



PROVO MUNICIPAL COUNCIL

Special Budget Work Meeting

5:30 PM, Tuesday, June 11, 2024

Provo Peak Room (1st Floor)

Hybrid meeting: 445 W. Center Street, Provo, UT 84601 or

<https://www.youtube.com/provocitycouncil>

The in-person meeting will be held in the **Council Chambers**. **The meeting will be available to the public for live broadcast and on-demand viewing on YouTube and Facebook at: [youtube.com/provocitycouncil](https://www.youtube.com/provocitycouncil) and [facebook.com/provocouncil](https://www.facebook.com/provocouncil).** If one platform is unavailable, please try the other. If you do not have access to the Internet, you can join via telephone following the instructions below.

To listen to the meeting by phone: June 11 Work Meeting: Dial 346-248-7799. Enter Meeting ID 829 0816 3220 and press #. When asked for a participant ID, press #.

Agenda

Roll Call

Business

1. A presentation regarding FY25 tentative budget amendments (24-007)
2. A discussion regarding the FY25 budget and property tax (24-007)

Closed Meeting

The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with 52-4-204 and 52-4-205 et. seq., Utah Code.

Adjournment

If you have a comment regarding items on the agenda, please contact Councilors at council@provo.org or using their contact information listed at: provo.org/government/city-council/meet-the-council

Materials and Agenda: agendas.provo.org

Council meetings are broadcast live and available later on demand at [youtube.com/ProvoCityCouncil](https://www.youtube.com/ProvoCityCouncil)

To send comments to the Council or weigh in on current issues, visit OpenCityHall.provo.org.

The next Work Meeting will be held on Tuesday, June 18, 2024. The meeting will be held in the Council Chambers, 445 W. Center Street, Provo, UT 84601 with an online broadcast. Work Meetings generally begin between 12 and 4 PM. Council Meetings begin at 5:30 PM. The start time for additional meetings may vary. All meeting start times are noticed at least 24 hours prior to the meeting.

Notice of Compliance with the Americans with Disabilities Act (ADA)

In compliance with the ADA, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting are invited to notify the Provo Council Office at 445 W. Center, Provo, Utah 84601, phone: (801) 852-6120 or email rcaron@provo.org at least three working days prior to the meeting. Council meetings are broadcast live and available for on demand viewing at youtube.com/ProvoCityCouncil.

Notice of Telephonic Communications

One or more Council members may participate by telephone or Internet communication in this meeting. Telephone or Internet communications will be amplified as needed so all Council members and others attending the meeting will be able to hear the person(s) participating electronically as well as those participating in person. The meeting will be conducted using the same procedures applicable to regular Municipal Council meetings.

Notice of Compliance with Public Noticing Regulations

This meeting was noticed in compliance with Utah Code 52-4-207(4), which supersedes some requirements listed in Utah Code 52-4-202 and Provo City Code 14.02.010. Agendas and minutes are accessible through the Provo City website at agendas.provo.org. Council meeting agendas are available through the Utah Public Meeting Notice website at utah.gov/pmn, which also offers email subscriptions to notices.

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: JUHARRISON
Department: Council
Requested Meeting Date:

SUBJECT: A presentation regarding FY25 tentative budget amendments (24-007)

RECOMMENDATION: Presentation and discussion.

BACKGROUND: The city's finance team has prepared a presentation regarding changes to the FY25 Tentative Budget. This presentation will go over the associated reconciliations regarding those changes.

FISCAL IMPACT:

PRESENTER'S NAME: Kelsey Zarbock, Budget Officer

REQUESTED DURATION OF PRESENTATION: 15 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 24-007

FY25 Budget Changes from 5-14-2024 Tentative Version

Corrections
New Info

Change	Revenue/ Transfers In	Expense/ Transfers Out	Net Impact
GENERAL FUND			
General Services:			
Increased Property Tax Revenue based on certified tax rate	138,193		138,193
Decreased Miscellaneous Revenue	(41,506)		(41,506)
Decreased Parks & Rec Capital Fund based on Rec Center projections		(230,793)	230,793
Police			
Decreased Language Program Supplemental (Police Payroll)		(48,349)	48,349
Increased Police Contract Services to pay for RTCC		48,349	(48,349)
Parks & Rec			
Decreased Rec Center Revenue based on Rec Center projections	(327,480)		(327,480)
General Fund Totals	(230,793)	(230,793)	-
Library:			
Increased Property Tax revenue based on certified tax rate	83,571		83,571
Library Total	83,571	-	83,571
Rental Rehab			
Added Budget for Required Housing Market and Housing Needs Studies		50,000	(50,000)
Added Transfer to CDBG Fund		90,000	(90,000)
Rental Rehab Total	-	140,000	(140,000)
CDBG			
Decreased Revenue based on actual federal award	(124,010)		(124,010)
Added Transfer from Rental Rehab Fund	90,000		90,000
Decreased Capital Expense (Project) Budget		(99,208)	99,208
CDBG Total	(34,010)	(99,208)	65,198
HOME Consortium			
Decreased Revenue based on actual federal award	(296,104)		(296,104)
Decreased Capital Expense(Project) Budget		(364,248)	364,248
HOME Consortium Total	(296,104)	(364,248)	68,144
Golf			
Decreased Revenue based on projections	(146,760)		(146,760)
Golf Total	(146,760)	-	(146,760)
Ice Sheet			
Decreased Revenue based on projections	(62,555)		(62,555)
Ice Sheet Total	(62,555)	-	(62,555)

FY25 Fee Schedule Changes from 5-14-2024 Tentative Version to 06-11-2024

Police

Added missing special event coverage fee for \$100

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: MISANDERS
Department: Council
Requested Meeting Date: 06-06-2023

SUBJECT: A discussion regarding the FY25 budget and property tax (24-007)

RECOMMENDATION: Presentation and discussion

BACKGROUND: If the Council wishes to enact the Truth in Taxation process, it must adopt a proposed tax rate on or before June 22, 2024. The purpose of this presentation is to inform the Council on a variety of options if a property tax increase is desired. Council Staff will present a variety of scenarios and forecasts. The last property tax increase occurred in 2023 (for FY2024) and consisted of an inflationary increase in the General Operations portion of the property tax levy and a \$100,000 revenue increase in the Library portion.

FISCAL IMPACT:

PRESENTER'S NAME: Justin Harrison, Council Executive Director

REQUESTED DURATION OF PRESENTATION: 60 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

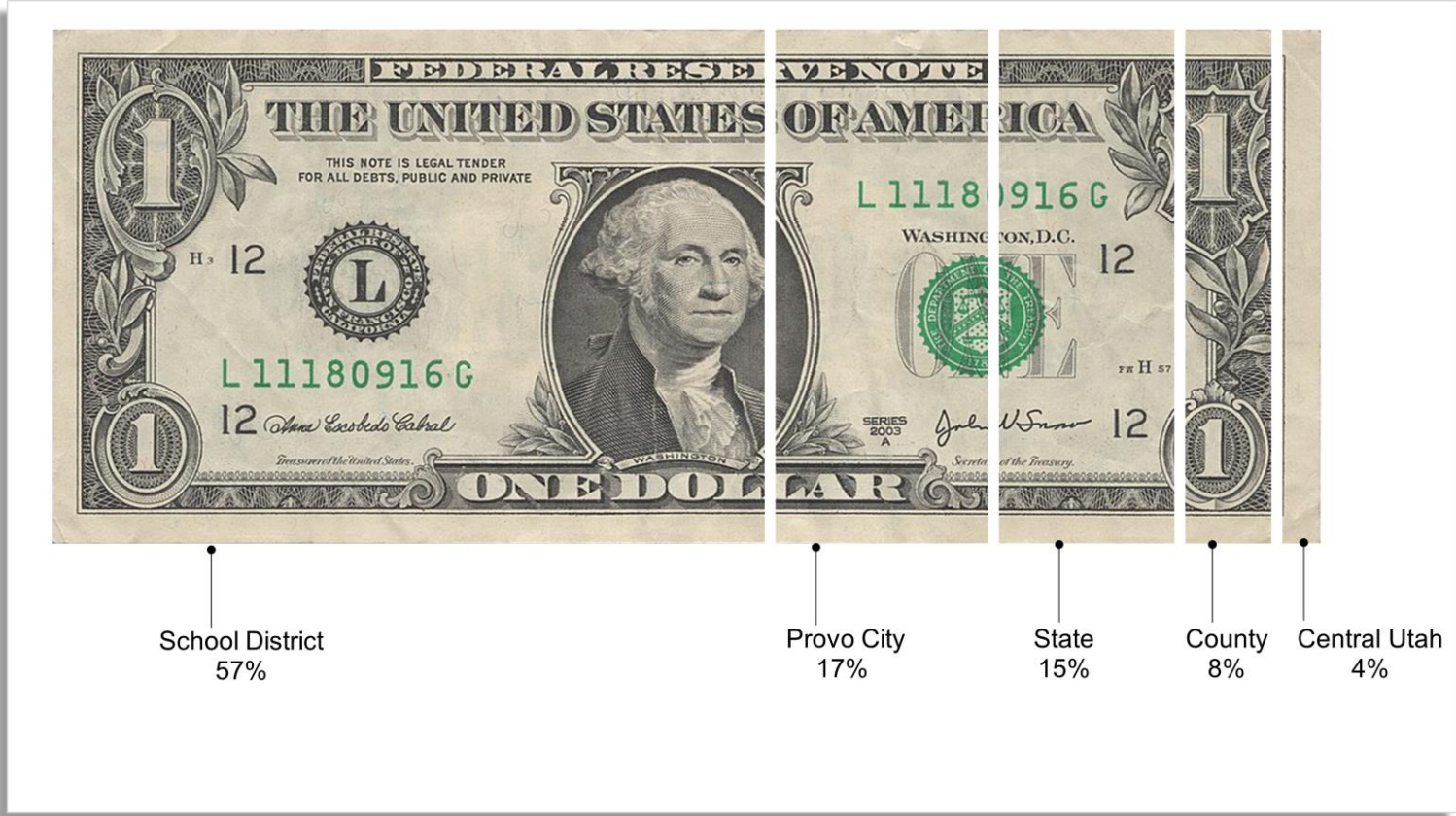
CITYVIEW OR ISSUE FILE NUMBER: 24-007

FY2025 Budget & Property Tax

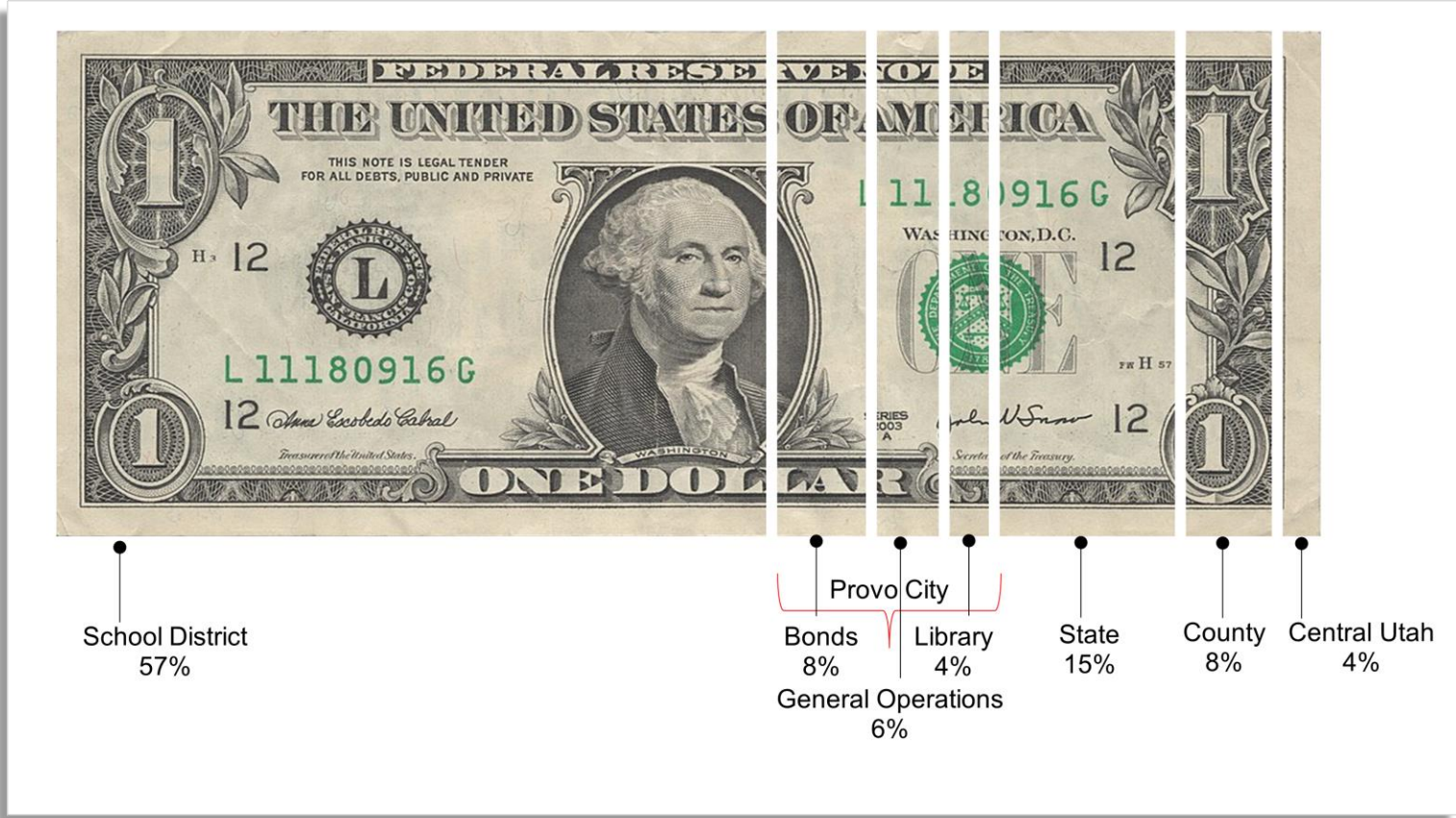
June 11, 2024



Property Tax Bill Breakdown by Taxing Entity



Property Tax Bill Breakdown by Taxing Entity



The certified tax rate will provide the same ad valorem property revenues for a taxing entity as were budgeted by that taxing entity for the prior year.

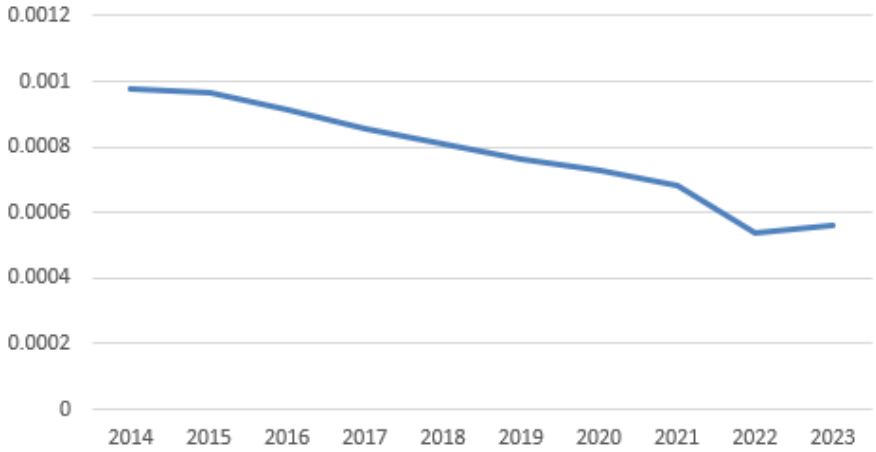


As valuations go up

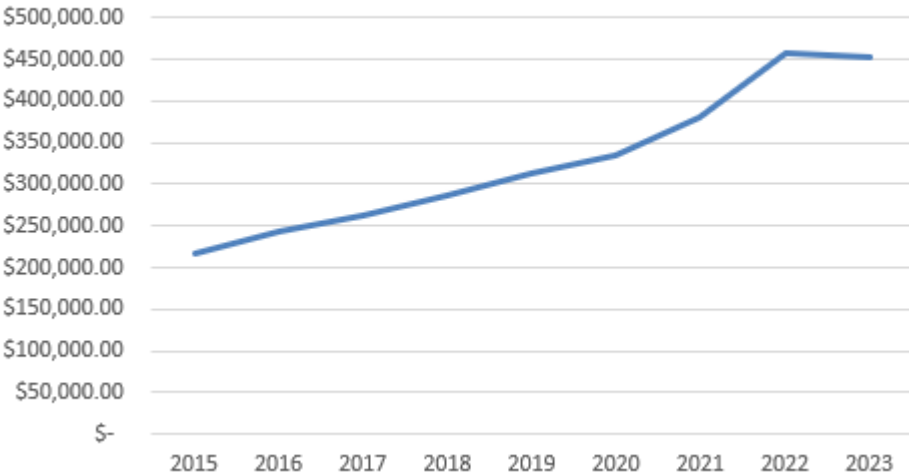
Rates go down



General Operations Rate



Average Residential Property Valuation



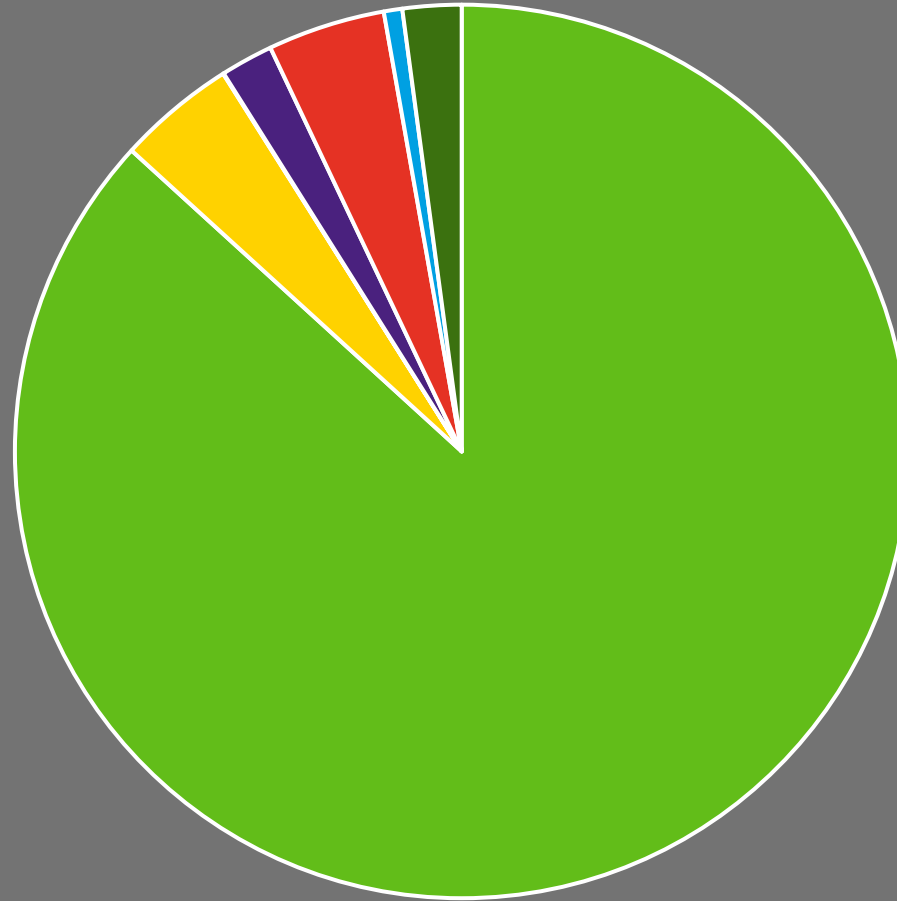
Provo City Property Taxes

- General Operations
- Interest and Sinking Fund/Bond
- Library

Budget Code	Budget Name	2022 Year End Budgeted Revenue	2022 Year End Adjusted Budgeted Revenue	Calc. Certified Tax Rate	2022 Year End Final Tax Rate	% Change	Certified Tax Rate Revenue W/O New Growth	New Growth Revenue	Certified Tax Rate Revenue W/ New Growth	Auditor's Certified Tax Rate	Auditor's Certified Rate Revenue	Proposed Tax Rate	Budgeted Revenue	Final Tax Rate	Final Budgeted Revenue
10	General Operations	\$ 5,237,938	\$ 5,237,938	0.000560	0.000539	3.90%	\$ 5,234,483	\$ 83,537	\$ 5,318,021	0.000560	\$ 5,318,021	0.000587	\$ 5,572,337	0.000576	\$ 5,469,964
20	Interest and Sinking Fund/Bond	\$ 7,688,856	\$ 7,688,856		0.000791					0.000809	\$ 7,686,456	0.000809	\$ 7,686,456	0.000809	\$ 7,686,456
30	Library	\$ 3,691,453	\$ 3,691,453	0.000395	0.000380	3.95%	\$ 3,692,180	\$ 58,924	\$ 3,751,104	0.000395	\$ 3,751,104	0.000406	\$ 3,851,104	0.000406	\$ 3,851,104
190	Discharge of Judgement														
Grand Total		\$ 16,618,247	\$ 16,618,247	0.000955	0.001710		\$ 8,926,663	\$ 142,461	\$ 9,069,125	0.001764	\$ 16,755,581	0.001802	\$ 17,109,897	0.001791	\$ 17,007,524

Budget Code	Budget Name	2023 Year End Budgeted Revenue	2023 Year End Adjusted Budgeted Revenue	Calc. Certified Tax Rate	2023 Year End Final Tax Rate	% Change	Certified Tax Rate Revenue W/O New Growth	New Growth Revenue	Certified Tax Rate Revenue W/ New Growth	Auditor's Certified Tax Rate	Auditor's Certified Rate Revenue	Proposed Tax Rate	Budgeted Revenue	Final Tax Rate	Final Budgeted Revenue
10	General Operations	\$ 5,469,964	\$ 5,487,213	0.000563	0.000576	-2.26%	\$ 5,491,212	\$ 116,944	\$ 5,608,157	0.000563	\$ 5,608,157				
20	Interest and Sinking Fund/Bond	\$ 7,686,456	\$ 7,686,456		0.000809										
30	Library	\$ 3,851,104	\$ 3,851,104	0.000395	0.000406	-2.71%	\$ 3,852,627	\$ 82,048	\$ 3,934,675	0.000395	\$ 3,934,675				
190	Discharge of Judgement														
Grand Total		\$ 17,007,524	\$ 17,024,773	0.000958	0.001791		\$ 9,343,839	\$ 198,992	\$ 9,542,832	0.000958	\$ 9,542,832				

FY25 Library Revenue



Property Taxes - 87%

Fees - 2%

Interest Income - 2%

Vehicle Taxes - 4%

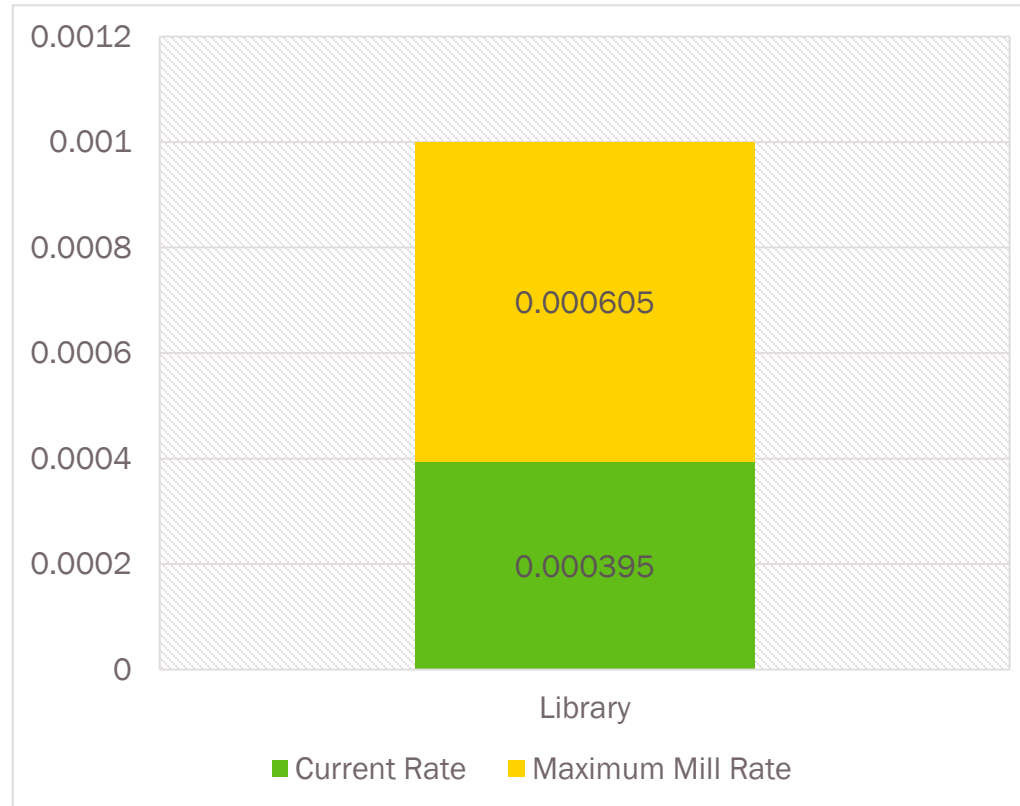
Rentals - 4%

Parking Permits - 0.02%

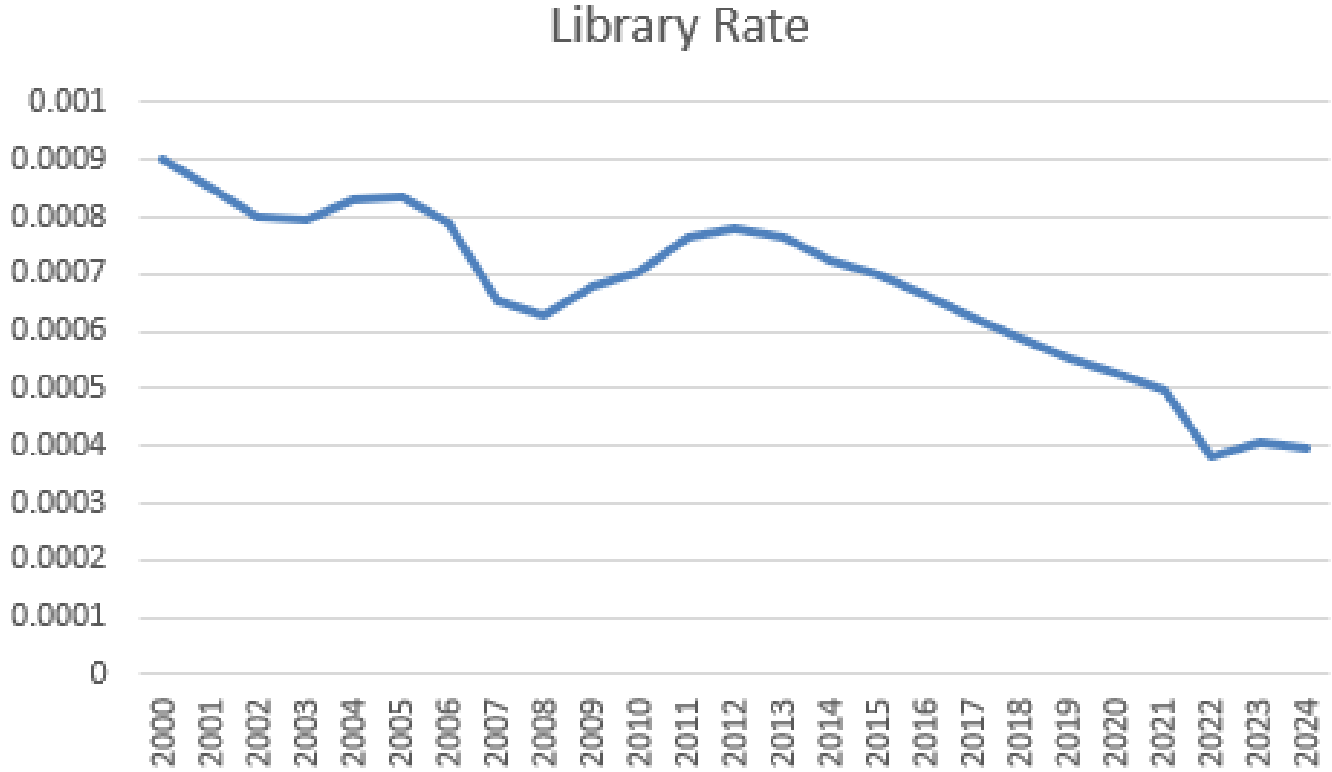
Used Book Sales & Merchandise - 1%

Property Tax Rate (Library)

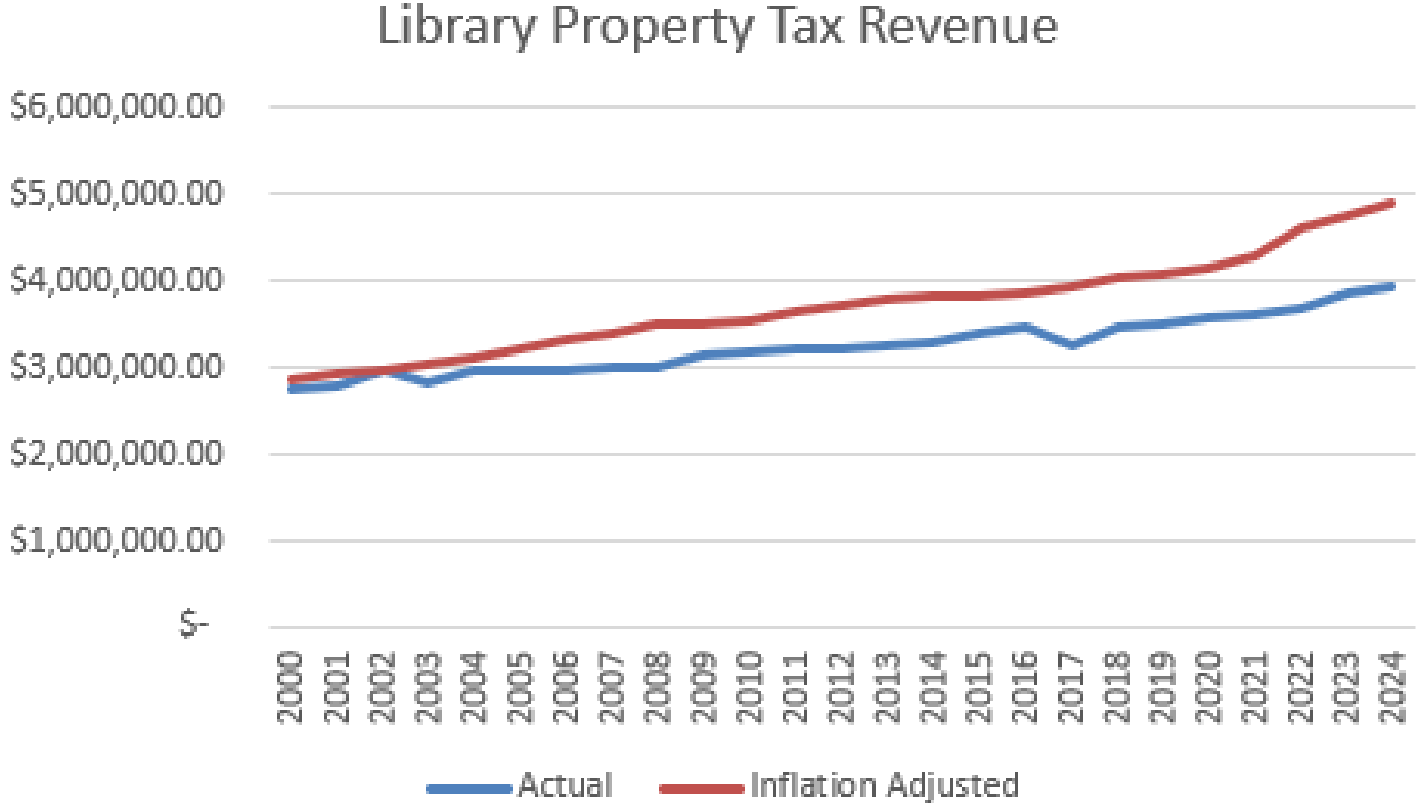
- Auditor's Certified Tax Rate (library): 0.000395
 - Current property tax revenue (library): \$3,934,675
 - 39.5% of State capped mill rate
 - Maximum allowable revenue (set by cap rate of .001): \$9,961,202



Library Rate 2000-2004



Library Revenue 2000-2024



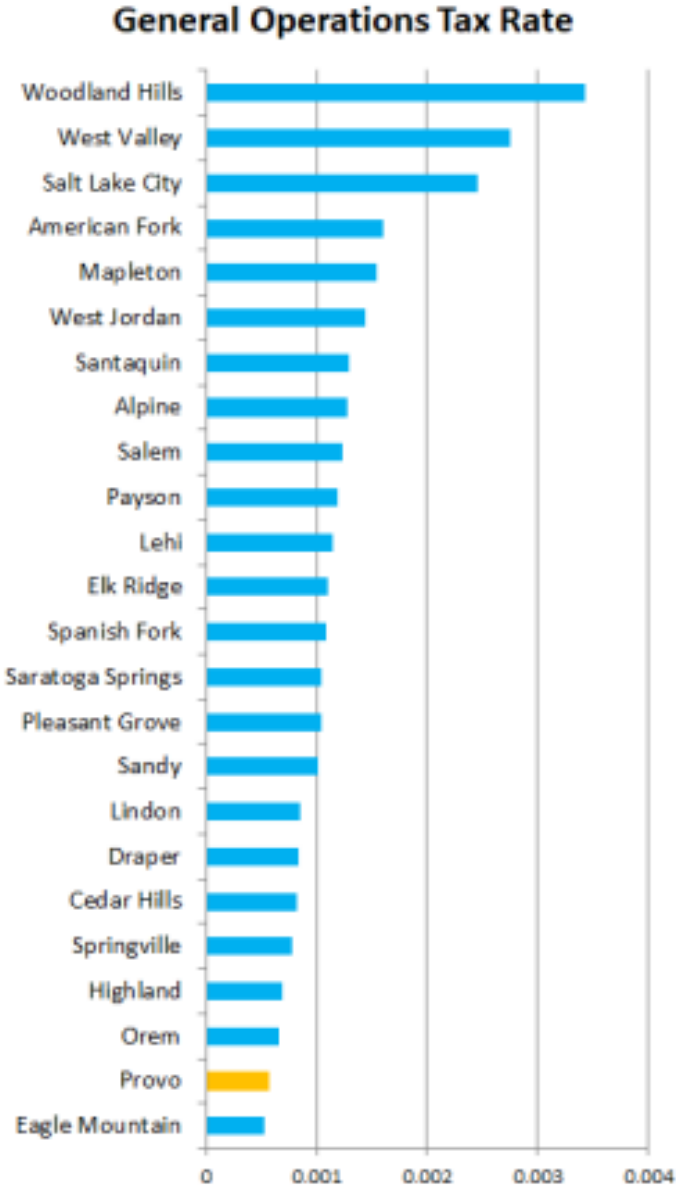
Library – FY25

- Auditor's Certified Tax Rate (library): 0.000395
- Estimated rate w/ \$500,000 increase(library): 0.000445
- Estimated increase to average Provo home (\$450,000): \$12.40/year

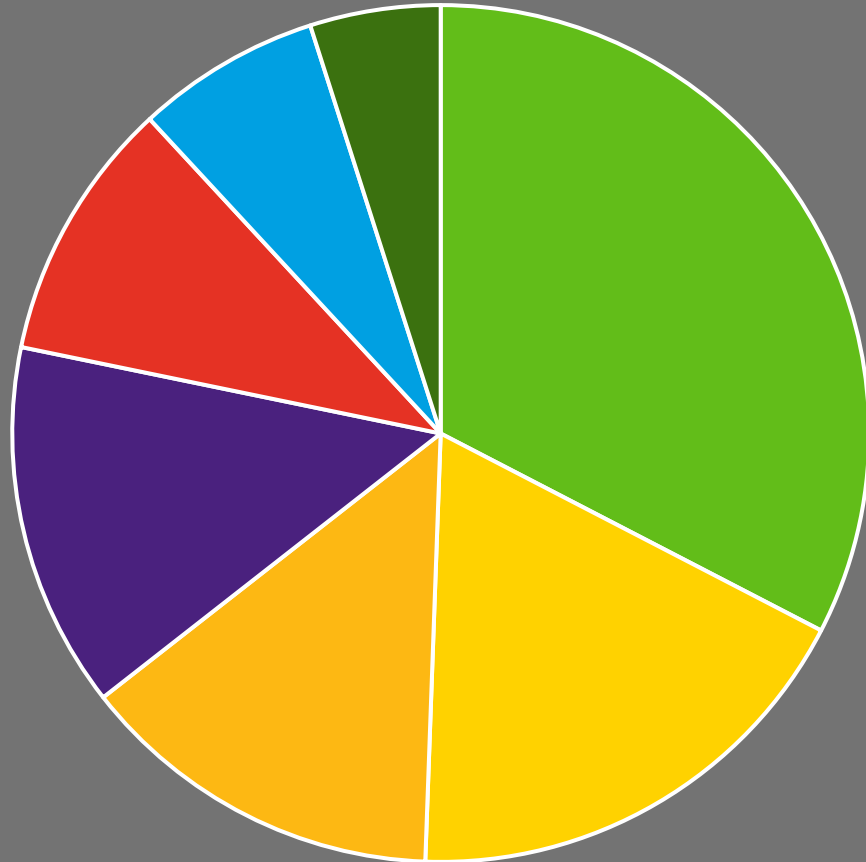


Property Tax Rates

Provo City general operations tax rate compared to other cities in Utah

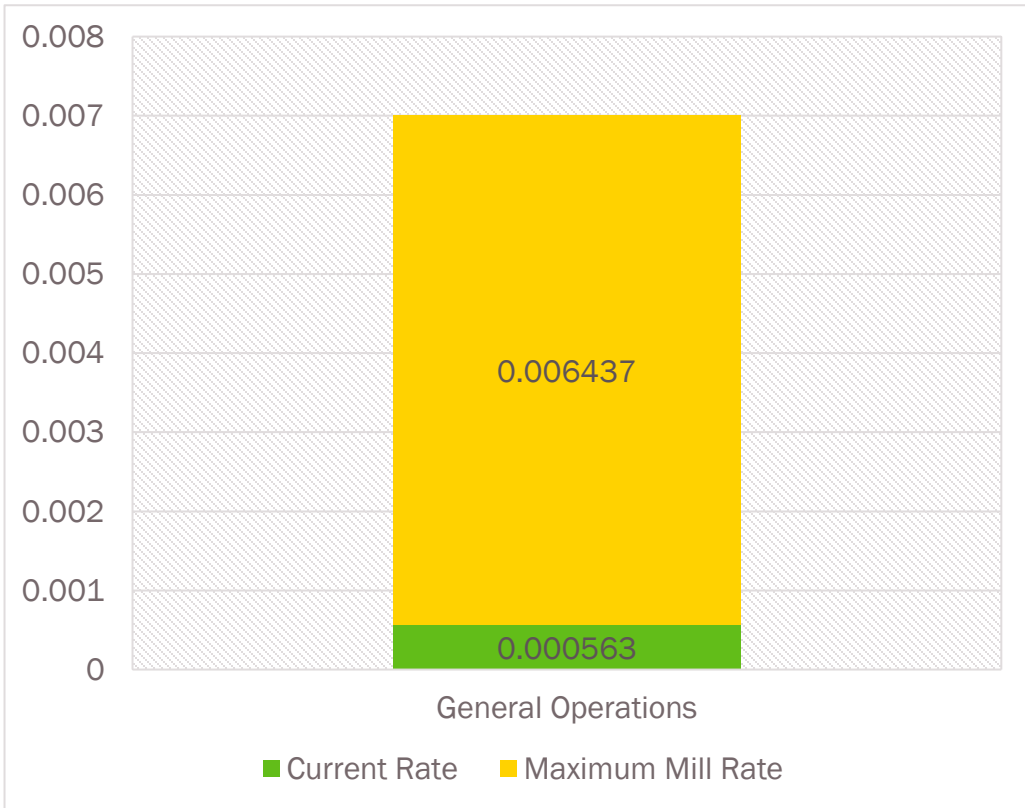


FY25 General Fund Revenue



- Sales Tax - 33%
- Transfers In - 18%
- Fees - 14%
- Franchise Fees - 14%
- Other Revenue - 10%
- Property Tax - 7%
- Road Tax - 5%

Property Tax Rate (General Operations)

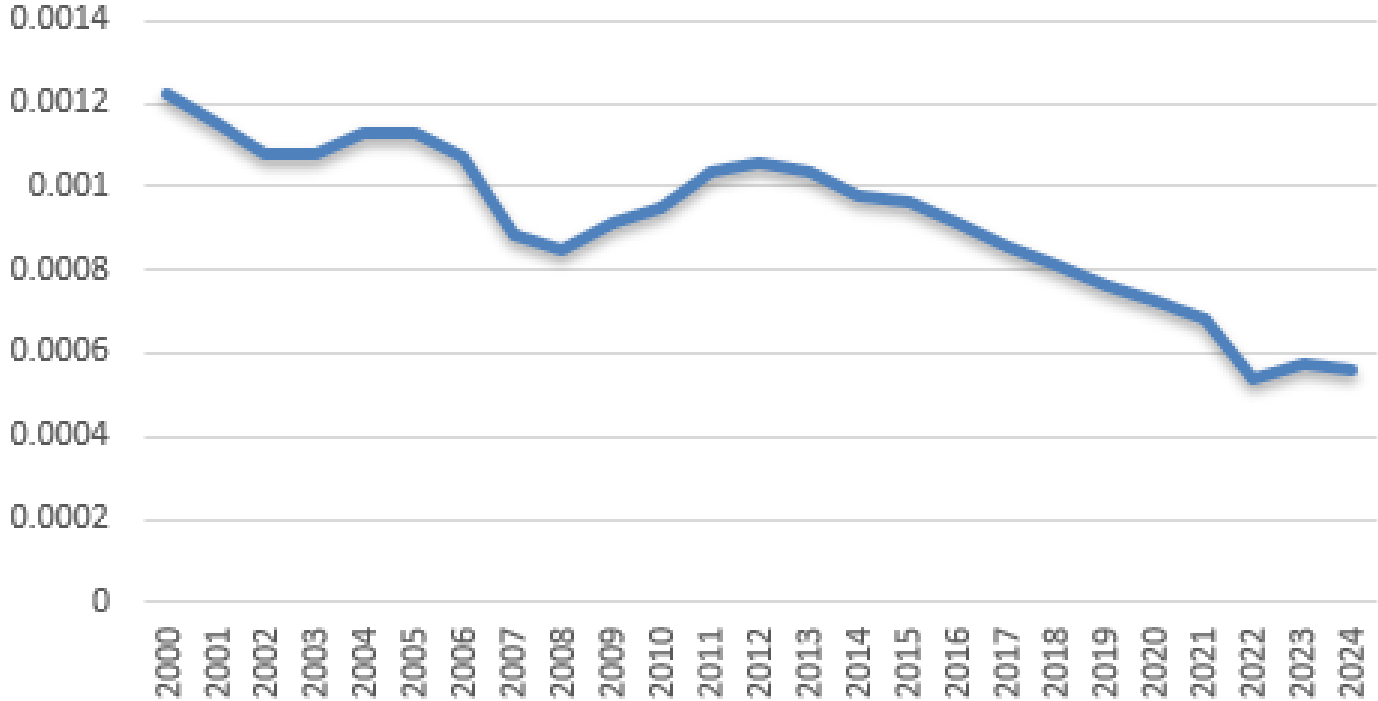


- Auditor’s Certified Tax Rate (general operations): 0.000563
 - Current property tax revenue (general operations): \$5,608,157
 - 8% of the State capped mill rate
 - Maximum allowable revenue (set by cap rate of .007): \$69,728,413

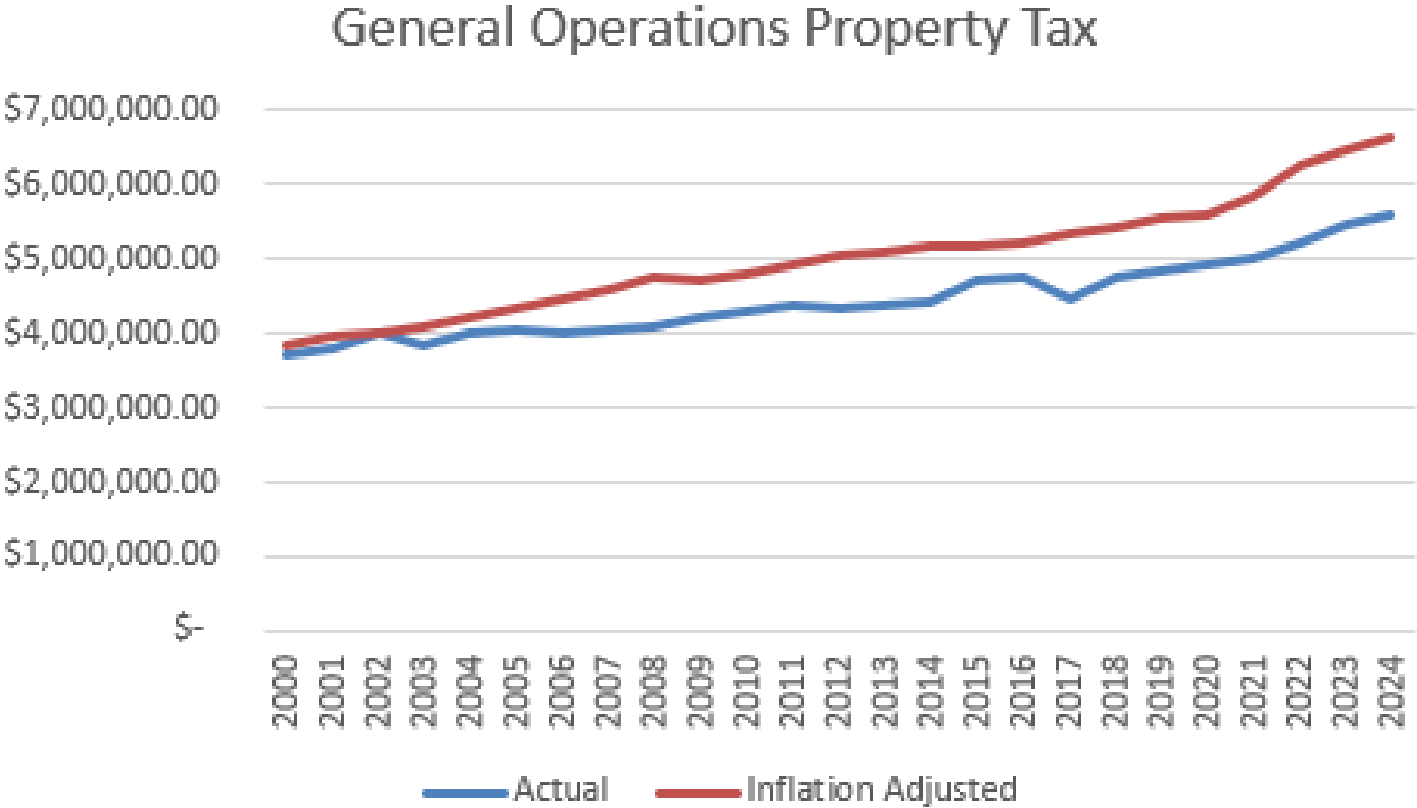


General Operations Rate 2000-2024

General Operations Rate



General Operations Revenue 2000-2024



General Operations – FY25

- Auditor’s Certified Tax Rate (general operations): 0.000563
- Estimated rate w/ 3% (\$169,340) increase (general operations): 0.000580
- Estimated increase to average Provo home (\$450,000): \$4.20/year



Truth In Taxation



- Before June 8, 2024 - County Auditor to provide certified tax rates, forms, instructions and valuation information to each taxing entity.
- Before June 22, 2024 – Adopt tentative budgets and proposed tax rates and report them to the County Auditor.
- On or before June 22, 2024 – Enter proposed tax rates in the Certified Tax Rate system so they may be finalized by the Utah State Tax Commission or begin the Truth in Taxation process for fiscal year entities.
- July 2024 - Publishing of notices
- After August 1, 2024, or at least 10 days after mailing of Valuation Notice – Hold public hearing(s) on property tax increase before adopting final budget.



Council Areas of Interest

- Cost Recovery (Fees)
 - Merchant Fees
- Police Officer: \$134,998 (personnel, overtime, and vehicle)
- Firefighter: \$112,421
- Victim Assistant: \$96,712
- Parking Enforcement Officer: \$92,713
- Code Compliance Officer: \$92,538
- Animal Control Officer: \$91,003

(The amounts above assume that these are entry level positions. Benefits include insurance, FICA, and retirement.)



Unfunded Firefighter Positions

- Awarded SAFER Grant – 3 years of funding for 9 new firefighters
- Public safety staffing plan called for budgeting three additional firefighters in each of the next three fiscal years in order to be in a sound fiscal position to fund the 9 new positions going forward.
- Personnel and equipment costs:
 - FY25: \$443,492
 - FY26: \$456,797
 - FY27: \$470,501

(This is the average cost of a firefighter; it does not include a COLA or the mid-year market rate increase the Council approved on February 6, 2024.)



FY23-FY25 Supplementals

FY23-FY25

- Cayenta Analyst: \$153,756
- Patch/Endpoint Management: \$45,000
- Full-time Cyber Security Analyst: \$136,236

FY25 – Critical Unfunded

- Patch/Endpoint Management: \$45,000
- Full-time Cyber Security Analyst: \$136,236
- Engineering Tech I – Signal Electrical Tech: \$94,275



Direction for Staff



Library Rate/Revenue

General Operations Rate/Revenue

Budget Ordinance