

AMERICAN FORK CITY COUNCIL
MAY 7, 2019
WORK SESSION AGENDA

NOTICE OF ELECTRONIC MEETING

One or more City Council members expect to be physically absent from this meeting but intend to participate electronically.

WORK SESSION

The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.

The American Fork City Council will meet in a work session on Tuesday, May 7, 2019, in the City Administration Offices, located at 51 East Main Street, commencing at 4:00 p.m. The agenda shall be as follows:

1. Discussion of the Fiscal Year 2020 Fleet and General Fund Budgets. *(Requested by Kyle Maurer, Administration)*
2. Discussion on the proposed General Fund Balance Policy. *(Requested by Kyle Maurer, Administration)*
3. Adjournment.

Dated this 2 day of May, 2019.



Terilyn Lurker
City Recorder

- In accordance with the Americans with Disabilities Act, American Fork City will make reasonable accommodations to participate in the meeting. Requests for assistance can be made by contacting the City Recorder at 801-763-3000 at least 48 hours in advance of the meeting.
- The order of agenda items may change to accommodate the needs of the City Council, the staff, and the public.

CITY COUNCIL STUDY ITEM

City of American Fork COUNCIL WORK SESSION MAY 7, 2019

Department Finance

Department Kyle Maurer

STUDY ITEM Review of Fleet and General Fund Budgets

SUMMARY RECOMMENDATION

This discussion is for informational purposes only.

BACKGROUND

In anticipation of adopting the FY2020 tentative budget on May 14, 2019, a review of the City Administrator's proposed Fleet Fund budget will be presented. In addition, a high level overview of the General Fund proposed budget will also be presented. The General Fund budget discussion will continue May 21st.

BUDGET IMPACT

The City Administrator recommended budgets for the Fleet and General Funds are attached.

SUPPORTING DOCUMENTS

5-7-19 Fleet Fund and the General Fund (Part 1) (PPTX)
FY2020 Budget-General Fund (PDF)
Revenue Manual From Budget Book (PDF)

Fleet Fund General Fund (Part 1)

AMERICAN FORK CITY



Fleet Fund - Overview

- Operating Expenses - \$503,784
 - Maintenance - \$368,784; repair - \$135,000
 - Increase of 24% - Older fleet = more maintenance needs
- Capital expenses - \$3,018,349
 - Police - \$363,581
 - Fire - \$2,109,195
 - Streets - \$40,000
 - Sewer - \$80,000
 - Capital Lease Payments - \$425,573



Fleet Fund – Capital

- Police
 - Fleet rotation - \$252,575 (6 vehicles)
 - Proposed officers - \$101,006 (2 vehicles)
- Fire
 - Ladder truck - \$1,600,000 (capital lease) (impact fees)
 - Cedar Hills Brush Truck/Ambulance - \$509,195 (capital lease) (Cedar Hills Contract)
 - Streets Truck - \$40,000
 - Sewer Division Vehicles - \$80,000
- Existing Capital Lease Payments - \$425,573
 - Fire ambulances, fire engine, public works dump truck/vehicles, Cedar Hills vehicles, police vehicles.

Fleet Fund Balances

	Fleet Operating	Fleet Capital
FY2018 Ending Balance	\$65,350	\$200,040
Less: FY2019 Use of Fund Balance	\$0	(\$200,000)
FY2019 Available Balance	\$65,350	\$40
FY2020 Use of Fund Balance	\$0	\$0
Ending Available Balance	\$65,350	\$40

General Fund Overview

- Total Revenues - \$24,403,315 (excluding transfers in)
 - 8.2% Increase
- Total Expenditures - \$24,702,948
 - 8.8% Increase

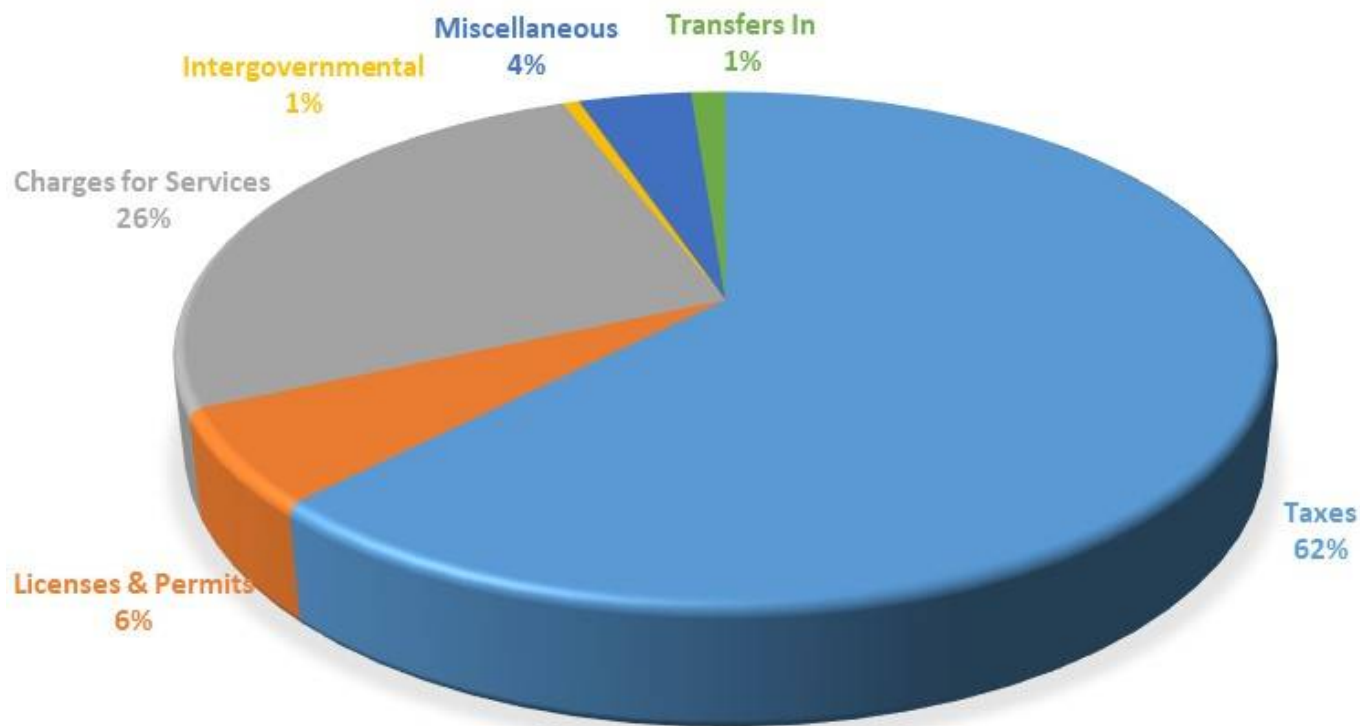


FY2018 – Moved Sanitation to Enterprise Fund
 FY2019 – Moved Property Tax and Class C to Capital Projects and Debt Service

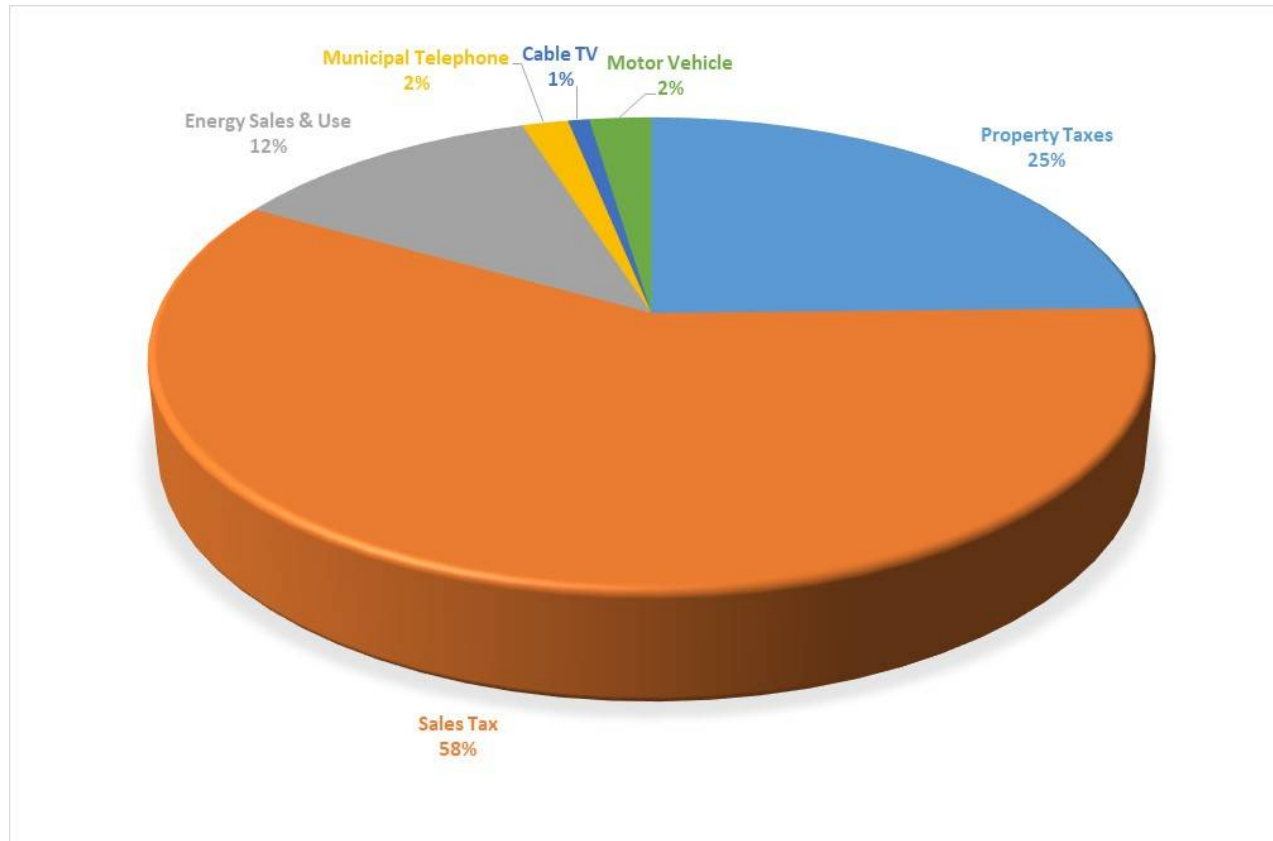
General Fund Revenues

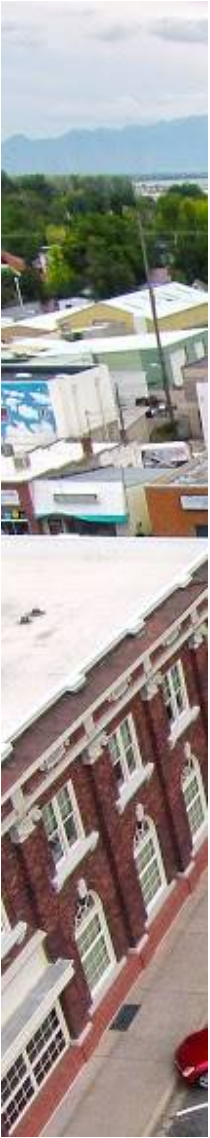
General Fund Summary				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Revenues:				
Taxes	\$14,960,779	\$14,584,700	\$ 15,387,093	5.5%
Licenses & Permits	1,185,745	1,502,900	1,483,800	-1.3%
Intergovernmental	1,245,665	213,027	140,806	-33.9%
Charges for Services	4,613,460	5,072,775	6,404,187	26.2%
Fines & Forfeitures	320,271	360,000	350,000	-2.8%
Miscellaneous	887,690	816,475	637,429	-21.9%
Sale of Capital Assets	4,500	10,000	-	-100.0%
Transfer In - Perpetual Care	1,753	3,500	9,000	157.1%
Transfer In - RDA	58,000	72,877	-	-100.0%
Transfer In - Park Impact Fee	-	-	290,633	100.0%
TOTAL REVENUES	23,277,863	22,636,254	24,702,948	9.1%

General Fund Revenues



General Fund Tax Revenues





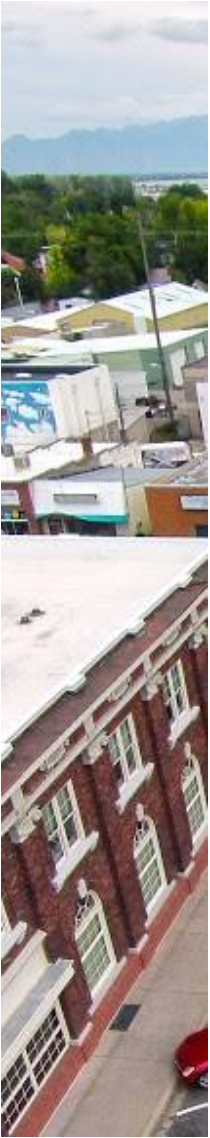
General Fund Revenues

- Taxes – 5.5% Increase (\$802,393)
 - Property Tax – 3.4% Increase
 - Sales Tax – 7.1% Increase (\$600,000)
 - Energy Sales/Use – 6.5% Increase (\$111,200)
- Licenses/Permits – 1.3% Decrease (\$19,100)
 - Building permits/business licenses flat; budget adjustment to Other Permits
- Intergovernmental – 33.9% Decrease (\$72,221)
 - Most grants are budgeted as they are awarded/received (mid-year amendments)
- Charges for Services – 26.2% Increase (\$1,331,412)
 - Cedar Hills Contract (Fire) - \$689,700
 - Cedar Hills Contract (Police) - \$119,063 Increase
 - Ambulance Transports - \$443,950 (\$124,213 Cedar Hills)
- Other Reimbursements – 21.9% Decrease (179,046)
 - Development Inspection Revenue Recognized as Billed (Budget Amendment)
- Park Impact Transfer In (One-Time) - \$290,633



General Fund Expenditure Highlights

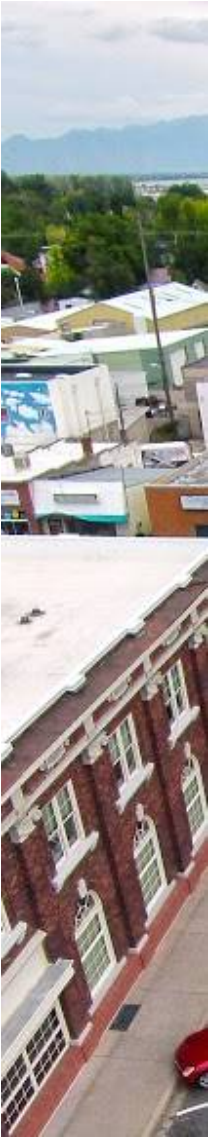
- Cedar Hills Fire Budget - \$813,913 (Contract - \$689,700; Transports - \$124,213)
 - Personnel - \$681,912; Operating - \$49,500; Lease Payments - \$82,501
- Wellness Program - \$14,400 (ongoing).
- Increase in Street Light Maintenance - \$40,000.
- Fire Litigation - \$200,000.
- Fitness Center Subsidy - \$650,203 (25.5% of operating expenditures).
- Broadband Subsidy - \$276,460 (Feasibility Study-\$84,375; Capital Equipment - \$20,000).



General Fund Expenditure Highlights

- Personnel

- Cedar Hills Contract – 6 Full-Time, 1.51 FTE Part-Time (\$681,912).
- 2 Police Officers - \$172,324 ongoing; \$101,006 one-time (vehicles).
- Part-Time Communications Specialist - \$23,375 (ongoing).
- Additional Library Programming Hours - \$2,843 (ongoing).
- Additional Library Page Hours - \$2,810 (ongoing).
- Library Part-Time Salary Range Increase - \$6,207 (ongoing).
- Library Additional Part-Time Hours - \$2,099 (one-time)
- 4% Tier II Police/Fire 401K Contribution - \$141,486 (ongoing).
- Ambulance Transport Positions (2) - \$198,664 (ongoing).
- Conversion of two full-time parks positions to part-time hours.



Fund Structure Changes

- Information Technology
 - Previously department in General Fund; multiple departments had separate line items with IT expenditures.
 - Consolidated into one fund; each department is “charged” for use of fund.
 - Direct expenses – Software renewal.
 - Allocated expenses – Number of computers; phones
- Departments such as Police, Fire, and Library will have greater charges based on number of computers and phones.

Department Summaries

Department	FY2020 Proposed	FY2019	Difference
Administration	\$1,379,924	\$1,600,747	(13.8%)
Community Services Admin (New)	\$342,552	\$0	100.0%
Police	\$6,331,274	\$5,730,448	10.5%
Fire	\$5,639,900	\$4,012,823	40.5%
Public Works	\$4,466,188	\$4,227,117	5.7%
Parks/Boat Harbor	\$1,121,120	\$1,165,428	(3.8%)
Cemetery	\$555,964	\$538,071	(3.2%)
Recreation	\$689,968	\$686,557	0.5%
Library/Literacy	\$1,075,405	\$977,406	10.0%
Planning	\$320,456	\$308,955	3.7%
Information Technology	\$0	\$341,319	(100.0%)

General Fund Summary				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Revenues:				
Taxes	\$ 14,960,779	\$ 14,584,700	\$ 15,387,093	5.5%
Licenses & Permits	1,185,745	1,502,900	1,483,800	-1.3%
Intergovernmental	1,245,665	213,027	140,806	-33.9%
Charges for Services	4,613,460	5,072,775	6,404,187	26.2%
Fines & Forfeitures	320,271	360,000	350,000	-2.8%
Miscellaneous	887,690	816,475	637,429	-21.9%
Sale of Capital Assets	4,500	10,000	-	-100.0%
Transfer In - Perpetual Care	1,753	3,500	9,000	157.1%
Transfer In - RDA	58,000	72,877	-	-100.0%
Transfer In - Park Impact Fee	-	-	290,633	100.0%
TOTAL REVENUES	23,277,863	22,636,254	24,702,948	9.1%
Expenditures:				
Administration	1,454,247	1,600,747	1,379,924	-13.8%
Community Services Admin	-	-	342,552	100.0%
Legislative	155,756	193,796	190,335	-1.8%
Legal	375,220	411,250	411,250	0.0%
Executive	44,275	63,354	64,062	1.1%
Information Technology	230,696	341,319	-	-100.0%
Citizen Committees	26,042	14,000	14,000	0.0%
Senior Citizens	106,809	119,657	118,289	-1.1%
Police	5,508,641	5,730,448	6,331,274	10.5%
Fire	3,811,009	4,012,823	5,639,900	40.5%
Public Works Admin	168,482	298,806	332,210	11.2%
Streets	1,559,486	1,423,262	1,512,653	6.3%
Building Maintenance	910,302	1,016,301	1,035,704	1.9%
Engineering	733,954	648,518	683,224	5.4%
Building Inspection	707,621	840,230	902,397	7.4%
Parks	1,008,995	1,112,200	1,066,658	-4.1%
Boat Harbor	56,465	53,228	54,462	2.3%
Cemetery	623,430	555,964	538,071	-3.2%
Recreation	660,022	686,557	689,968	0.5%
Library	900,327	934,607	1,034,329	10.7%
Literacy Center	32,343	42,799	41,076	-4.0%
Planning	251,484	308,955	320,456	3.7%
Transfer Out-Celebration Fund	-	-	10,721	100.0%
Transfer Out - Debt Service	1,385,975	378,432	-	-100.0%
Transfer Out - General Capital Projects	2,565,288	406,382	840,282	106.8%
Transfer Out - Meadows	-	70,000	-	100.0%
Transfer Out - Capital Equipment	384,203	268,521	222,488	-17.1%
Transfer Out - Fitness Center	489,213	622,198	650,203	4.5%
Transfer Out - Fleet Capital Fund	163,951	288,957	-	-100.0%
Transfer Out - Broadband Fund	-	251,723	276,460	100.0%

General Fund Summary				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Transfer Out - Sanitation Fund	112,459	-	-	0.0%
Transfer Out - Water Fund	22,727	-	-	0.0%
TOTAL EXPENDITURES	\$ 24,449,424	\$ 22,695,034	\$ 24,702,948	8.8%
NET REVENUES OVER/(UNDER) EXPENDITURES	\$ (1,171,561)	\$ (58,780)	\$ 0	

General Fund Financing Sources

	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Taxes				
Property Taxes	\$ 4,017,772	\$ 3,413,250	\$ 3,533,000	3.5%
Delinquent Taxes	270,985	250,000	250,000	0.0%
Penalties and Interest	15,384	6,150	11,093	80.4%
Sales Tax	8,164,124	8,400,000	9,000,000	7.1%
Energy Sales & Use Tax	1,727,350	1,723,800	1,835,000	6.5%
Municipal Telephone Tax	307,865	339,500	270,000	-20.5%
Cable TV Franchise Tax	124,219	132,000	125,000	-5.3%
Motor Vehicle Fees	333,079	320,000	363,000	13.4%
Total Taxes	14,960,779	14,584,700	15,387,093	5.5%
Licenses & Permits				
Business Licenses	89,184	90,000	91,800	2.0%
Building Permits	1,005,068	1,300,000	1,300,000	0.0%
Beer & Liquor Licenses	300	-	-	0.0%
Special Events Permits	14,125	2,900	7,000	141.4%
Other Permits	77,068	110,000	85,000	-22.7%
Total Licenses & Permits	1,185,745	1,502,900	1,483,800	-1.3%
Grants & Intergovernmental				
Class C Road Fund Allotment	1,078,565	-	-	0.0%
State Liquor Fund Allotment	25,665	51,367	30,000	-41.6%
Grants-Police	60,128	35,590	-	-100.0%
Grants-Federal	-	14,279	-	-100.0%
Grants-COPS	15,370	44,690	44,330	100.0%
Grants-Police-VOCA	47,738	40,000	48,000	20.0%
Grants-Police-State	-	18,901	-	-100.0%
Grants-Police-County	-	-	10,476	100.0%
Grants-Police-Miscellaneous	-	-	-	0.0%
Grants-Fire	-	-	-	0.0%
Grants-Library	8,200	8,200	8,000	-2.4%
Grants-Historical	10,000	-	-	0.0%
Grants-Other	-	-	-	0.0%
Total Grants & Intergovernmental	1,245,665	213,027	140,806	-33.9%
Charges for Services				
Development Fees	165,462	170,000	50,000	-70.6%
Plan Check Fees	427,362	430,000	430,000	0.0%
Site Inspection Fees	32,045	42,500	-	-100.0%
Development Inspection Reimbursement	55,151	174,920	93,285	-46.7%
Safe Sidewalk Funds	763	1,500	-	-100.0%
Ambulance Fees	1,632,507	1,500,000	1,943,950	29.6%
Fire Plan Check Fees	5,895	9,000	15,000	66.7%
Fire Site Inspection Fees	32,610	30,000	35,000	16.7%
Fire Protection Agreement-County	14,660	14,660	9,200	-37.2%
Fire-Cedar Hills Contract	-	-	689,700	100.0%
Fire Fees	2,260	1,500	1,500	0.0%
Police Revenue	-	-	40,000	100.0%
Police Service Agreement-Cedar Hills	414,795	414,795	533,858	28.7%
Alpine School District Officers	30,000	70,000	70,000	0.0%

General Fund Financing Sources

	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Park Fees	12,114	7,000	7,000	0.0%
Amphitheater Reservation Fees	19,800	20,000	20,000	0.0%
Boat Harbor Fees	46,575	45,000	45,000	0.0%
Recreation Fees	374,371	390,500	378,000	-3.2%
Cemetery Lot Sales	31,150	25,750	38,500	49.5%
Grave Opening Fees	105,450	100,000	110,000	10.0%
Other Cemetery Fees	4,270	4,500	4,500	0.0%
Library Fees	47,885	45,000	45,000	0.0%
Senior Citizen Fees	89,993	92,000	92,000	0.0%
American Fork History Books	344	300	300	0.0%
Administrative Charge-Water Fund	409,000	402,265	418,701	4.1%
Administrative Charge-Sewer Fund	409,000	301,853	400,567	32.7%
Administrative Charge-Storm Water Fund	250,000	246,082	265,647	8.0%
Administrative Charge-Pressurized Irrigation Fund	-	251,214	253,440	0.9%
Administrative Charge-Sanitation Fund	-	26,003	90,616	248.5%
Administrative Charge-Fitness Center	-	256,433	239,260	-6.7%
Administrative Charge-PARC Tax Fund	-	-	9,356	100.0%
Administrative Charge-Egg Farm EDA Fund	-	-	33,942	100.0%
Administrative Charge-Broadband Fund	-	-	40,865	100.0%
Total Charges for Services	4,613,460	5,072,775	6,404,187	26.2%
Fines & Forfeitures				
Fines	232,966	260,000	260,000	0.0%
Traffic School	87,305	100,000	90,000	-10.0%
Total Fines & Forfeitures	320,271	360,000	350,000	-2.8%
Miscellaneous				
State Reimbursement and Rent	445,434	448,000	445,000	-0.7%
Other Reimbursements	113,112	146,775	-	-100.0%
Billboard and Land Rental	5,634	5,640	-	-100.0%
Cell Tower Lease	-	-	31,000	100.0%
Recycling Revenue	110	-	500	100.0%
Youth Council	1,680	2,000	2,000	0.0%
Purchasing Card Rebate	-	13,080	30,000	129.4%
Donations-Library	40	-	-	0.0%
Donations-Parks	5,000	-	-	0.0%
Donations-Police	560	14,380	-	-100.0%
Donations-Fire	-	100	-	0.0%
Donations-AF Newspaper Digitization	5,605	-	-	0.0%
Donations-Senior Citizens	-	6,500	-	-100.0%
Library Development Funds	6,622	10,000	6,000	-40.0%
Other Revenue	86,655	70,000	12,929	-81.5%
Over & Short	(49)	-	-	0.0%
Interest Earnings	93,377	100,000	110,000	10.0%
Developer Contributions - Street Lights	123,909	-	-	0.0%
Total Miscellaneous	887,690	816,475	637,429	-21.9%
Other Financing Sources & Uses				
Sale of Capital Assets	4,500	10,000	-	-100.0%
Transfer From Perpetual Care	1,753	3,500	9,000	157.1%

General Fund Financing Sources				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Transfer From Redevelopment Agency	58,000	72,877	-	-100.0%
Transfer From Park Impact Fee	-	-	290,633	100.0%
Total Other Financing Sources & Uses	64,253	86,377	299,633	246.9%
TOTAL GENERAL FUND FINANCING SOURCES	\$ 23,277,863	\$ 22,636,254	\$ 24,702,948	9.1%

Administration				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 994,990	\$ 1,105,132	\$ 907,175	-17.9%
Promotional	219	3,500	-	-100.0%
Subscriptions and Memberships	6,099	7,255	6,206	-14.5%
Ordinances and Publications	21,784	32,000	25,000	-21.9%
Education and Travel	6,123	10,000	7,750	-22.5%
Office Supplies	17,873	12,000	9,000	-25.0%
Telephone	9,890	9,360	2,160	-76.9%
Professional and Technical	39,269	75,000	47,500	-36.7%
Communications	25,986	42,700	-	-100.0%
Employee Appreciation	11,800	17,500	-	-100.0%
Human Resources	5,517	4,000	-	-100.0%
Human Resources-Health & Wellness	16,869	-	-	0.0%
Insurance Premium	204,833	217,300	217,300	0.0%
Postage	6,600	12,000	8,000	-33.3%
Credit Card/Bank Processing Fees	11,360	11,000	10,000	-9.1%
Election Expense	35,812	-	54,000	100.0%
Recording Fees	-	-	2,300	100.0%
Miscellaneous	37,223	40,000	35,395	-11.5%
Administrative Charge-Broadband	-	-	4,693	100.0%
Internal Charges-Fleet Operations & Maintenance	2,000	2,000	1,400	-30.0%
Internal Charges-Information Technology	-	-	36,629	100.0%
Internal Charges-Fleet Capital	-	-	5,416	100.0%
TOTAL ADMINISTRATION	\$ 1,454,247	\$ 1,600,747	\$ 1,379,924	-13.8%

Community Services				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ -	\$ -	\$ 237,741	100.0%
Promotional	-	-	3,500	100.0%
Subscriptions and Memberships	-	-	294	100.0%
Education and Travel	-	-	2,250	100.0%
Office Supplies	-	-	2,000	100.0%
Telephone	-	-	960	100.0%
Communications	-	-	47,300	100.0%
Community Events	-	-	2,500	100.0%
Employee Appreciation	-	-	20,000	100.0%
Human Resources	-	-	5,536	100.0%
Human Resources-Health & Wellness	-	-	14,400	100.0%
Miscellaneous	-	-	750	100.0%
Administrative Charge-Broadband	-	-	722	100.0%
Internal Charges-Information Technology	-	-	4,599	100.0%
TOTAL ADMINISTRATION	\$ -	\$ -	\$ 342,552	100.0%

Parks				
	Actual FY2018	Estimated FY2019	Estimated FY2020	Percent Change
Salaries & Wages	\$ 685,741	\$ 808,861	\$ 753,937	-6.8%
Education and Travel	3,349	3,000	3,500	16.7%
Mower Supplies & Maintenance	13,465	10,000	13,800	38.0%
Building Grounds Supplies & Maintenance	44,783	40,000	27,000	-32.5%
Irrigation Repair & Maintenance	-	-	27,800	100.0%
Utilities	22,752	25,000	25,000	0.0%
Telephone	5,162	6,960	5,920	-14.9%
Clothing	2,234	1,400	2,040	45.7%
Department Supplies	26,884	16,260	-	-100.0%
Interchange Landscaping	-	15,700	15,700	0.0%
Christmas Decorations	11,912	11,000	6,918	-37.1%
Contract Maintenance	31,937	32,000	33,200	3.8%
Chemical Toilets	4,590	7,280	5,780	-20.6%
Miscellaneous	42,646	6,360	2,800	-56.0%
Tree Purchase & Maintenance	20,916	25,000	26,000	4.0%
City Wide Horticulture	-	10,000	10,100	1.0%
Park Furnishings	10,774	17,000	17,000	0.0%
Improvements	15,711	18,000	22,000	22.2%
Equipment Purchases	6,299	4,379	6,000	37.0%
Donation Expenditures	4,532	-	-	0.0%
Administrative Charge-Broadband	-	-	361	100.0%
Internal Charges-Fleet Operations & Maintenance	55,310	54,000	59,000	9.3%
Internal Charges-Information Technology	-	-	2,802	100.0%
TOTAL PARKS	\$ 1,008,995	\$ 1,112,200	\$ 1,066,658	-4.1%

Cemetery				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 492,628	\$ 421,689	\$ 401,327	-4.8%
Education and Travel	350	1,600	950	-40.6%
Small Engine Repair	10,379	20,000	20,000	0.0%
Building Supplies	29,033	27,250	26,650	-2.2%
City-Wide Horticulture	9,587	-	-	0.0%
Tree Purchase & Maintenance	-	15,000	15,000	0.0%
Telephone	3,329	3,180	1,680	-47.2%
Employee Appreciation	-	-	-	0.0%
Uniforms & Accessories	1,703	800	1,075	34.4%
Department Supplies	22,978	10,300	9,800	-4.9%
Headstone Replacement	4,229	4,000	4,500	12.5%
Flag Rotation & Maintenance	-	6,945	6,945	0.0%
Christmas Decorations	-	-	1,250	100.0%
Credit Card & Bank Processing Fees	2,061	1,700	3,400	100.0%
Improvements	12,162	16,000	16,000	0.0%
Equipment Purchases	4,992	10,175	7,000	-31.2%
Administrative Charge-Broadband	-	-	1,083	100.0%
Internal Charges-Fleet Operations & Maintenance	30,000	17,325	15,000	-13.4%
Internal Charges-Information Technology	-	-	6,411	100.0%
TOTAL CEMETERY	\$ 623,430	\$ 555,964	\$ 538,071	-3.2%

Boat Harbor				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 42,626	\$ 37,098	\$ 36,640	-1.2%
Building & Grounds Maintenance	-	-	2,260	100.0%
Restroom Maintenance	-	-	850	100.0%
Telephone	308	790	1,180	49.4%
Credit Card & Bank Processing Fees	1,555	2,040	2,040	0.0%
Miscellaneous	7,396	3,300	1,492	-54.8%
Improvements	4,579	10,000	10,000	0.0%
TOTAL BOAT HARBOR	\$ 56,465	\$ 53,228	\$ 54,462	2.3%

Library				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 693,698	\$ 735,819	\$ 751,403	2.1%
Audio/Visual	4,580	5,122	6,180	20.7%
Subscriptions	2,609	2,535	2,535	0.0%
Non-Fiction Material	31,789	14,973	24,600	64.3%
Fiction Material	31,487	28,700	27,800	-3.1%
Children's Material	24,156	27,225	27,600	1.4%
Young Adult Fiction	9,808	10,600	10,600	0.0%
Electronic Resources	12,411	17,258	21,190	22.8%
Programs	6,622	9,275	9,850	6.2%
Subscriptions & Memberships	-	-	530	100.0%
Education and Travel	3,695	5,000	3,500	-30.0%
Employee Appreciation	-	-	600	100.0%
Telephone	6,380	6,500	480	-92.6%
Department Supplies	19,459	20,200	20,200	0.0%
Miscellaneous	3,362	2,200	1,100	-50.0%
Credit Card & Bank Processing Fees	1,952	2,000	2,000	0.0%
Maintenance Agreement	35,622	34,500	-	-100.0%
Grant Expenditures	8,238	8,200	8,000	-2.4%
Equipment Purchases	4,459	4,500	4,500	0.0%
Administrative Charge-Broadband	-	-	6,498	100.0%
Internal Charges-Information Technology	-	-	105,163	100.0%
TOTAL LIBRARY	\$ 900,327	\$ 934,607	\$ 1,034,329	10.7%

Literacy Center				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 28,039	\$ 37,099	\$ 36,576	-1.4%
Education and Travel	-	-	200	100.0%
Employee Appreciation	-	-	600	100.0%
Department Supplies	2,398	2,700	1,700	-37.0%
Miscellaneous	997	800	-	-100.0%
Equipment Purchases	909	2,200	2,000	-9.1%
TOTAL LITERACY CENTER	\$ 32,343	\$ 42,799	\$ 41,076	-4.0%

Executive				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Wages & Salaries	\$ 25,295	\$ 35,480	\$ 37,362	5.3%
Travel Allowance	4,119	4,200	4,200	0.0%
Education and Travel	1,335	500	1,500	200.0%
Auditing	10,000	11,174	12,000	7.4%
Public Relations	606	5,000	5,000	0.0%
Other	2,920	7,000	4,000	-42.9%
TOTAL EXECUTIVE	\$ 44,275	\$ 63,354	\$ 64,062	1.1%

Legislative				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 92,612	\$ 105,296	\$ 100,335	-4.7%
Travel Allowance	15,022	15,000	15,000	0.0%
Education and Travel	4,488	6,000	6,000	0.0%
Planning Commission	777	2,800	2,800	0.0%
Other Council Unassigned	3,487	2,500	2,500	0.0%
Special Projects	39,369	60,000	60,000	0.0%
Youth Council	-	2,200	2,200	0.0%
Equipment	-	-	1,500	100.0%
TOTAL LEGISLATIVE	\$ 155,756	\$ 193,796	\$ 190,335	-1.8%

Public Works Administration				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 133,911	\$ 269,686	\$ 298,048	10.5%
Subscriptions & Memberships	281	1,000	1,000	0.0%
Education and Travel	180	1,500	1,500	0.0%
Telephone	9,454	7,920	960	-87.9%
Clothing & Uniforms	34	-	-	0.0%
Department Supplies	9,908	4,500	10,500	133.3%
Credit Card/Bank Processing Fees	4,654	5,000	5,000	0.0%
Miscellaneous	4,061	2,500	2,500	0.0%
Equipment Purchases	-	2,500	2,500	0.0%
Administrative Charge-Broadband Fund	-	-	2,166	100.0%
Internal Charges-Fleet Operations & Maintenance	6,000	4,200	1,400	-66.7%
Internal Charges-Information Technology	-	-	6,636	100.0%
TOTAL PUBLIC WORKS ADMIN	\$ 168,482	\$ 298,806	\$ 332,210	11.2%

Building Maintenance				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 330,685	\$ 430,331	\$ 404,051	-6.1%
Education and Travel	-	2,250	2,250	0.0%
Telephone	1,425	1,920	2,910	51.6%
Clothing & Uniforms	600	800	800	0.0%
Department Supplies	2,596	1,284	-	-100.0%
Legion Hall	3,446	5,000	5,000	0.0%
Public Works	61,637	55,000	64,000	16.4%
Library	83,044	60,000	67,000	11.7%
Senior Citizens	13,188	9,000	9,000	0.0%
Administration Building	20,202	20,000	20,000	0.0%
Cemetery	10,083	10,000	14,000	40.0%
Police/Courts Building	157,838	158,000	160,000	1.3%
City Hall	13,989	30,000	16,000	-46.7%
Fire/Ambulance Building	40,969	45,000	45,000	0.0%
Asphalt Maintenance	9,945	18,716	20,000	6.9%
Janitorial Service	75,090	90,000	120,000	33.3%
Administrative Charge-Broadband	-	-	361	100.0%
Internal Charges-Utility Funds	82,072	75,000	75,000	0.0%
Internal Charges-Fleet Operations & Maintenance	3,494	4,000	4,700	17.5%
Internal Charges-Information Technology Fund	-	-	5,632	100.0%
TOTAL BUILDING MAINTENANCE	\$ 910,302	\$ 1,016,301	\$ 1,035,704	1.9%

Police				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 4,274,453	\$ 4,789,723	\$ 4,947,602	3.3%
Subscriptions & Memberships	3,277	3,000	3,000	0.0%
Education and Travel	14,437	14,500	14,500	0.0%
Telephone	43,020	55,260	44,220	-20.0%
Professional & Technical	36,620	36,000	5,642	-84.3%
Dispatch/UCAN Fees	268,996	275,588	275,588	0.0%
Professional Fees	6,148	6,000	2,300	-61.7%
DOJ Vest Grant	2,937	3,407	-	-100.0%
Misc Grant Expense	16,604	46,462	-	-100.0%
VOCA Grant	2,218	5,899	5,899	0.0%
Uniforms & Accessories	75,322	68,700	70,800	3.1%
Department Supplies	61,462	63,000	70,000	11.1%
Ammunition	-	8,000	8,200	2.5%
Sundry Charges	3,725	4,000	4,000	0.0%
Special Enforcement Fund	28,096	38,000	38,581	1.5%
Credit Card/Bank Processing Fees	951	950	1,500	57.9%
Animal Control	55,110	59,000	59,000	0.0%
Deer Mitigation	855	6,000	6,000	0.0%
NOVA & Citizens Programs	8,398	10,000	11,000	10.0%
K-9 Program	3,918	40,592	4,000	-90.1%
Alcohol Grant Expenditures	32,650	39,930	30,000	-24.9%
Equipment Purchases	38,113	35,000	19,100	-45.4%
Administrative Charge-Broadband	-	-	13,357	100.0%
Internal Charges-Fleet Operations & Maintenance	148,400	110,000	141,342	28.5%
Internal Charges-Information Technology Fund	-	-	149,255	100.0%
Internal Charges-Fleet Capital Fund	382,932	11,437	406,388	3453.3%
TOTAL POLICE	\$ 5,508,641	\$ 5,730,448	\$ 6,331,274	10.5%

Fire				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 3,185,235	\$ 3,380,390	\$ 4,347,219	28.6%
Subscriptions & Memberships	1,420	1,000	1,000	0.0%
Education and Travel	28,176	27,000	30,000	11.1%
Telephone	14,730	16,000	12,520	-21.8%
Professional & Technical	51,728	36,585	27,286	-25.4%
Dispatch/UCAN Fees	35,923	47,133	47,133	0.0%
Attorney Fees	-	-	200,000	100.0%
Fire Prevention & Education	9,824	11,800	15,200	28.8%
Clothing Allowance	23,549	25,000	29,200	16.8%
Department Supplies	129,910	128,200	43,600	-66.0%
Medical Supplies	-	-	109,350	100.0%
New Members Equipment	39,995	40,000	55,000	37.5%
Sundry Charges	7,674	8,000	8,000	0.0%
Credit Card/Bank Processing Fees	7,526	8,000	8,200	2.5%
Equipment Maintenance Agreements	9,085	9,800	9,800	0.0%
Ambulance Billings	131,857	82,500	106,918	29.6%
Ambulance Assessments	-	43,000	51,726	20.3%
Equipment Purchases	34,377	46,445	35,000	-24.6%
Administrative Charge-Broadband	-	-	3,610	100.0%
Internal Charges-Fleet Operations & Maintenance	100,000	100,000	126,142	26.1%
Internal Charges-Information Technology	-	-	36,570	100.0%
Internal Charges-Fleet Capital	-	1,970	336,426	100.0%
TOTAL FIRE	\$ 3,811,009	\$ 4,012,823	\$ 5,639,900	40.5%

Engineering				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 499,625	\$ 478,238	\$ 590,708	23.5%
Subscriptions & Memberships	623	2,000	2,565	28.3%
Education and Travel	1,799	2,500	6,500	160.0%
Telephone	3,686	1,860	2,436	31.0%
Professional Services	198,325	25,000	25,000	0.0%
Development Inspections	-	104,920	-	-100.0%
Clothing Allowance	-	1,000	1,200	20.0%
Department Supplies	1,207	5,500	3,000	-45.5%
Miscellaneous	201	500	500	0.0%
Computer Software	19,489	20,000	-	-100.0%
Equipment Purchases	-	2,000	2,000	0.0%
Administrative Charge-Broadband Fund	-	-	2,527	100.0%
Internal Charges-Fleet Operations & Maintenance	9,000	5,000	5,400	8.0%
Internal Charges-Information Technology	-	-	41,388	100.0%
TOTAL ENGINEERING	\$ 733,954	\$ 648,518	\$ 683,224	5.4%

Streets				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 504,509	\$ 544,454	\$ 594,754	9.2%
Education and Travel	4,563	3,000	3,250	8.3%
Equipment Supplies & Maintenance	17,970	28,000	30,000	7.1%
Street Lights Power	63,046	65,000	70,000	7.7%
Street Lights Maintenance	65,183	60,000	100,000	66.7%
Street Lights Capital Improvement	150,558	-	-	0.0%
Traffic Signal Maintenance	1,341	7,000	5,000	-28.6%
Telephone	6,270	7,440	6,480	-12.9%
Professional & Technical	16,807	17,000	20,000	17.6%
Clothing	2,673	1,400	1,400	0.0%
Department Supplies	17,742	14,400	15,400	6.9%
Debris Hauling	2,297	3,000	3,000	0.0%
Pavement Markings/Signs	64,432	115,568	90,000	-22.1%
Sidewalk Repair	52,815	110,000	110,000	0.0%
Road Maintenance & Repair	315,786	310,000	310,000	0.0%
Equipment Purchases	-	2,000	-	-100.0%
Administrative Charge-Broadband	-	-	722	100.0%
Internal Charges-Fleet Operations & Maintenance	73,493	60,000	75,000	25.0%
Internal Charges-Information Technology	-	-	6,022	100.0%
Internal Charges-Fleet Purchases	200,000	75,000	71,625	-4.5%
TOTAL STREETS	\$ 1,559,486	\$ 1,423,262	\$ 1,512,653	6.3%

Building Inspection				
	Actual FY2018	Estimated FY2019	Recommended FY2019	Percent Change
Salaries & Wages	\$ 655,271	\$ 767,730	\$ 804,465	4.8%
Subscriptions & Memberships	2,863	4,000	5,000	25.0%
Education and Travel	3,847	4,500	4,500	0.0%
Telephone	4,962	5,300	7,560	42.6%
Plan Check Fees	18,003	20,000	20,000	0.0%
Professional & Technical	13,588	30,000	21,451	-28.5%
Clothing	1,200	1,200	1,200	0.0%
Department Supplies	1,313	2,500	2,500	0.0%
Miscellaneous	186	1,000	1,000	0.0%
Equipment Purchases	889	-	-	0.0%
Administrative Charge-Broadband	-	-	2,707	100.0%
Internal Charges-Fleet Operations & Maintenance	5,500	4,000	7,700	92.5%
Internal Charges-Information Technology	-	-	20,015	100.0%
Internal Charges-Fleet Capital	-	-	4,299	100.0%
TOTAL BUILDING INSPECTION	\$ 707,621	\$ 840,230	\$ 902,397	7.4%

Recreation				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 506,808	\$ 531,497	\$ 540,046	1.6%
Subscriptions & Meberships	360	450	600	33.3%
Advertising	1,240	750	1,000	33.3%
Education and Travel	1,203	2,200	2,200	0.0%
Recreation Facilities Supplies & Maintenance	212	2,000	3,300	65.0%
Telephone	7,083	6,360	2,160	-66.0%
Recreation Programs	116,629	123,000	113,500	-7.7%
Department Supplies	12,712	12,000	9,848	-17.9%
Employee Appreciation	-	-	320	100.0%
Employee Uniforms	-	-	600	100.0%
Miscellaneous	2,561	2,500	500	-80.0%
Equipment Purchases	795	-	-	0.0%
Administrative Charge-Broadband	-	-	1,264	100.0%
Internal Charges-Fleet Operations & Maintenance	10,419	5,800	4,400	-24.1%
Internal Charges-Information Technology Fund	-	-	10,230	100.0%
TOTAL RECREATION	\$ 660,022	\$ 686,557	\$ 689,968	0.5%

Planning				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 231,842	\$ 269,442	\$ 275,210	2.1%
Subscriptions & Memberships	1,576	1,623	1,623	0.0%
Education and Travel	2,196	2,500	2,530	1.2%
Telephone	1,320	1,440	1,440	0.0%
Professional & Technical	249	1,000	1,000	0.0%
Economic Development	9,150	25,400	25,400	0.0%
Department Supplies	2,251	1,750	750	-57.1%
Sundry Charges	2,899	3,300	1,000	-69.7%
Equipment Purchases	-	1,500	-	-100.0%
Administrative Charge-Broadband	-	-	902	100.0%
Internal Charges-Fleet Operations & Maintenance	-	1,000	800	-20.0%
Internal Charges-Information Technology	-	-	4,801	100.0%
Internal Charges-Fleet Capital	-	-	5,000	100.0%
TOTAL PLANNING	\$ 251,484	\$ 308,955	\$ 320,456	3.7%

Legal				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Youth Court	\$ 281	\$ 2,000	\$ 2,000	0.0%
Attorney-Civil	130,112	140,000	140,000	0.0%
Attorney-Special Assignments	8,033	30,850	30,850	0.0%
Attorney-Public Defender	77,253	80,000	80,000	0.0%
Attorney-Criminal	159,541	158,400	158,400	0.0%
TOTAL LEGAL	\$ 375,220	\$ 411,250	\$ 411,250	0.0%

Senior Citizens				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Salaries & Wages	\$ 20,732	\$ 39,957	\$ 41,625	4.2%
Telephone	586	1,200	-	-100.0%
Sundry Charges	74,916	75,500	69,000	-8.6%
Equipment Purchases	10,576	3,000	3,000	0.0%
Administrative Charge-Broadb	-	-	1,083	100.0%
Internal Charges-Information	-	-	3,581	100.0%
TOTAL SENIOR CITIZENS	\$ 106,809	\$ 119,657	\$ 118,289	-1.1%

Citizen Committees				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Historical Committee	23,052	7,000	7,000	0.0%
Beautification	2,990	7,000	7,000	0.0%
TOTAL CITIZEN COMMITTEES	\$ 26,042	\$ 14,000	\$ 14,000	0.0%

Information Technology				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Web Page Development	\$ 8,464	\$ 8,000	\$ -	-100.0%
Software	12,440	51,642	-	-100.0%
Internet	44,100	44,100	-	-100.0%
Supplies	290	-	-	0.0%
Maintenance Agreements	79,819	115,142	-	-100.0%
Equipment Purchases	85,583	90,000	-	-100.0%
Performance Management Software	-	10,000	-	-100.0%
Request Tracking Software	-	-	-	0.0%
Administrative Charge-Broadband	-	22,435	-	-100.0%
TOTAL INFORMATION TECHNOLOGY	\$ 230,696	\$ 341,319	\$ -	-100.0%

Fleet Operations & Maintenance				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Revenues:				
Charges From General Fund	443,616	367,325	442,284	20.4%
Charges From Fitness Center Fund	1,000	1,000	1,000	0.0%
Charges From Culinary Water	24,337	20,000	22,000	10.0%
Charges From Secondary Water	-	4,500	4,500	0.0%
Charges From Sewer Fund	33,000	9,000	30,000	233.3%
Charges From Storm Drain Fund	-	2,500	1,500	-40.0%
Charges From Broadband Fund	2,800	2,100	2,500	19.0%
Interest Earnings	1,187	-	-	0.0%
Miscellaneous	-	-	-	0.0%
TOTAL REVENUES	505,940	406,425	503,784	24.0%
Expenses:				
Vehicle Maintenance	298,019	301,625	368,784	22.3%
Vehicle Repair	142,237	104,800	135,000	28.8%
TOTAL EXPENDITURES	\$ 440,256	\$ 406,425	\$ 503,784	24.0%
REVENUES AND TRANSFERS OVER/(UNDER) EXPENDITURES	65,684	-	-	

Fleet Capital				
	Actual FY2018	Estimated FY2019	Recommended FY2020	Percent Change
Revenues:				
Charges From General Fund	582,932	88,407	829,154	837.9%
Charges From Culinary Water Fund	88,114	-	-	0.0%
Charges From Sewer Fund	-	-	80,000	100.0%
Capital Lease Proceeds	-	254,151	2,109,195	729.9%
Grants	-	-	-	0.0%
Sale of Capital Assets	-	5,500	-	-100.0%
Interest Earnings	747	-	-	0.0%
Miscellaneous	-	53,994	-	-100.0%
TOTAL REVENUES	671,792	402,052	3,018,349	650.7%
Transfers:				
Transfer From General Fund	163,951	288,957	-	-100.0%
TOTAL REVENUES AND TRANSFERS	835,743	691,009	3,018,349	336.8%
Expenses:				
Police Vehicles & Upfitting	-	271,088	363,581	34.1%
Fire Ladder Truck	-	-	1,600,000	100.0%
Fire Ambulance	-	-	302,961	100.0%
Fire Brush Truck	-	-	206,234	100.0%
Fire Vehicle Equipment	-	55,964	-	-100.0%
Streets Dump Truck	-	200,000	-	-100.0%
Streets Spray Distributor Truck	-	75,000	-	-100.0%
Streets Vehicles	-	-	40,000	100.0%
Sewer Vehicles	-	-	80,000	100.0%
Capital Lease-Principal	-	265,059	387,674	46.3%
Capital Lease-Interest	24,478	23,898	37,899	58.6%
TOTAL EXPENSES	24,478	891,009	3,018,349	238.8%
REVENUES AND TRANSFERS OVER/(UNDER)				
EXPENDITURES	\$ 811,265	\$ (200,000)	\$ -	

The revenue section provides basic information about revenue sources for the City that exceed \$10,000 (excluding impact fees).

The City revenues in this section are generally organized by:

1. State authorized revenues
2. Franchise fees
3. Charges for services
4. Other Miscellaneous revenues
5. Other funds

These revenues include:

- Property tax
- Sales & use tax
- Energy sales & use franchise tax
- Municipal telecommunications license tax
- Cable television franchise tax
- Class C road funds
- Licenses & permits
- Charges for services
- Fitness Center
- PARC Tax
- Culinary water fund
- Secondary irrigation fund
- Sewer fund
- Storm drain fund
- Sanitation & recycling fund
- Redevelopment Agencies

Each revenue source includes the following information (when applicable):

- Description
- Fund number
- Responsible department
- Current formula
- Current rate
- Method received
- Authorized uses
- Revenue history and projections

Sources for information for the revenue sources include:

- Adopted budget and related financial statements
- American Fork City code
- Utah state code
- Utah State Tax Commission

Revenue—Property Tax

DESCRIPTION

Property Tax is Ad Valorem Tax levied against the taxable value of property. The rate is applied to the most recent taxable assessed value. Taxable assessed value equals total assessed value less allowable exemptions.

Property tax is American Fork's second largest source of revenue in the general fund, accounting for approximately 14.5 percent of general fund revenue. Relevant factors in the preliminary property tax forecast include changes to the certified tax rate, property tax appreciation (or depreciation), and new growth.

In order to understand property tax in Utah, it is necessary to understand a section of Utah state law known as "truth in taxation." Each county in the state is responsible for administering property taxes. Each June, Utah County submits to the City a certified tax rate, a rate that will generate the same amount of revenue as the previous year plus any new growth. The certified tax rate does not provide for additional tax revenue due to increased valuation of existing property. If the City chooses to adopt a tax rate higher than the certified tax rate, state law has specific requirements for newspaper advertisements and public hearings from which the name "truth in taxation" is derived. The last time that American Fork

adopted a rate higher than the certified rate was fiscal year 2006-2007. This increase was set aside for road improvement and repair, which is recorded in the capital projects fund. In addition, the City is proposing to receive \$784,125 for debt service on its General Obligation Bonds. Historically, the City has requested less than the maximum amount. General fund resources previously going towards debt service will go towards the Pavement Management Plan. For fiscal year 2019-2020, the City is proposing to accept the Certified Tax Rate. However, due to increasing costs of providing services and the need to address crucial core services deficiencies, the City may need to increase tax revenue in the future. At the bottom of the page is a chart showing the City's property tax rate relative to other Utah County cities (2018). This does not factor in road fees or utility fund transfers to the general fund by many cities.

FUNDS/ACCOUNTS

General Fund

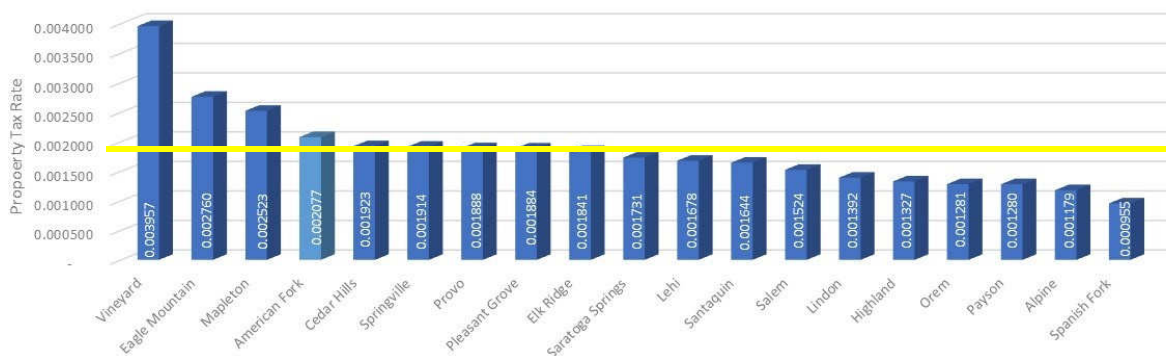
Property Tax-Current	10-3100-100
Property Tax-Delinquent	10-3100-200
Property Tax-Penalties/Interest	10-3100-900

Capital Projects Fund

Property Tax-Current	43-3900-100
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Debt Service Fund

Property Tax-Current	30-3800-100
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* Eagle Mountain includes Unified Fire Authority tax assessment

Revenue—Property Tax—General Fund

CURRENT FORMULA

$$\frac{\text{Previous Year's Budgeted Revenues}}{\text{Current Year's Adjusted Taxable Value}}$$

Less: New Growth

CURRENT RATE

The current (FY 2017-2018) property tax rate in American Fork is 0.002082.

METHOD RECEIVED

The Utah County Treasurer distributes revenues to the City on a monthly basis. A final reconciliation for the prior tax year occurs each March.

AUTHORIZED USES

General Fund—Unrestricted

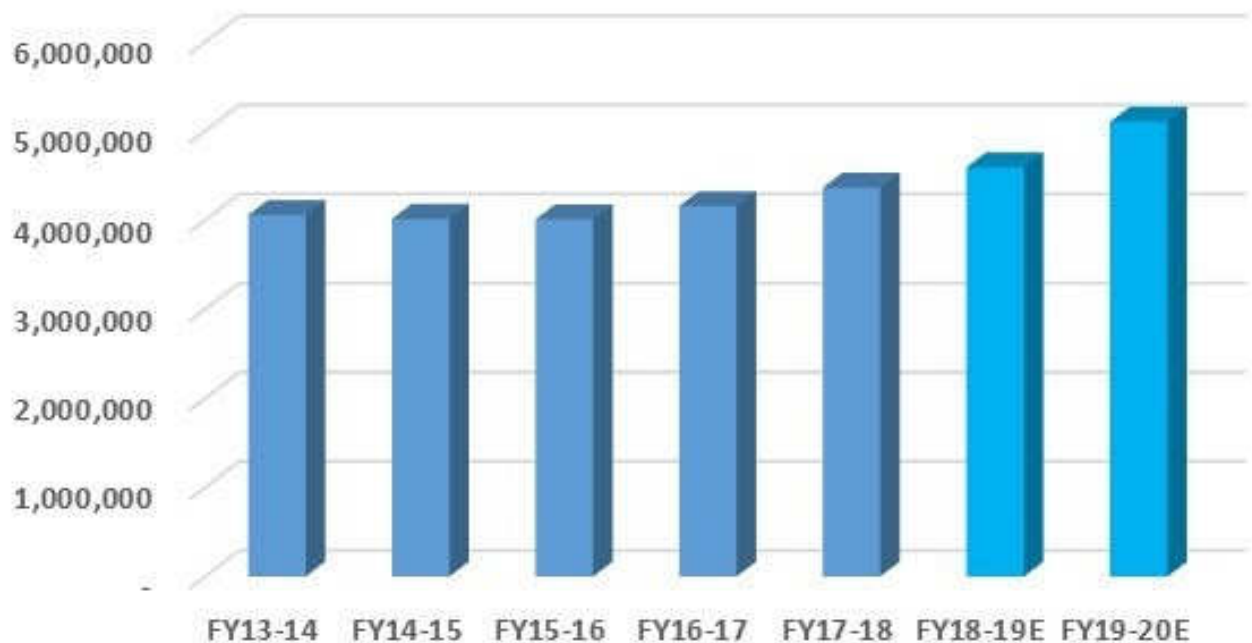
Capital Projects Fund—Road improvement

Debt Service—Debt service on outstanding General Obligation bonds.

TAXING ENTITY ALLOCATION OF PROPERTY TAX (RATE AS OF 2018)

North Utah County Water Conservancy	0.2%
Central Utah Valley Water Conservancy	3.8%
Utah County	8.7%
American Fork City	19.9%
Alpine School District	67.4%

Revenue Received/Future Projections



Revenue—Sales Tax—General Fund

DESCRIPTION

Sales tax in Utah County is a consumption tax imposed on the sale of goods and services purchased at the retail level. The tax is collected and remitted by businesses/retailers on a regular basis.

Sales tax is the largest revenue source for the City, comprising approximately 36.9 percent of general fund revenues. Sales tax revenues are forecasted utilizing existing collection trends, state budget forecasts, economic forecasts, and other economic data which may influence the level of sales tax within the City.

On December 18, 2019, the Utah County Commission voted to implement a quarter cent sales tax increase to fund roads and transit. On July 1, 2019, and afterward, 20 percent of this revenue will go to Utah County, 40 percent will go to American Fork City, and 40 percent will go to the Utah Transit Authority (UTA). This additional sales tax allocation will be recorded in the Capital Projects Fund to be used for the City's Pavement Management Program.

FUNDS/ACCOUNTS

General Fund

Sales Tax 10-3100-300 (General Fund)

Sales Tax 43-3900-200 (Capital Projects Fund)

DEPARTMENT

Finance

CURRENT RATE

For FY2019-2020, the sales tax rate is forecasted to be 7.25%.

The statewide grocery food sales tax rate is 3%. (This tax applies to all non-prepared food purchases).

State of Utah	4.85%
American Fork City*	1.00%
Mass Transit	0.55%
Utah County	0.25%
County Airport, Highway, Mass Transit	0.25%
Transportation Infrastructure**	0.25%
PARC (Park, Arts, Recreation, Culture)	0.10%

CURRENT RATE-FOOD

State of Utah	1.75%
American Fork City*	1.00%
Utah County	0.25%

*Of location option tax collected (1.00%), 50% is distributed to the City. The remaining 50% is collected in a statewide pool and then allocated to each local jurisdiction based on each City's population as a percentage of statewide population.

**20% distributed to Utah County, 40% to American Fork City, and 40% to UTA beginning July 1, 2020. To be used for transportation projects.

COLLECTION/DISTRIBUTION

Funds are collected and distributed by the Utah State Tax Commission on a monthly basis. Distribution is two months after collection at point of sale.

AUTHORIZED USES

Sales tax revenue is appropriated to the General Fund and Capital Projects Fund. Funds appropriated to the Capital Projects Fund are restricted for transportation projects.

Revenue—Sales Tax—General Fund

Revenue Received/Future Projections



Revenue—Energy Sales/Use Franchise Tax—General Fund

DESCRIPTION

Franchise fees are levied on electric and gas utilities that operate within the City's geographical boundaries as outlined in state statute. Energy sales & use tax has a maximum allowable rate of 6%.

FUNDS/ACCOUNTS

General Fund

Energy Sales & Use Tax 10-3100-500

DEPARTMENT

Finance

CURRENT RATE

The current rate is 6%. Revenues are forecasted using trend analysis (particularly the past two years) and

weather forecasts for the upcoming year.

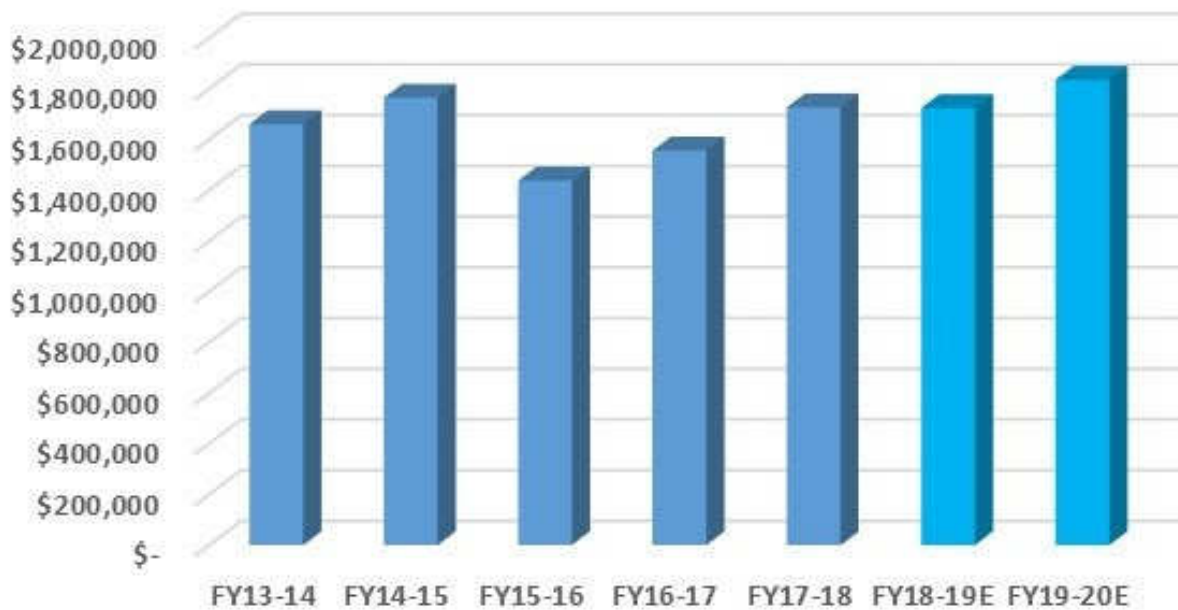
COLLECTION

The electric and natural gas utilities tax is remitted to the City by Dominion Energy (formerly Questar Gas) and Pacificorp (parent company of Rocky Mountain Power) on a monthly basis.

AUTHORIZED USES

General Fund, unrestricted.

Revenue Received/Future Projections



Revenue—Telecommunications Tax—General Fund

DESCRIPTION

A business providing telecommunication services is required to have a Telecommunication Franchise Agreement with the City. These agreements ensure the collection of the tax.

FUNDS/ACCOUNTS

General Fund

Municipal Telephone Tax 10-3100-600

DEPARTMENT

Finance

CURRENT RATE

3.5% of revenue earned from land line and cellular services in American Fork goes to the City.

SIGNIFICANT TRENDS

The long-term trend is declining revenues due to lower-priced cell phone plans and residents discontinuing their landline phones.

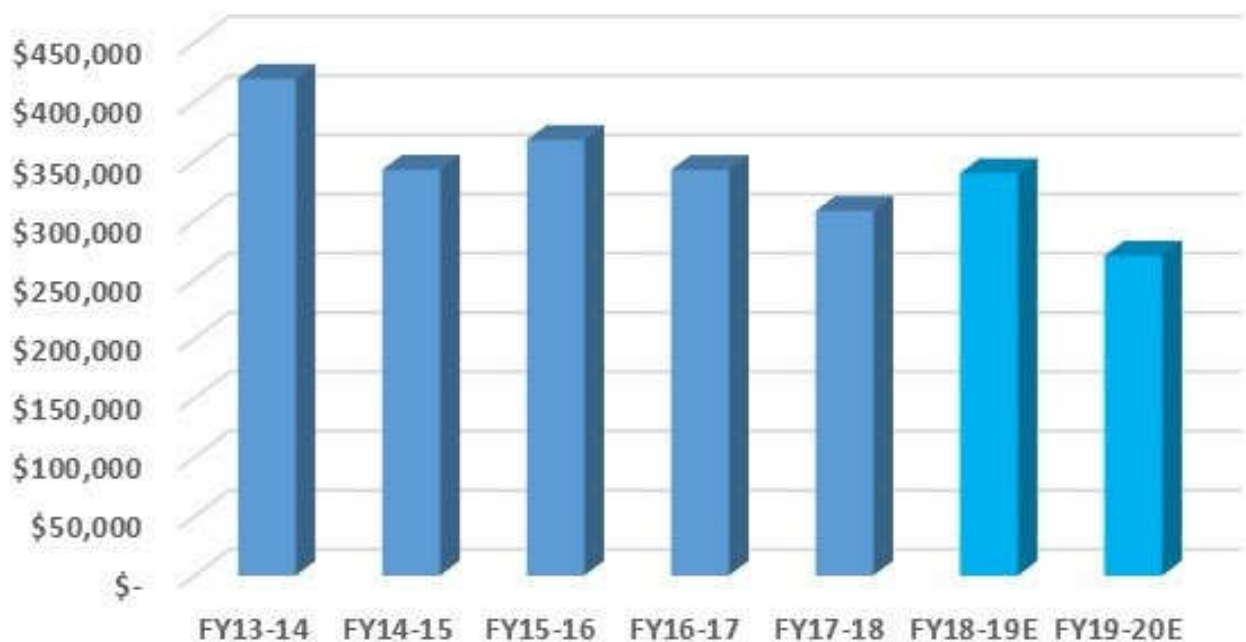
COLLECTION

The telecommunications license tax is distributed to the City by the Utah State Tax Commission on a monthly basis.

AUTHORIZED USES

General Fund, unrestricted.

Revenue Received/Future Projections



Revenue—Cable Television Tax—General Fund

DESCRIPTION

Any entity in American Fork City providing cable television services is subject to this tax. As of fiscal year 2018-2019, the only entity providing this service is Comcast (also known as Xfinity).

FUNDS/ACCOUNTS

General Fund

Cable TV Franchise Tax 10-3100-400

DEPARTMENT

Finance

CURRENT RATE

As of fiscal year 2018-2019, the current rate is 5%.

SIGNIFICANT TRENDS

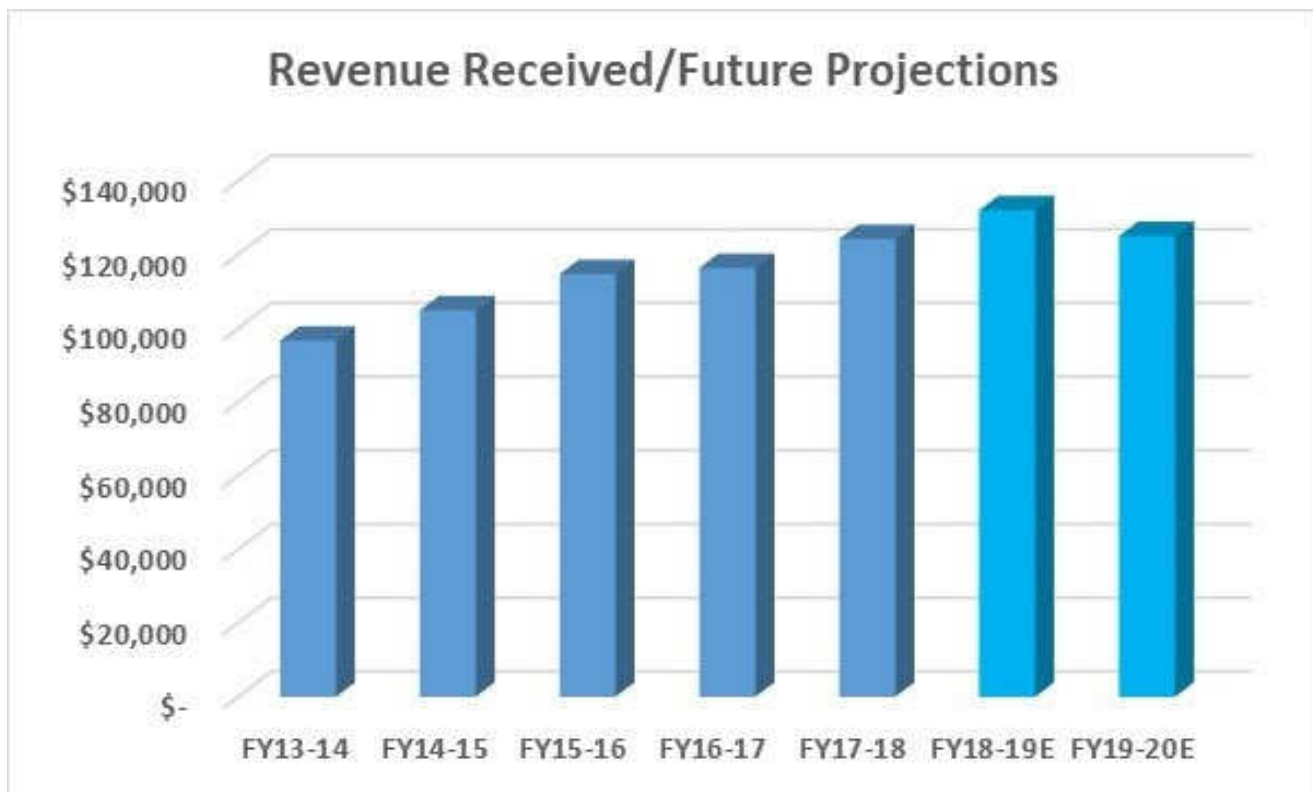
Revenue is projected to decrease in fiscal year 2019-2020 due to “cord cutting,” a phenomenon where customers replace cable television with streaming or internet video services (which are not subject to the cable TV tax).

COLLECTION

Comcast (Xfinity) collects and remits the 5% fee to the City on a quarterly basis.

AUTHORIZED USES

General Fund, unrestricted.



Revenue—Class C Road Allotment—Capital Projects

DESCRIPTION

The Class B&C road system funding program was established by the Utah legislature in 1937 as a means of providing assistance to cities and counties for the improvement of roads and streets throughout the state. This program is funded through 30% of the state highway user taxes and fees.

FUNDS/ACCOUNTS

Capital Projects Fund

Class C Road Fund Allotment 43-3900-200

DEPARTMENT

Streets, Engineering, Finance

CURRENT RATE

Funds are distributed 50% based on population and 50% on weighted road miles. Revenues are estimated based on historical trends and guidance provided by UDOT (Utah Department of Transportation) and MAG (Mountainland Association of Governments). The

City's Public Works division sends updated road miles to UDOT yearly.

SIGNIFICANT TRENDS

Prior to FY 2018-2019, revenue was recorded in the general fund and was used for street maintenance. To mirror the Pavement Management Plan presented in FY 2017-2018, Class C Road Funds are now allocated to the Pavement Management Plan. With this change, however, other revenue sources must be used to fund street maintenance and repair expenditures in the general fund. The City has overestimated revenues for the last two years; a correction is recommended for fiscal year 2019-2020.

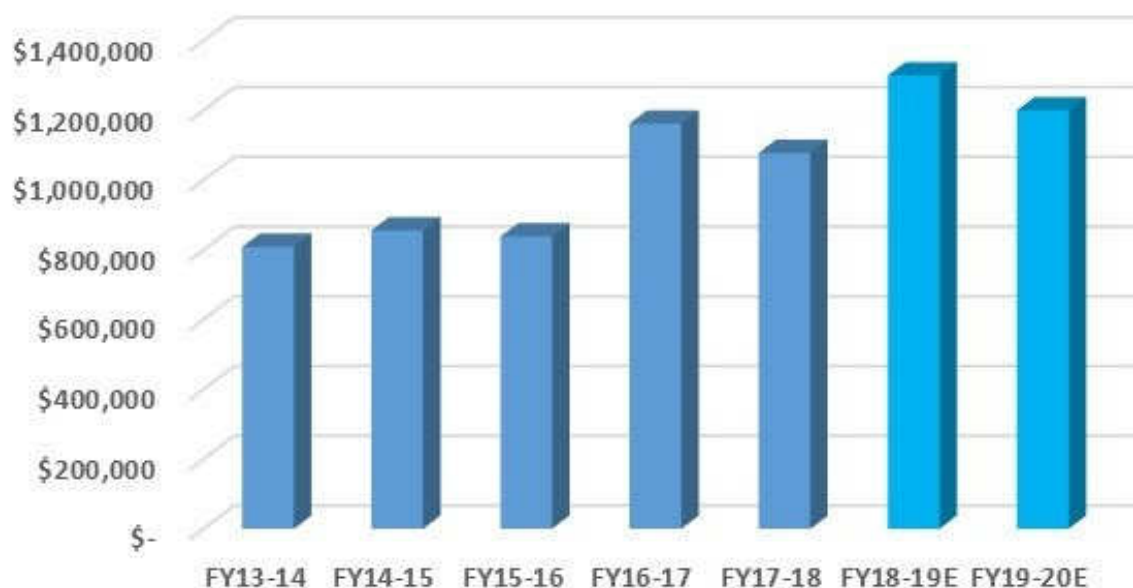
COLLECTION

Utah Department of Transportation (UDOT) makes a bi-monthly distribution.

AUTHORIZED USES

Capital Projects, restricted.

Revenue Received/Future Projections



Revenue—Licenses & Permits—General Fund

DESCRIPTION

Licenses and permits are fees collected to provide the respective service. Permits are collected for a number of items, including building permits, sign permits, burn permits, landlord permits, and special events. License fees are collected for dog licenses (passed through to the North Utah Valley Animal Services Special Service District), and alarm licenses.

FUNDS/ACCOUNTS

General Fund

Business Licenses	10-3200-100
Building Permits	10-3200-200
Beer/Liquor Licenses	10-3200-210
Other Permits	10-3200-260
Special Events Permits	10-3200-270

DEPARTMENT

Building, Administration, Engineering, Planning, and Finance

CURRENT RATE

Rates are set in a separate fee schedule available on the City's website or at City offices.

SIGNIFICANT TRENDS

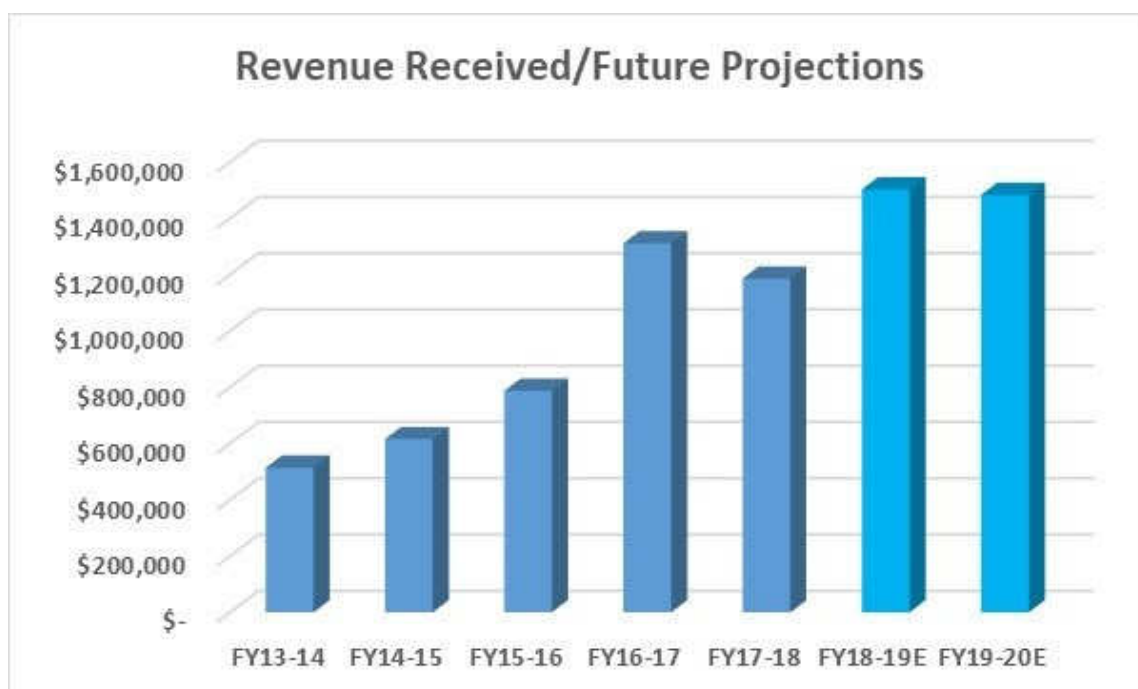
American Fork continues to see increased interest in developing within the City. In addition, the City is expecting rapid growth of the southwest portion of the City in upcoming years. Business license fees were decreased during fiscal year 2017-2018, which led to a 40% decrease of business license fee revenue. Much of this change was due to legislative changes made at the state level. A moratorium in the TOD (Transit Oriented Development) zone also affected building permit revenue in FY2019.

COLLECTION

License & permit fees are collected by the City as permits are applied for.

AUTHORIZED USES

General Fund, unrestricted.



Revenue—Charges for Services—General Fund

DESCRIPTION

The City collects a variety of fees for services rendered. Examples of these include: Cemetery fees, ambulance fees, leases, Cedar Hills police and fire contract, and a variety of development services fees. In addition, an administrative charge is charged to various departments to compensate for services provided by other funds. For example, accounting and payroll is paid out of the General Fund, but its services are used by multiple funds.

FUNDS/ACCOUNTS

General Fund

10-3470-500	Development Fees
10-3470-600	Plan Check Fees
10-3470-650	Site Inspection Fees
10-3400-450	Development Inspection
10-3600-570	Safe Sidewalk Funds
10-3400-250	Ambulance Fees
10-3470-610	Fire Plan Check Fees
10-3470-620	Fire Site Inspection Fees
10-3400-225	Fire Protection Agreement-Cnty
10-3470-790	Fire Fees
10-3600-905	Police Revenue
10-3470-710	Other Police Contracts
10-3470-711	Police Contracts-Cedar Hills
10-3470-712	Alpine School District Officers
10-3470-713	Fire Contracts-Cedar Hills
10-3470-735	Park Fees
10-3470-736	Amphitheater Revenue
10-3470-730	Boat Harbor Fees
10-3470-750	Recreation Fees
10-3480-810	Cemetery Lot Sales
10-3480-830	Grave Opening Fees
10-3480-840	Other Cemetery
10-3470-770	Library Fees
10-3470-780	Senior Citizen Fees

10-3600-400

10-3400-300

10-3400-310

10-3400-320

10-3400-340

10-3400-350

10-3400-360

10-3400-370

10-3400-380

10-3400-390

American Fork History Books

Admin Charge-Water Fund

Admin Charge-Sewer Fund

Admin Charge-Storm Drain Fund

Admin Charge-PI Fund

Admin Charge-Sanitation Fund

Admin Charge-Fit Center Fund

Admin Charge-PARC Tax Fund

Admin Charge-Egg Farm EDA

Admin Charge-Broadband Fund

DEPARTMENTS

Administration, Engineering, Building Inspection, Planning, Finance, Fire, Cemetery, Police, Parks, Recreation, and Fitness Center.

CURRENT RATE

Rates are set in a separate fee schedule available on the City's website or at City offices.

SIGNIFICANT TRENDS

The City expects to see a significant increase between fiscal years 2019 and 2020 due to the City of Cedar Hills fire contract beginning July 2019 and increased ambulance billing revenue. Both revenue increases are already dedicated to providing fire service to Cedar Hills City and increasing ambulance transport personnel. There are a number of flat or declining revenue sources. The City is expecting a decrease in recreation fees based on lack of programming space due to construction at Art Dye Park. The dramatic decrease in charges for services revenue between fiscal year 2017 and fiscal year 2018 is due to sanitation, recycling, and utility late fee revenue being moved to enterprise funds.

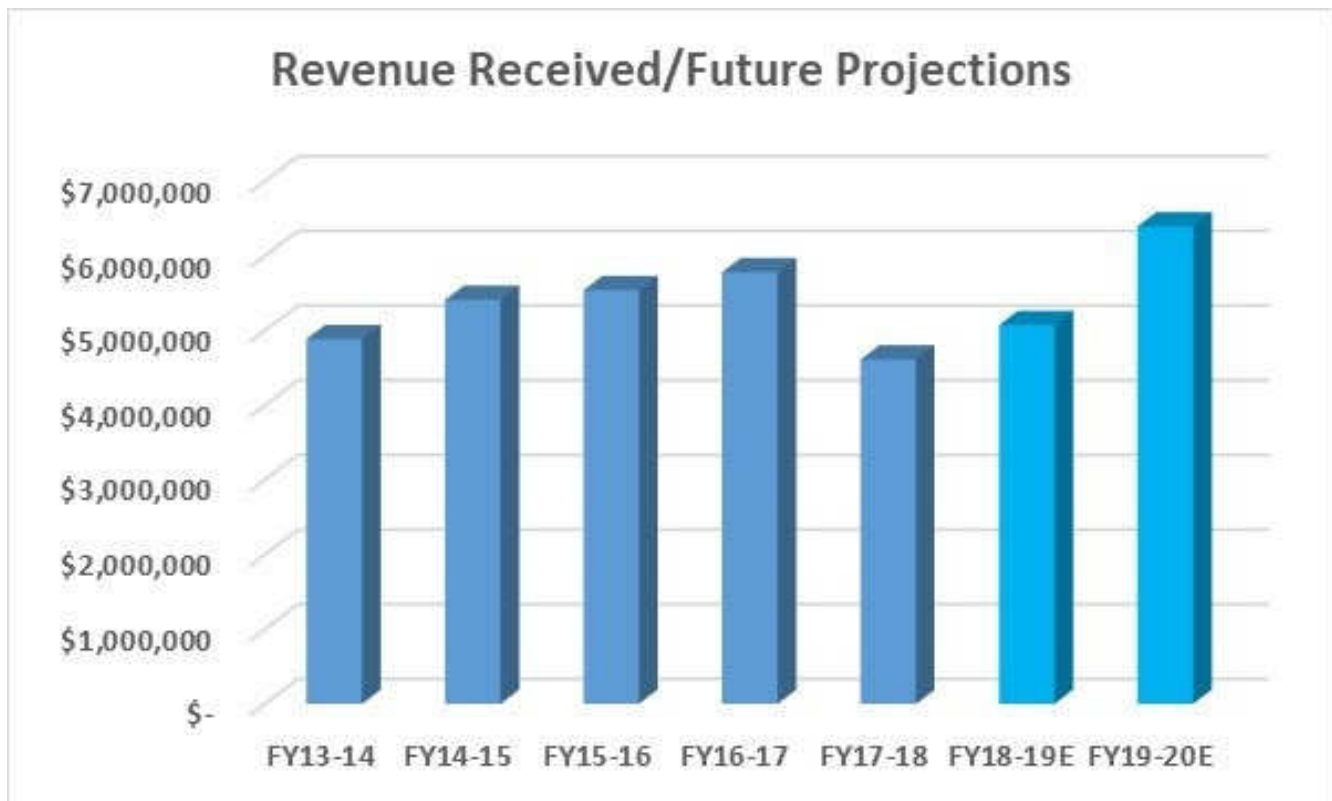
Revenue—Charges for Services—General Fund

COLLECTION

Charges for services are collected by the City as permits are applied for or services are rendered. The City's ambulance billing contractor employs the use of a collection agency on past due billings.

AUTHORIZED USES

General Fund, unrestricted.



CITY COUNCIL STUDY ITEM

City of American Fork COUNCIL WORK SESSION MAY 7, 2019

Department Finance

Department Kyle Maurer

STUDY ITEM Review of Proposed General Fund Balance Policy

SUMMARY RECOMMENDATION

This item is for discussion only. A final policy will be brought forward to the City Council for approval.

BACKGROUND

During the 2019 City Council budget retreat, the Finance Director discussed the need for an updated fund balance policy for the General Fund. Based on feedback, a draft policy has been created. The Finance Director will present the draft policy for feedback and comments.

BUDGET IMPACT

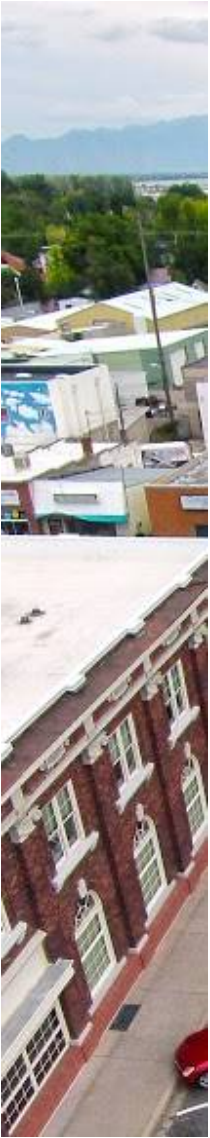
The policy, if adopted, will require a 10% increase to fund balance when revenues exceed expenditures in a fiscal year. This would fund the minimum fund balance requirement by FY2024 and the state maximum of 25% by FY2032.

SUPPORTING DOCUMENTS

3-19-19 General Fund Balance (PPTX)
Fund Balance Policy (DOCX)

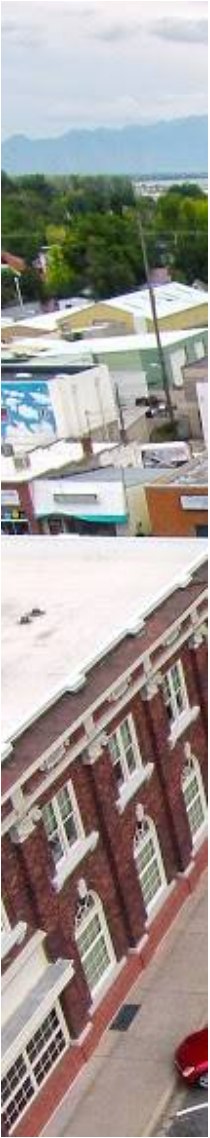
General Fund Balance Policy

AMERICAN FORK CITY



Highlights

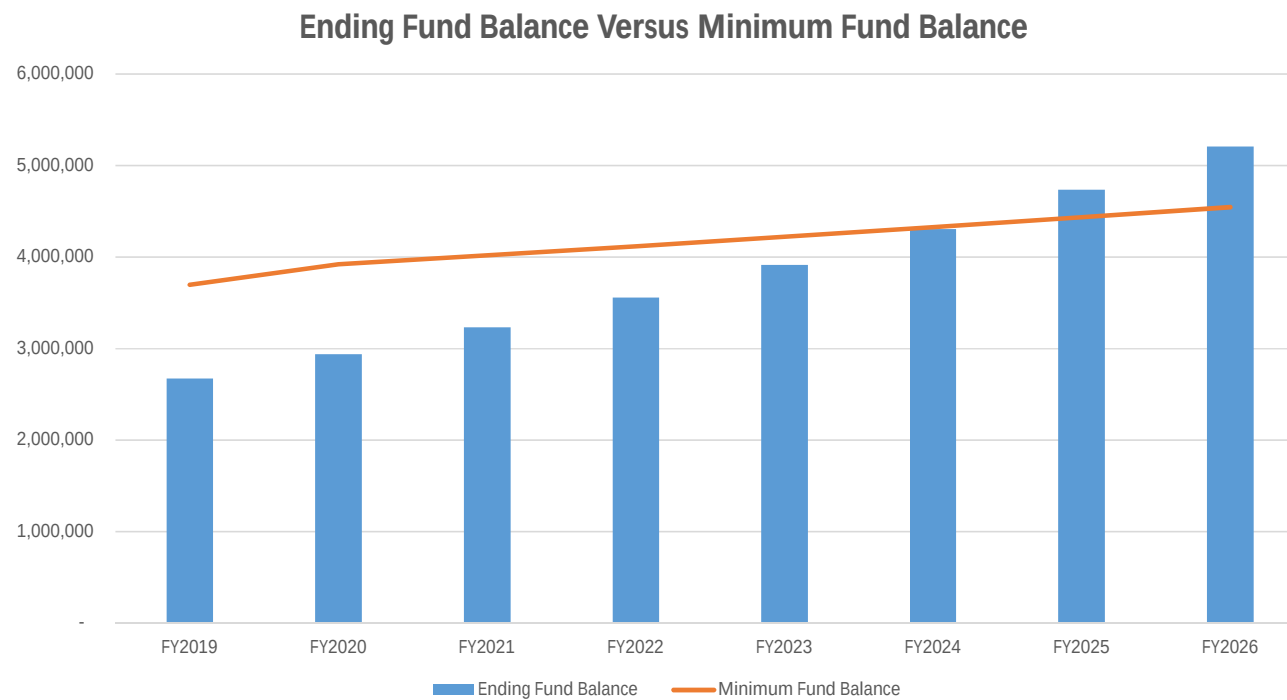
- Recommended minimum level – 2 months of operating revenues.
- Maximum – State law (currently 25% of revenues).
- Increase 10% a year until 25% maximum is reached.
 - Needs to “keep pace” with normal revenue increases.
 - Would reach minimum-FY2024; maximum-FY2031 (2.5% revenue increases).
- Over 10% contribution – To Capital Projects fund.
- Plan for replenishment must be presented if use falls below minimum.



The “Details”

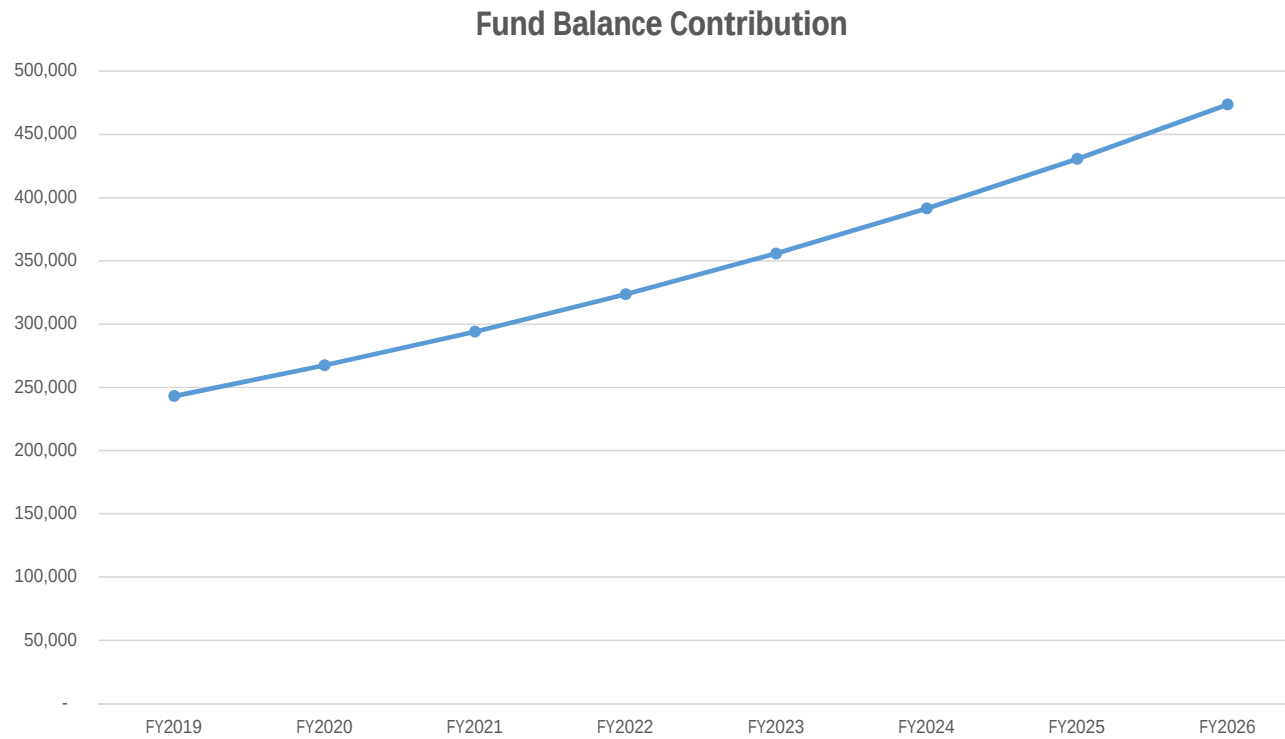
- 2 months of revenues = \$3,697,418 (FY2019) (16.7%-State calculation) (deficit \$1,261,478).
- If revenues exceed expenditures in fiscal year, amount above 10% fund balance increase automatically transferred to Capital Projects fund.
 - Appropriated by City Council through budget adoption or budget amendment process.
 - Able to transfer out of Capital Projects fund.
- Maximum fund balance – state law (currently 25%)
- Absolute minimum – state law (currently 5%)

Fund Balance Versus Minimum





Fund Balance Contribution by Year





Fund Balance Use

- Limited to unanticipated, non-recurring needs, or anticipated future obligations.
- NOT used for normal/recurring annual operating expenditures.
- City Administrator makes recommendation to City Council for use of reserves.
 - Majority vote of City Council required to use reserves.
- Proposal to use reserves must be accompanied by a plan for replenishment.
- If reserves fall below 2-month minimum, plan for replenishment must be included in yearly 5-year forecast update.

American Fork City
Fund Balance Policy for the General Fund

Purpose

This policy strives to ensure the City maintains adequate fund balances and reserves in the General Fund in order to:

- Provide sufficient cash flow for daily financial needs.
- Secure and maintain investment grade bond ratings.
- Offset significant economic downturns or revenue shortfalls.
- Provide funds for unforeseen expenditures related to emergencies.

For purposes of this Policy, the definition of “reserves” is limited to committed, assigned, and unassigned fund balance categories as defined by Generally Accepted Accounting Principles (GAAP).

Amounts Held in Reserve

The City will strive to maintain a minimum level of reserves in the General Fund equivalent to 2 months of regular operating revenues and a maximum reserve as allowed by state law (currently 25% of revenues, excluding other financing sources). This amount will be calculated by taking the General Fund revenues for the year (excluding other financing sources) and dividing by 6. Under no circumstances will fund balance be lower or higher than allowed by state law (currently 5% minimum and 25% maximum).

The City will seek to achieve recommended minimum and maximum fund balances by increasing fund balance 10% a year until the 25% maximum is reached. Fund balance will be increased in years when revenues exceed expenditures, or when the City has excess one-time revenues. In the case of revenues exceeding expenditures in excess of the 10% contribution, or if the City is at the 25% maximum, the difference will be transferred to the Capital Projects fund for future City Council appropriation.

In the event reserves are used resulting in a balance below the 2-month minimum, a plan for replenishment will be developed and included in the five-year financial forecast presented during the annual budget process.

Conditions for Use of Reserves

The use of reserves shall be limited to unanticipated, non-recurring needs, or anticipated future obligations. Fund balances shall not be used for normal or recurring annual operating expenditures.

The City Administrator is authorized to make recommendations to the City Council for use of reserves. A majority vote of the City Council will be required to use reserves. Any recommendation shall be accompanied by a proposal for the replacement of reserves to the City Council.