springville
ART CITY

SERVICE LEVEL CHANGES/ BUDGET INCENTIVES

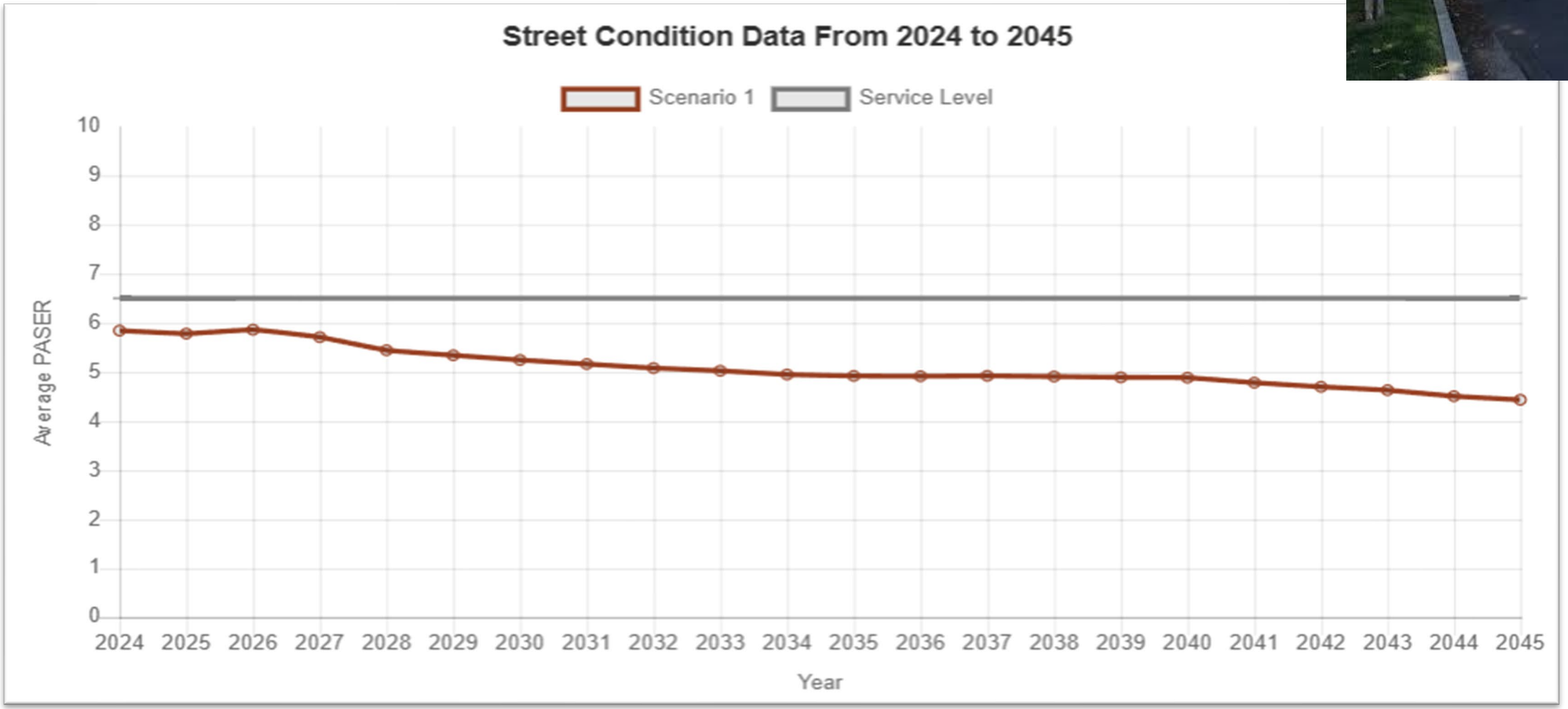
BUDGET PHILOSOPHY

Once we set a service level along with matching, allocated fees or taxes, we should be able to continue that service level indefinitely so long as we raise our taxes or fees by an inflationary amount.

CHALLENGES TO PHILOSOPHY

- Revenue fluctuations
- Service level not carefully established
- Base allocation of resources not properly established
- Resources are not carefully utilized
  - Waste
  - Service level creep

ROAD CONDITION SERVICE LEVEL



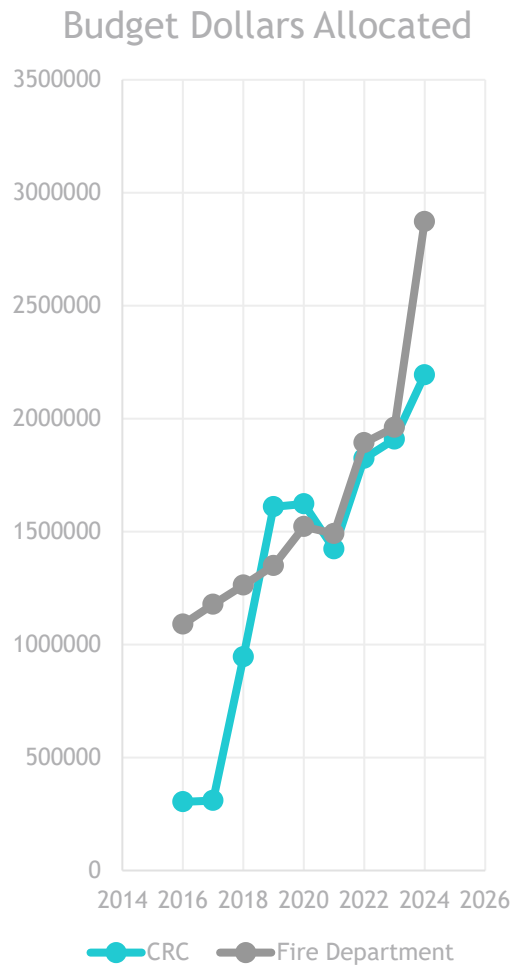
BUDGET GOES UP (MOST) EVERY YEAR

- How does the City's budget increase?

- Inflation
- Growth
- New Taxes or Fees

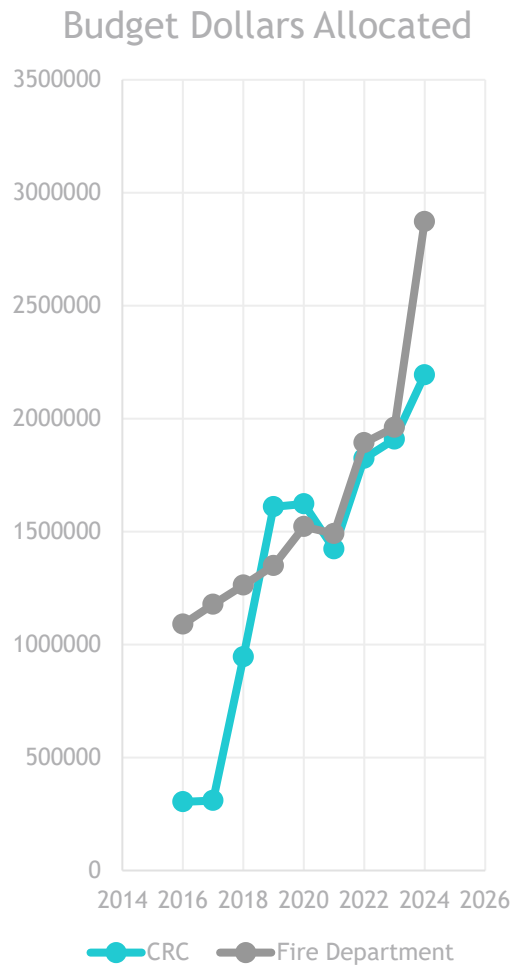
INFLATION

- What is inflation?
- What do we use inflationary dollars for?
- KEY CONCEPT: Inflation dollars maintain our service level by covering wage and expense increases



GROWTH

- What is growth?
- What do we use growth dollars for?
- KEY CONCEPT: Growth dollars let us expand personnel and expenses to keep up the service level



NEW TAXES OR FEES

- What do new taxes or fees allow us to do?

- How else can we afford a change in service level?

SERVICE LEVEL CHANGE REQUESTS

Department	Request	Primary Funding Source
Public Works	Transportation Utility Fee	Fee
Public Safety	Fire Battalion Chiefs	Grant/Taxes
Public Safety	In-School K9	Donations
Internal Services	Data Loss Prevention Tool	Taxes/Transfers
Parks & Recreation	Median Planting Maintenance	Fee

COUNCIL/MAYOR SERVICE LEVEL CHANGES

- Submit your ideas/suggestions to Troy by Friday at 5:00 pm

This policy aims to promote responsible financial planning while allowing flexibility for departments to manage challenges
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BUDGET SAVINGS POLICY BACKGROUND

- Currently, there is no incentive for outstanding budget management
- Establishing a budget system that requires careful planning and management along with incentives for good management is one of the goals established by the City Council
- Proposing a policy which aims to promote responsible financial planning while allowing flexibility for departments to manage challenges effectively.
- General Fund departments would receive a one-time allocation to their savings bank if they have a net performance of more than 2.5% above budget expectations.

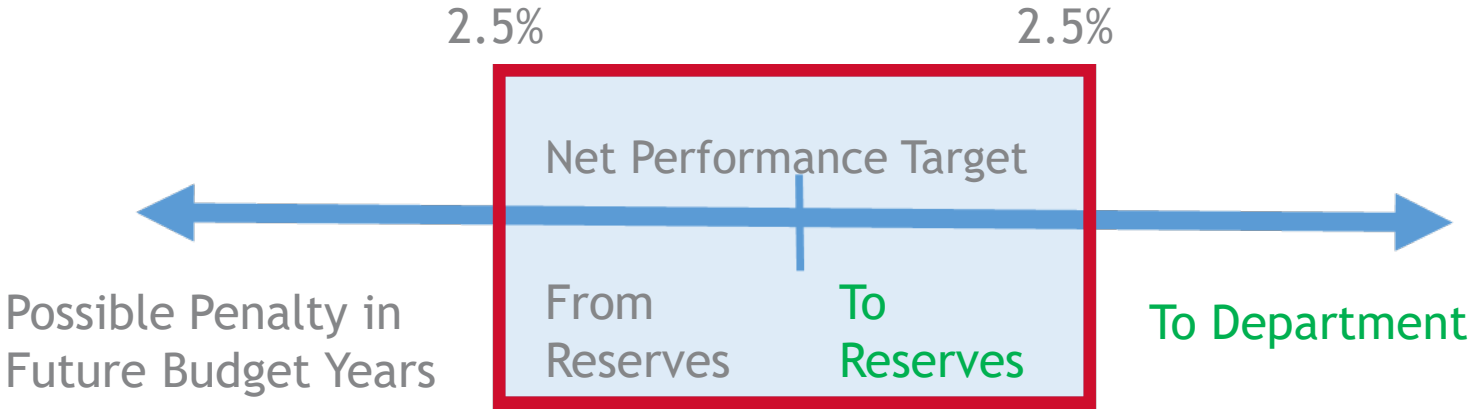
BUDGET SAVINGS POLICY

Simplified Example

Department A

- Expected Revenues $100,000
- Expected Expenses $1,000,000
- Expected Performance $1,100,000
- Performance Window +/-$27,500 ($1,100,000*0.025)

	Scenario A	Scenario B	Scenario C
Actual Revenues	$90,000	$110,000	$95,000
Actual Expenses	$1,050,000	$950,000	$990,000
Revenue Performance	-$10,000	$10,000	-$5,000
Expense Performance	-$50,000	$50,000	$10,000
NET Performance	-$60,000	$60,000	$5,000
Window Adjustment	$27,500	-$27,500	$27,500
Incentive/Penalty	-$32,500	$32,500	$0



DETAILS

- This only applies to the General Fund. Enterprise Funds and Internal Service Funds could be included in the future.
  - Why? Positive budget performance in these funds already stays in the fund.
  - Would love to incentivize operations budget performance.
- There are several qualifiers, exceptions and limitations for specific departments
- Still working on whether by department, division, or mixed
- Policy allows for penalties after this first year
- This year proposing 50% benefit and no penalties
- Does NOT include Streets
- Designed so General Fund reserves would also normally increase

FY 2024 PERFORMANCE

Division	Revenue Performance	Expense Performance	Net Performance
Legislative	0	$ 40,273	$ 40,273
Administration	$ (16,128)	$ 169,580	$ 153,451
Canyon Parks	$ 38,557	$ 1,948	$ 40,505
Community Development	$ (857,178)	$ 254,149	$ (603,030)
Cemetery	$ 63,322	$ (7,932)	$ 55,390
Court	$ 71,289	$ 25,055	$ 96,345
CRC	$ 52,887	$ 50,647	$ 103,534
Dispatch	$ 18,488	$ (27,491)	$ (9,003)
Fire	$ 180,943	$ 191,378	$ 372,322
Legal	$ 1,604	$ 61,739	$ 63,343
Library	$ 13,587	$ (5,841)	$ 7,746
Museum/POPS/Public Art	$ 48,758	$ 38,737	$ 87,495
Parks	$ 1,255	$ 8,905	$ 10,160
Police	$ 97,825	$ 31,979	$ 129,804
PW/Engineering Combined	$ (347,061)	$ 249,678	$ (97,383)
Recreation	$ 67,183	$ 7,418	$ 74,601
Seniors	$ 2,585	$ 16,396	$ 18,982
Treasury/Finance Combined	$ 7,019	$ 23,288	$ 30,307

FY2024 INCENTIVE CALCULATION

Division	Incentive/ Penalty	FY2026 Incentive
Legislative	$ 31,744	$ 15,872
Administration	$ 113,072	$ 56,536
Canyon Parks	$ 28,210	$ 14,105
Community Development	$ (74,904)	
Cemetery	$ 39,112	$ 19,556
Court	$ 20,431	$ 10,216
CRC	$ -	$ -
Dispatch	$ -	$ -
Fire	$ 272,593	$ 136,297
Legal	$ 42,987	$ 21,494
Library	$ -	$ -
Museum/POPS/Public Art	$ 23,165	$ 11,582
Parks	$ -	$ -
Police	$ -	$ -
PW/Engineering Combined	$ (26,969)	
Recreation	$ 24,412	$ 12,206
Seniors	$ 15,223	$ 7,612
Treasury/Finance Combined	$ -	$ -

FACILITIES POLICY

- The primary use of Springville City facilities shall be for the City's programs and residents' use. All other uses shall be deemed secondary. Springville City buildings and grounds are civic facilities and may be used by Springville City residents for appropriate activities, subject to the requirements and restrictions set forth herein.
- Said another way…If it is not a City program, you pay a **fee** to use the facility
- Some organizations, particularly those that have historically used City Facilities, may have contracts in place for the utilization of facilities that are separate and distinct from the policies set forth herein.
- Direction was to give credit for historic use and the charge incrementally as fees or use increased.

WHY?

10-8-(1)(v) subject to Subsection (2) and after first holding a public hearing, authorize municipal services or other nonmonetary assistance to be provided to or waive fees required to be paid by a nonprofit entity, whether or not the municipality receives consideration in return.

10-8-2(2)(b) The total amount of services or other nonmonetary assistance provided or fees waived under Subsection (1)(a)(v) in any given fiscal year may not exceed 1% of the municipality's budget for that fiscal year.

THOUGHTS

- 1% = $400,000
- Some users:
  - Church of Jesus Christ of Latter-Day Saints (Pavilions)
  - Daughters of the Utah Pioneers
  - Historical Society
  - Kiwanis Club
  - Rotary Club
  - Miss Springville/Mapleton Pageant
  - Springville/Mapleton Chamber of Commerce
  - Gun club
  - Springville/Mapleton Senior Citizens
  - American Legion
  - Folkfest

Revisit the Policy?
Seek Agreements?
Bring some under our programs?
Enforce the Policy?