursements, discounted 'resident rates' for facility rentals & programs, etc. **WHAT A DEAL!** Lindon is fortunate to have a large sales tax base and healthy franchise tax base that helps supplement these general fund services so that property taxes can stay very low. To our knowledge, in over 35 years, Lindon City has only increased its property tax rates once (in 2009).

Utility Rates

Lindon City provides sewer, storm water, water (including secondary water) and waste collection services. These services are

sustained by user fees paid through your utility bill. Small increases are typically added each year to help cover aging infrastructure replacement costs and keep up with inflation.

Every city has different infrastructure costs that their utility rates are based upon. Comparing utility rates between cities is like comparing apples to oranges. However, it is helpful to know that Lindon's residential monthly utility rates are near or below average compared to many other Utah cities.

Monthly median utility bill
for residential households in Lindon = **\$124.09**

Monthly median of all residential utility bills between July 1, 2022 to June 30, 2023. Inclusive of all city utility services, taxes and fees. (water, PI, sewer, storm drainage, garbage, recycling)

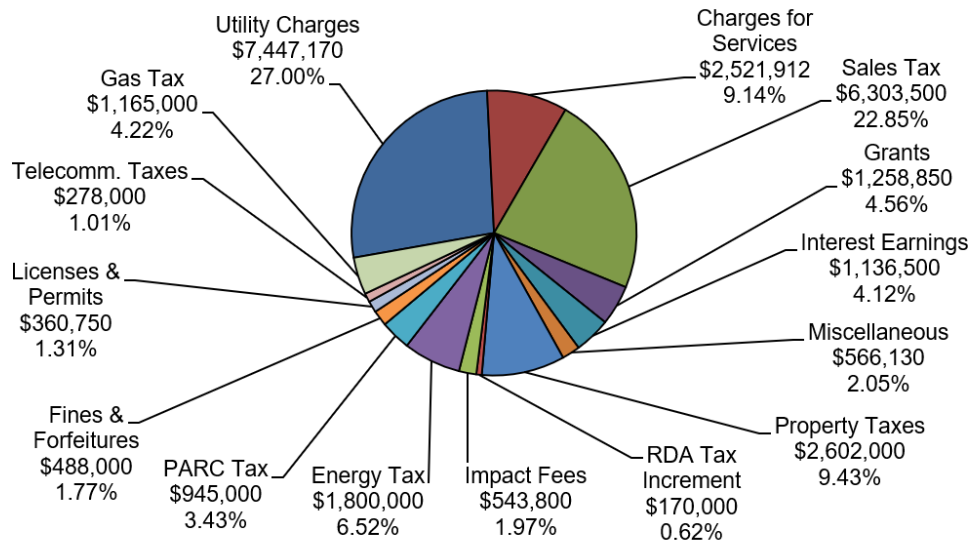
FY2024 Budget – Revenues vs. Expenditures

Each year Lindon City reviews and adopts a new budget through a series of committee meetings, recommendations from city department managers, and input from the public at City Council meetings. Below are charts showing projected city revenues and expenditures for the current fiscal year (FY2024). The largest portions of revenue come from Utility Charges, Sales Taxes, Property Taxes, Charges for Services, Miscellaneous Income (grants, leases, etc.), and other taxes and fees.

Where the Money Comes From

Total City Revenues = \$27,586,612

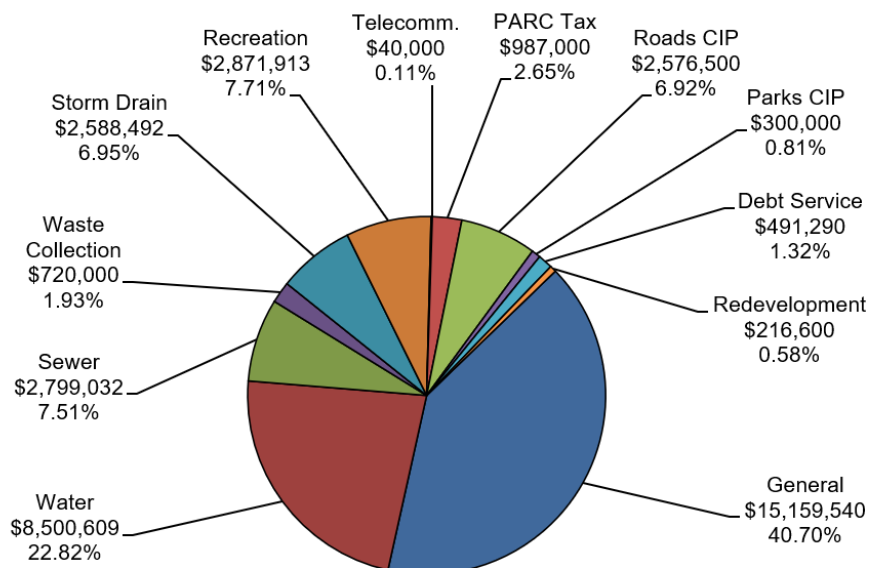
Net of fund balances and transfers



Citywide Expenditures by Fund

Total Expenditures = \$37,250,976

Total Includes Fund Balances and Transfers

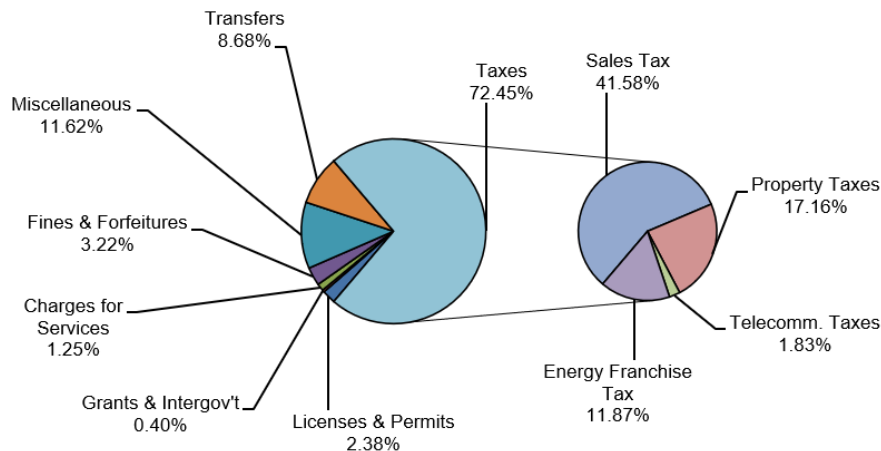


General Fund

The General Fund is the primary operating fund for most government activities and is the fund that elected officials have the most discretion in how revenues are spent. The General Fund supports services such as police, fire & EMS, streets, parks, city planning, building inspection, administration & finance, facility & grounds maintenance, etc. The General Fund does not include the utilities, RDA, recreation, or PARC tax funds. The charts below show the breakdown of revenue sources and expenditures by department for the FY2024 General Fund.

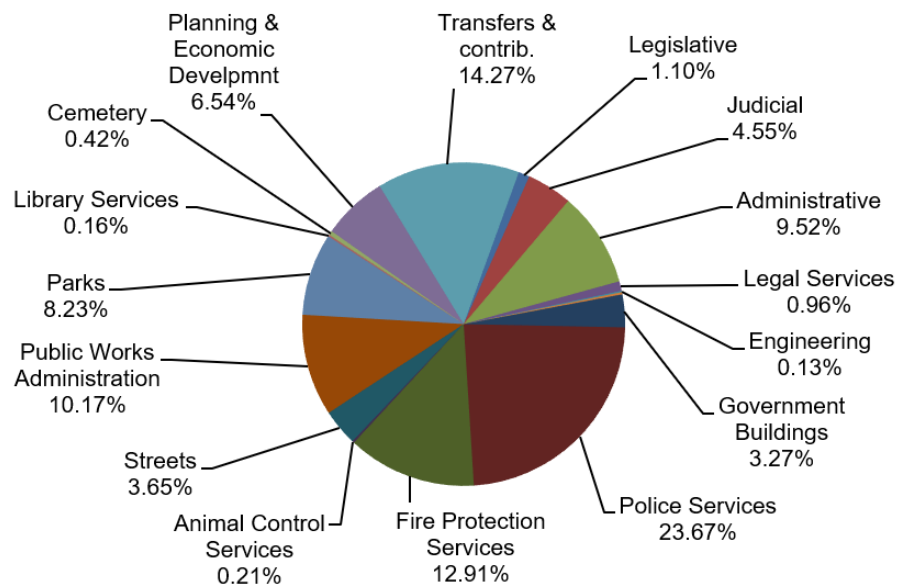
GENERAL FUND REVENUES

Total = \$15,159,540



GENERAL FUND EXPENDITURES BY DEPARTMENT

Total Expenditures = \$15,159,540



What are the primary taxes that the city collects?

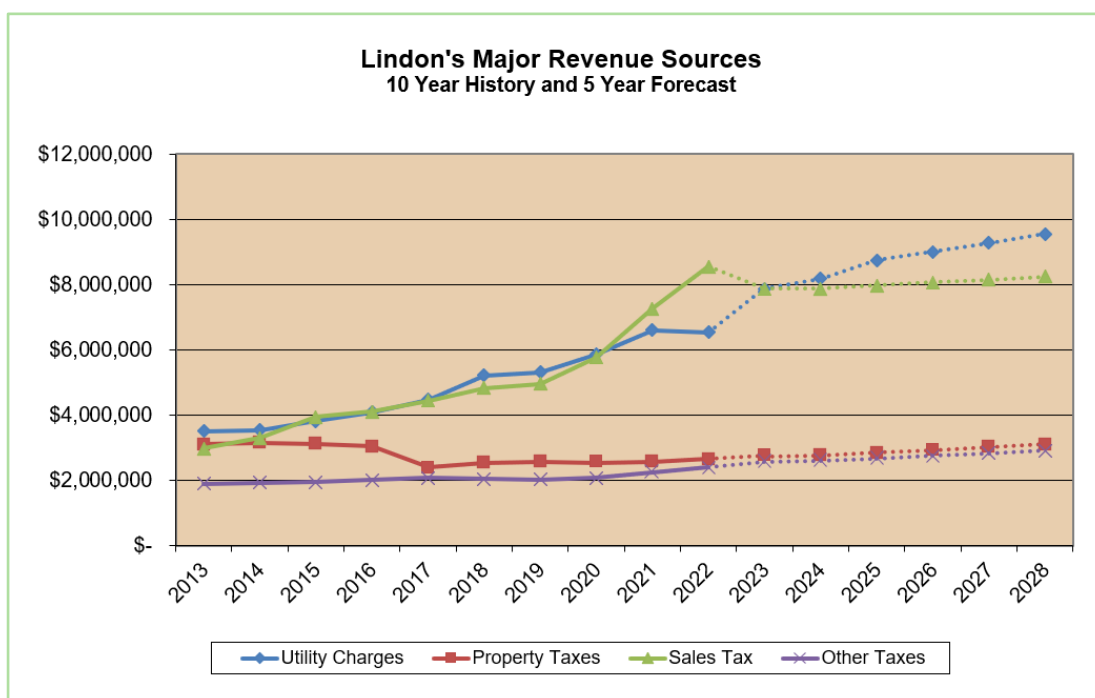
Sales Tax: Of all the taxes, Lindon City receives the most revenue from sales tax and forecasts receiving about **\$6.3 million** in sales taxes this fiscal year. The combined sales tax rate in Lindon is 7.25%. The rate is a combination of various sales tax assessments with the majority of the tax going to the State of Utah (4.85%) and the remaining going to the City (1%), Utah Transit Authority (0.55%), Utah County/Transportation Infrastructure (0.75%), and Lindon's PARC tax (0.1%). The State of Utah collects all the sales tax. It requires cities to share half of their generated sales tax which is then pooled and re-distributed back to every city based on population. Since Lindon has a smaller population the city retains a little more than half of the sales taxes it generates. Therefore, the city's *functioning* sales tax rate is about 0.65%.

Property Tax: Property taxes are assessed at rates set by the taxing entity (School District, City, County, Special Service Districts) and collected by Utah County. The county sends assessors to all properties to be appraised then a tax bill is created based on those appraisals. Homes used as a primary residence are taxed at 55% of the assessed value, while secondary homes and non-residential properties (commercial, industrial) are taxed at 100% of the assessed value. Lindon's largest property tax payers are commercial, office, and industrial properties. Lindon anticipates receiving about **\$2.6 million** in property tax revenues this fiscal year.

Franchise Tax: The city charges utility franchise taxes (fees) on energy, cable, and telecommunication activities within the city. Most private utility service companies use Lindon's streets and right-of-ways to install their infrastructure and do business. Cities commonly assess fees for the use of these public corridors. Lindon's franchise tax rates match that of most other Utah cities. Lindon anticipates receiving about **\$2.07 million** in franchise taxes this fiscal year.

Revenue Projections

The chart below shows a ten year history and five year forecast for Lindon's major revenue sources consisting of utility charges, sales tax, property tax, and other taxes. While Lindon



anticipates generally increasing sales tax revenue, utility revenues, and gradual increases in property tax revenues (as new homes and businesses develop), FY2024 will be impacted by the recent economic slow-down. Sales tax revenues are anticipated to be less than in prior years. However, the city maintains an optimistic outlook on tax revenues as new businesses continue to develop along our 700 North commercial corridor and industrial zones.

(NOTE: On the chart above, the drop in property taxes received during FY2016 - FY2018 (red line) is due to special tax disbursements expiring in Lindon's Redevelopment Areas (RDA). Lindon's expired RDA's no longer receive a higher proportion of the property taxes for those RDA project areas, thus the decrease in total property tax revenues.)

Future Challenges

The outlook for Lindon's future is very positive. However, Lindon is not without its share of current and future challenges.

Attracting and Retaining Employees: Both government and private industries have experienced recent labor shortages. Government jobs have historically been characterized by lower wages but with better benefits, thereby remaining attractive to potential employees. However, the line



between public and private sector benefit packages has blurred as budget constraints have gradually reduced many government sector benefit offerings. Cities are also facing an aging workforce with younger populations not appearing to place as high of priority on long-term benefits such as the pension plans offered through Utah Retirement Systems.

Demand for higher wages combined with increasing local costs for housing, fuel, goods & services are reflected in the lower number of applicants applying for many city jobs. While pressure for wage increases is continuing, there has traditionally been a very limited appetite from the public to support increased taxes or fees for services to cover such costs. Employment sectors that are most challenging are police, building & public works trades, engineering, seasonal laborers, and administrative services. Keeping wages & benefits competitive to attract and retain high quality workers continues to be one of Lindon's biggest challenges.

Aging Roads & Utility Infrastructure: Much of the city's roads and water, secondary water, sewer, and storm water utilities were installed decades ago. As these roads and utilities age they will eventually fail and need to be repaired or replaced. The city's utility rates were historically set at adequate levels to provide and maintain the services but for decades the rates were not sufficient to replace large amounts of aging infrastructure. Over the last several years the city

has initiated small increases to utility rates for replacement of infrastructure and to keep up with inflationary cost increases.

Paying down debt to free up General Fund monies for road maintenance also continues to be a priority. *Lindon City is investing more annual dollars into road & utility maintenance than ever before.* The FY2024 budget has \$2.4M allocated for road maintenance; \$5.75M for needed water projects; \$925k for sewer projects; and \$1.6M for Storm Water projects.



Managing Growth & Water Resources: New development and growth brings jobs, housing, and shopping opportunities – and with that growth comes increased traffic and demand for city services. Lindon's 700 North corridor (North County Blvd) and the I-15 Lindon/PG interchange are ripe for development. The city has made efforts to plan appropriate types of land uses along the corridor and is carefully planning growth through adoption of an Area Master Plan for 700 North. A special tax revenue area (700 N. CDA) has been created along the corridor to help foster economic development and/or utility improvements. The City and UDOT are also planning for future interchange improvements, road widening, new traffic signals and Bus Rapid Transit (BRT) improvements in the area.



Lindon's Building Inspectors and Public Works Divisions work diligently to keep up with demands from new building construction. Since the Great Recession the city has annually seen tens-of-millions in value added to the community through new buildings and developments. Maintaining a high level of service in community development

services and Public Works is a priority for the city. Over the last several years the city has created new Public Works, Building Inspector, and Code Enforcement positions to assist with increasing demands on our utility systems and building development, in addition to increased police positions necessary to accommodate a growing emergency call volume. We thank our many employees who are keeping up with an increasingly demanding workload.

As a secondary water provider, Lindon City is required by the State of Utah to install secondary water meters on all pressure irrigation connections. It is estimated that metering will reduce secondary water use by up to 20%. The city obtained over 3 million dollars from local, state, and federal sources to enable installation of over 2,400 secondary water meters at no cost to residents. Installation of the meters was completed in the spring of 2023. The city hopes to evaluate the secondary water use data for 2 to 3 watering seasons before establishing a secondary water rate billing structure. Conserving water resources is a top priority for the city.



Get Involved!

Citizens can get involved in the budget process by attending annual public budget hearings and budget discussions with the City Council. The city makes the proposed budget for the upcoming fiscal year available to citizens in late April or early May. From May to June the City Council holds meetings on the budget where citizens can come express their views and ask questions about the budget. Questions and comments at other times are always welcome.

Finalized budget, tax information, fee schedules, and associated documents are available for download through the city website at www.lindoncity.org.