



PROVO MUNICIPAL COUNCIL

Budget Retreat Minutes

1:00 PM, Tuesday, May 14, 2019
Room 310, Provo City Conference Room
351 W. Center Street, Provo, UT 84601

Agenda ([0:00:00](#))

Roll Call

The following elected officials were present:

Council Chair David Harding, conducting
Council Vice-Chair Kay Van Buren, arrived 1:08 PM
Council member David Sewell
Council member Gary Winterton
Council member George Handley
Council member David Knecht
Council member George Stewart, arrived 2:11 PM
Mayor Michelle Kaufusi

Prayer

The prayer was given by Isaac Paxman, Deputy Mayor.

Business

1. A presentation of the proposed 2020 budget including an overview, supplemental requests, and other issues. (19-004) ([0:03:52](#))

John Borget, Director of Administrative Services, presented. Mr. Borget and Kelsey Zarbock, Accountant, recommended some minor changes to the budget document, which would be distributed to the Council next week. Mr. Borget gave some instructions on the adjusted budget, which reflected budget items, carryovers, encumbrances approved by the Administration and reviewed by the Council in September, and CIP (capital improvement project) balances.

Mr. Borget presented additional elements of the tentative budget for FY 2020. Mr. Borget listed the utility rate increases (wastewater 15%, water 5%, storm drain 8%, and sanitation 10%) which would be implemented, based on the recommendation of the five-year plan. The budget also includes a revenue-neutral adjustment to the energy rate, intended to more accurately reflect how Provo Power experiences expenses—the base rate will be adjusted to better reflect the base costs. Mr. Borget also discussed personnel costs to the City. Councilor George Handley asked about the 2.5% merit increase, pointing out that 2.5% is a standard cost of living increase and wondering if 2.5% was enough. Mr. Borget responded with a further explanation of merit raises. Wayne Parker, CAO, outlined details about the City's annual market rate study on personnel pay grades. The process for this is much more granular than a typical cost-of-living adjustment, but would

factor in the market changes of other cities that have implemented COLAs over time. Mr. Borget explained the City's process for a meritorious increase for employees who work above and beyond expectations. Mr. Borget mentioned that usually about 65% of the City full-time regular employees are paid out of the general fund.

Ms. Zarbock distributed a handout listing supplemental requests while Mr. Borget outlined the format and contents of the document, including recommendations for which requests should be funded. Council Chair David Harding asked for more clarification on the document. Mr. Borget explained in more detail the first request for seven new police officers. The request lists only six new full-time equivalent positions, as the seventh would be the result of combining two existing part-time positions. Councilor Handley asked if the Police request for additional officers accounted for the higher starting salary as of last year, which Mr. Borget affirmed. Mr. Handley asked if the Police budget was catching up to where it needed to be; Mr. Borget suggested it was likely that this would continue to remain a high priority for the general fund each year. The discussion remained centered on police staffing, as Mr. Borget clarified that the new Deputy Chief of Police was not included in the supplemental request, as the Council already approved adding the position. Mr. Borget proceeded to discuss line 2 about Police Radios. Councilor Harding proceeded to ask questions to clarify the funding that would fulfill the budget requests.

Mr. Borget highlighted several elements of "Other Funding," including unexpected maintenance of City buildings (part of the Facilities budget). Mr. Borget shared the All Funds Summary, which shows a snapshot of the City's activities. There was a significant increase in revenue from the previous year; Mr. Borget explained that property taxes had increased (including the portion related to the City facilities and public safety bond), tax increment, and other increases resulting from growth in the City. Grants also increased significantly, by approximately \$28 million; of the \$28 million, about 75% related to projects at the airport and 25% to the Lakeview Parkway project. The remainder of the revenue increase came from loan/bond proceeds. Mr. Borget discussed CIP funds and how these were tracked from year-to-year. Councilors David Harding and Gary Winterton asked questions about the All Funds Summary, which Mr. Borget answered.

Mr. Borget showed charts of the proposed budget and expenditures. Mr. Borget noted that there had been a sizable increase in the budget since the previous year; a large portion of the increase relates to the Airport and infrastructure projects. Mr. Borget also noted that when the City does a bond, the funds must still be appropriated to the project and are likewise reflecting in the total budget. Mr. Borget addressed several questions from Councilors as needed. The General Fund revenue summary included utility transfer fees, franchise fees, and sales tax. Councilor George Handley asked whether past projections tracked with the actual revenues; Mr. Borget was not sure whether the chart showed past actuals projections, but indicated that he could follow-up and obtain more details on that point. Mr. Borget highlighted the Fund Balance, which was at 23.96%. State law limits a city's Fund Balance to 25% or less, at which point the Council and Administration would need to determine the direction for the City's use of those funds. Mr. Borget highlighted several possibilities for how extra Fund Balance could be dedicated.

Mr. Borget moved on to report on the City's general obligation bonds. He explained the determination of the legal debt margin; right now, Provo is at 25% of the legal debt limit. The City's proposed budget was created in an effort to be responsible and sustainable. Councilor Gary

Winterton asked about the Consumer Price Index and whether Provo was keeping pace with inflation in benefits and pay for employees. Mr. Borget invited several comments from Daniel Softley, HR Division Director, who explained more details of the City's market study and the medical costs index the City uses as a basis when assessing benefits.

Councilor David Sewell asked several clarifying questions on supplemental requests. Mr. Borget needed to verify some details related to the Office 365 upgrades and System Analyst II, but he indicated that an updated spreadsheet would be distributed to the Council. **Presentation only.**

2. A presentation from the Police Department on staffing and other issues. (19-004) (1:19:13)

Chief Rich Ferguson presented. Chief Ferguson outlined the approved supplemental requests and how these fulfilled requests would benefit the department and its operations. Several requests were not funded, including: carrier vests, portable radios, K9 replacement (for which funds were found in the beer tax grant), and SWAT. Council Chair David Harding asked for Chief Ferguson to expound on the beer tax grant. Chief Ferguson explained the funding received for preventing under-aged alcohol sales. Councilor Gary Winterton asked about the Urban Deer Program; Mr. Harding reminded him the program would be funded by an appropriation in the next fiscal year.

Chief Ferguson expressed gratitude for receiving funding for seven new officers. The new officers will help to relieve overtime expenses and to slow the necessity of the rotation list. Mr. Harding whether the City could expect those overtime expenses to decrease over time. Chief Ferguson explained that the seven new officers would be placed in the patrol division, which would contribute toward a more sustainable police force.

Chief Ferguson moved on to Tier II retirement. Under Tier II retirement, the defined benefit option would increase from 37% to 50% for 25 years of service; the defined contribution option would increase by 4%. Chief Ferguson explained that this would make Provo a more attractive option for new candidates. Speaking on recruitment, Chief Ferguson explained that recruitment was down nationwide for police officers. He explained the lateral transfer program, noting that it was a challenging hiring environment for all police agencies. He spoke on Provo City's robust recruitment program, including Channel 17 videos and an employee bonus for referrals. Mr. Winterton asked for clarification on how lateral recruitment is done; Chief Ferguson expressed discomfort in recruiting new officers directly from other cities' police departments.

Chief Ferguson spoke to the department's retention efforts. The Police Department offers opportunities for professional growth, a master officer program, competitive pay, better working conditions, and engaged leadership. Councilor David Knecht asked about community support, which Chief Ferguson felt was high and very helpful for retention. Chief Ferguson addressed challenges to retention, including lower wages and higher call volumes than other Utah cities. Speaking to staffing, Chief Ferguson explained that there are 16 officers in various positions of training who were not yet able to take calls. Councilor George Stewart asked about school resource officers; Chief Ferguson said they had obligations during the summer break, but they did assist with calls for the Police Department during those months. Councilors expressed appreciation for the work and dedication of Provo's police officers. **Presentation only.**

3. A presentation on the reorganization of Community Development and other departments into Community and Neighborhood Services and Development Services Departments and consideration of budget impacts. (19-004) ([2:07:40](#))

Wayne Parker, Chief Administrative Officer, led the discussion. Mr. Parker handed out a summary of the new Development Services department, which was designed to bring all functions pertaining to development review into one department. Mr. Parker highlighted the areas which would fall under each department and explained the reasoning for placing them there. The Administration thought it made more sense to move CDBG to Community and Neighborhood Services (CNS) rather than Development Services; having synchrony between long-range neighborhood planning and the administration of grant funding which directly impacts neighborhoods provides great continuity. Several Councilors asked questions about new positions and funding in the new departments, which Mr. Parker clarified. The Redevelopment Agency will remain a separate entity, with the CDBG funding moving to CNS. Councilor Handley asked about sustainability efforts; Mr. Parker explained the incentives that have been used and can be promoted in Economic Development. Parking Enforcement would stay with Customer Service for the time being. Mr. Parker also explained how zoning would be coupled with more robust business licensing enforcement.

Mr. Parker shared a diagram showing the structure of the City departments following the creation of the new departments. Mr. Parker reported that the proposed budget for these departments for FY 2020 was approximately \$50,000 lower than the FY 2019 budget for the city services as currently constituted. CNS will be responsible for CDBG, HOME, and special projects, with 21 full-time employees, while Development Services will be responsible for tax-increment funding and new development, with 18 full-time employees. Mr. Winterton asked about any potential complications with being tied to federal funding; Mr. Parker explained that grants were received by the City, not the RDA. *Presentation only.*

4. A presentation on Provo 360. (19-004) ([2:26:40](#))

Wayne Parker, CAO, recounted the purpose and background of Provo 360, the ERP (enterprise resource planning) project that is replacing and consolidating the City's software programs to one central program or suite. The project will result in better data collection for all parts of City government, better communication between departments, and better-informed decision-making. Mr. Parker shared the development, RFP selection, and consulting involved. Provo is currently in transition regarding the HR solution, but the previous phases of Provo 360 have been successful.

Mr. Borget continued the presentation on Provo 360 and indicated that funds set aside for the old software package would be directed to the new one. Mr. Borget said CityView has been live for a year, with the online portal up and working for developers to submit plans online. Karen Larsen, Phase 2 Project Director, said they anticipated the online portal to become available soon for residents using CityView. Daniel Softley, HR Division Director, discussed the evaluations the City was conducting to determine the most effective way to implement the new HR solution; they hoped to receive bids as part of the RFP process in early June.

Ms. Larsen shared an update on Phase 2 of Provo 360. The project is currently in the configuration phase for the Work Management System (WMS) and in the functional testing for the Customer

Information System (CIS; used for utility billing). Ms. Larsen expressed confidence that Provo 360 will go live in April 2020. Councilor George Stewart asked whether other cities in Utah were using CityView or Cayenta; no other cities in Utah were using the same software, as Provo continues to lead out among Utah cities in city management. *Presentation only.*

5. A presentation from Customer Services on staffing and parking enforcement. (19-004) ([2:54:55](#))

Laramie Gonzales, Customer Service Business Analyst, summarized the presentation he gave at a work meeting several weeks previously. The State legislature passed a bill which stipulated that late fees for parking enforcement may not exceed 25% of the original fee. Customer Service analyzed the existing rate structure and has proposed changes to better align Provo's fees with the current parking enforcement operation, as well as State law. Mr. Gonzales shared the proposed change, which would raise the fee to \$55, with an early payment discount. In response to a question regarding payment processing, Mr. Parker indicated that Karen Larsen, Customer Service Director, could present on that topic in depth at a future work meeting. *Presentation only.*

6. A presentation from Administrative Services on operations including internal audit and Information Systems. (19-004) ([3:01:43](#))

Josh Ihrig, Information Systems Division Director, and John Borget, Administrative Services Director, presented. Mr. Borget shared background details on the supplemental request for an internal audit function. Mr. Ihrig presented the highlights of the annual IS report. IS prioritizes citizen engagement, cyber security, and IS staffing and support for the City organization. The IS Department runs on a very lean budget, compared to many other cities, which is a testament to their frugal and efficient operations. Councilor George Stewart asked about IS staff within the Energy department, which Mr. Ihrig explained was common practice in many city-owned utilities.

Mr. Ihrig discussed the trends that imply a necessity to expand the IT department, which led into the department's supplemental requests. IS has requested funds for one full-time public safety analyst, as there is currently just one analyst who manages the 24/7 system. They have also requested funding for a full-time communications analyst, who would join two other analysts in monitoring over 3000 City communications devices. Cliff Strachan, Council Executive Director, asked about employees using a personal cell phone versus a city-owned phone. Mr. Ihrig shared some policy considerations for each method, noting that ultimately it was a business decision and there were advantages to both methods. Councilor George Handley asked for clarification on the analysts' proposed salaries, which Mr. Parker and Mr. Borget answered, noting that a portion of the analyst salaries are billed out as chargebacks to the enterprise funds. Mr. Ihrig discussed the supplemental request for an Information Security Analyst, which was a critical need for the City organization and was funded. Mr. Ihrig mentioned several other unfunded requests.

Mr. Ihrig fielded a question about the Office 365 funding request; current computers will retain their current version of Microsoft Office and will be upgraded to Office 365 as computers are replaced over the next few years. Councilors expressed appreciation for the IS staff and the high level of service and value they provide. *Presentation only.*

7. A presentation from Public Works on operations and capital improvements including rate changes, wastewater, airport, and other issues. (19-004) (3:26:02)

Dave Decker, Public Works Director, presented on the airport expansion. Mr. Decker discussed several elements of the airport expansion project, noting that the project was split into three distinct portions to better manage which parts were FAA-grant-funded versus City-funded. The apron would be constructed for the new terminal building, with the ability to expand and connect future portions as growth occurred in the future. Mr. Decker also discussed the parking lot and access road; Public Works may handle the design and construction management of this loop road internally and contract out the asphalt work. The loop road and parking lot will be constructed with City funds, allowing any revenues to return to the City. Council Chair David Harding asked about potential transit connections to the airport; Mr. Decker responded that they have had several meetings with UTA and there was interest for a potential bus or train stop at the airport terminal.

Mr. Decker outlined the third portion of the airport expansion project, the design and construction of the terminal building itself. Public Works has secured state and county funds for the project, as well as a loan from Provo Power for additional project costs. There were critical CIP projects for water and sewer expansion to service the airport as well.

Mr. Decker outlined the objectives that the City has set for utility rate increases: avoid bonding for projects; fix existing deficiencies; set aside money for future projects; keep rate increases reasonable; and achieve fund balance goal of 25% of revenue. He presented the recommendations for a 5-year rate increase plan. Councilor George Handley noted the importance of making rate increases a matter of public relations to help the public understand the need for changes in fees. Regarding sanitation fees, Brian Torgersen, Public Services Division Director, acknowledged the uncertainty of recycling; there may be impacts to sanitation fees, but it was uncertain at present.

Jimmy McKnight, Public Works Finance Analyst, mentioned that the City has seen an unanticipated increase in water revenue, which Public Works is directing toward wells to begin some projects sooner than expected. Wastewater is currently the biggest challenge, with residents' bills expected to double by 2025. Councilor David Knecht expressed a desire to find different ways to use recyclable materials (e.g., as material for roads). Mr. Decker shared comments about the unique challenges of Provo with winter weather when it comes to new technologies. Mr. Torgersen noted that UDOT was very progressive with technology and methods. Mr. Handley mentioned other recycling efforts, such as turning plastics into diesel fuel. Mr. Decker also shared slides comparing utility rates for cities throughout Utah. Councilor George Stewart, Mr. Parker, and Mr. Decker had a brief discussion about the City's sanitation program and costs.

Mr. Decker briefly discussed Public Works' supplemental requests: streets/stormwater assistant manager; transitioning a water sources position from part-time to full-time; airport position changes; airport overtime; hiring a full-time fleet mechanic; reclamation positions for succession planning; and a full-time water resources engineer. ***Presentation only.***

Closed Meeting - *None requested.*

Adjournment - *Adjourned by unanimous consent.*

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: HSALZL
Department: Council
Requested Meeting Date: 05-14-2019

SUBJECT: A presentation of the proposed 2020 budget including an overview, supplemental requests, and other issues. (19-004)

RECOMMENDATION: Presentation only.

BACKGROUND: The FY 2020 budget was received on May 7 and the Council expects to adopt a final budget on June 18. The budget review will include today's retreat and blocks of time in work meetings on May 21 and June 4. Additional meetings will be scheduled if needed.

Administrative Services Director John Borget will provide an overview of the budget.

FISCAL IMPACT: FY2020 proposed budget is \$251,212,825.

PRESENTER'S NAME: John Borget

REQUESTED DURATION OF PRESENTATION: 60 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 19-004

Provo City Tentative Budget FY 2020



Adjusted Budget

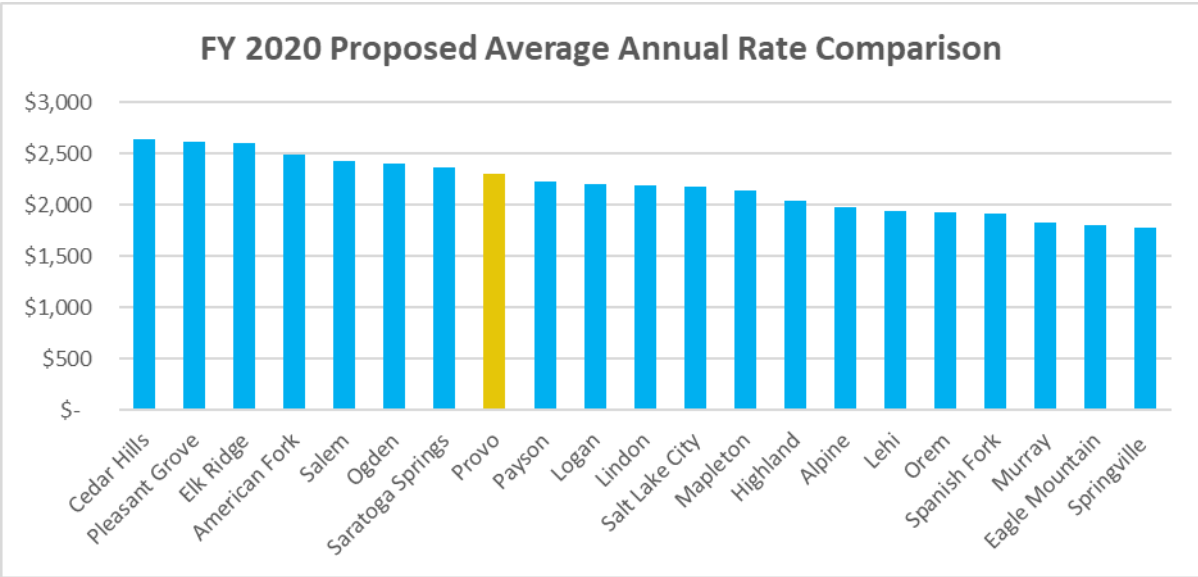
- Revenues – current year-end projection
- Expenditures – Budget plus items carried over from the prior year
 - Encumbrances approved by administration and reviewed by Council in September
 - CIP project balances
- Prior year budget is a better comparison

Utility rate increases are being implemented to fund ongoing operational and capital improvements throughout the City.

The following utility rate increases are being included in the recommended budget per the 5-year plan adopted by the Municipal Council five years ago.

- An average 15% or \$7.18 monthly increase per average residential home on wastewater utility sales (Wastewater Fund)
- An average 5% or \$2.24 monthly increase per average residential home on water utility sales (Water Fund)
- An average 8% or \$0.80 monthly increase per average residential home on storm water utility sales (Storm Water Fund)
- An average 10% or \$2.78 monthly increase per average residential home on sanitation utility sales (Sanitation Fund)
- The Energy rates include a revenue-neutral adjustment by increasing the base rate and lowering the price of the first 500 kWh of power

The graph below depicts the City’s position compared to other cities after implementing the proposed rates, excluding Energy. This graph would assume that other comparable entities make no other changes to their current rates.



Funded Personnel Costs

Each year we carefully evaluate the compensation scales of our employees and compare our compensation to the market of competing governmental entities. Personnel budgets in departments include current funding levels plus market-required adjustments necessary to attract and retain good employees:

- Merit Increases (2.5%) \$869,422
- Market Adjustments \$266,870
- Career Series Advancements
- Health Insurance Cost Increases (4.5%) \$539,696
- Utah Retirement System \$272,710
- Employee Recognition & Appreciation
- Birth Parent and Adoption leave
- Accidental death and dismemberment benefit
- Upfront leave program for new employees Total \$1,948,698

Expenditures

All departments and divisions continue to do the same or more with very limited personnel and operational budget changes.

Each department/division had the opportunity to submit supplemental requests as part of the Fiscal Year 2020 budget. Forty-three requests were made for a total of \$4,728,432. A total of \$2,001,628 has been funded in FY2020 and \$282,275 has been funded by existing budget in FY2019.

Public Safety

\$658,596: Seven new police officer positions. Four will be funded from general fund revenues and two will be funded from revenues received from Provo School District for officers assigned to schools. One will be funded by consolidating two part-time positions.

It has been determined to no longer have a police lieutenant oversee dispatch and to hire a civilian with the management skills and experience to oversee the dispatch operation. This will provide the Police Department to have an additional lieutenant that can focus on other police responsibilities. In the past we have not been able to keep all the dispatch positions filled due to turnover and recruiting challenges. The funding for the civilian Dispatch Manager will come from decreasing the approved dispatch positions by two.

\$24,259: Increase interlocal contribution animal shelter district to fund increase in operating costs.

\$18,744: Annual maintenance for an online reporting program that allows citizens to initiate a report online, obtain a case number, and print the report for their records. We believe this program will eventually save significant staffing hours as more people become aware of and use this service.

Community Development

\$5,000: There is a need to have annual maintenance for wayfinding signs.

\$5,000: The property coordinator has various expenses associated with the sale and purchase of properties.

Streets

\$26,918: The Streets and Stormwater manager has been required to spend a lot of time acting as a field foreman and being in the field helping with maintenance and project work. Adding an assistant position would allow the assistant to focus on managing the foremen in the field, freeing up the manager to focus on administering the section and the overall management of stormwater and streets infrastructure.

Vehicle Maintenance

\$78,170: Based on an analysis of the size of the City fleet and maintenance needs compared to the number of mechanics employed by the City, the Fleet Manager has determined that the City does not have an adequate number of mechanics.

Customer Service

To meet the parking demands from our citizens and business owners today, we have exhausted our resources to cover the existing parking areas. We are limited on our resources of personnel, vehicle and equipment to enforce any additional parking of areas in Provo. In order to manage further parking growth, it is necessary to add the equipment, personnel and vehicles to do so. It is proposed that parking fees be adjusted to fund the following recommendations:

\$42,660: To better focus on parking enforcement, the budget includes changing one of the part-time parking positions to full-time.

\$90,000: Two (2) addition LPR (License Plate Readers) to efficiently cite vehicles in restricted parking areas.

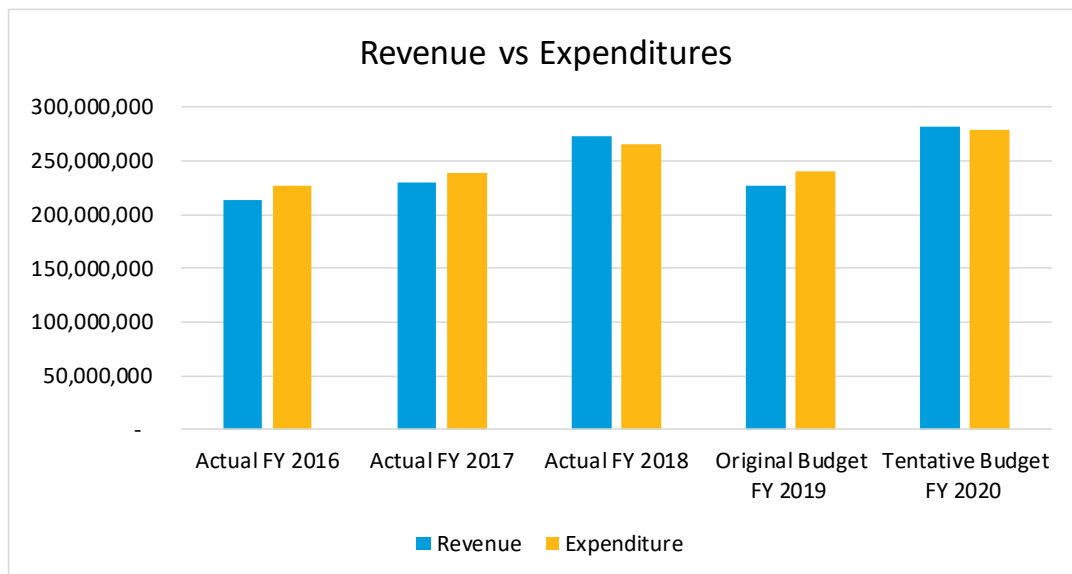
Other Funding

The Recreation Center continues to exceed revenue expectations and is being used heavily by its customers. Administration and the Municipal Council have a strong desire to have the funding necessary to adequately maintain the Recreation Center so that it will be able to serve customers long-term. In addition, the facility can continue to feel new and have equipment and services needed to keep up with current trends. To meet this need, FY2020 will be the fifth year we have provided \$413,646 in funding in the operational budget to maintain the building and equipment over their useful life. Any unused funds in any given year will be moved forward for future use. (Current balance \$800K)

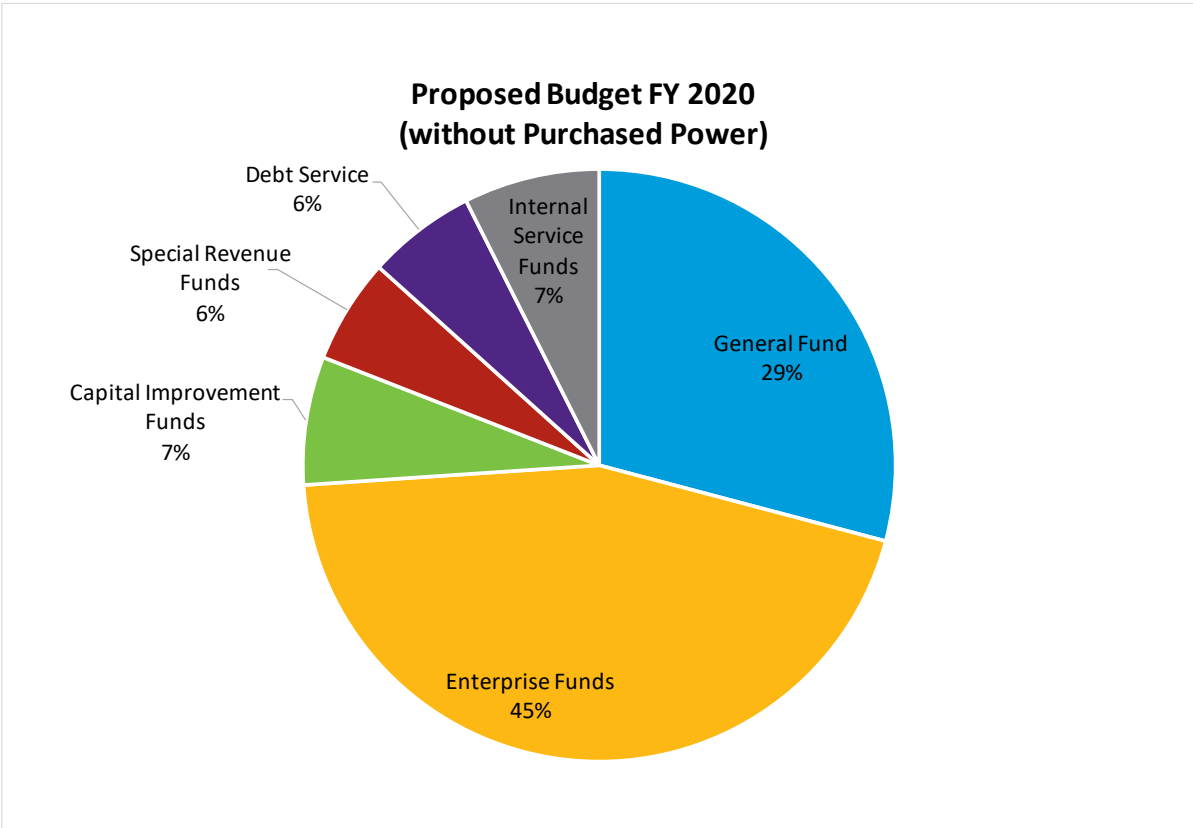
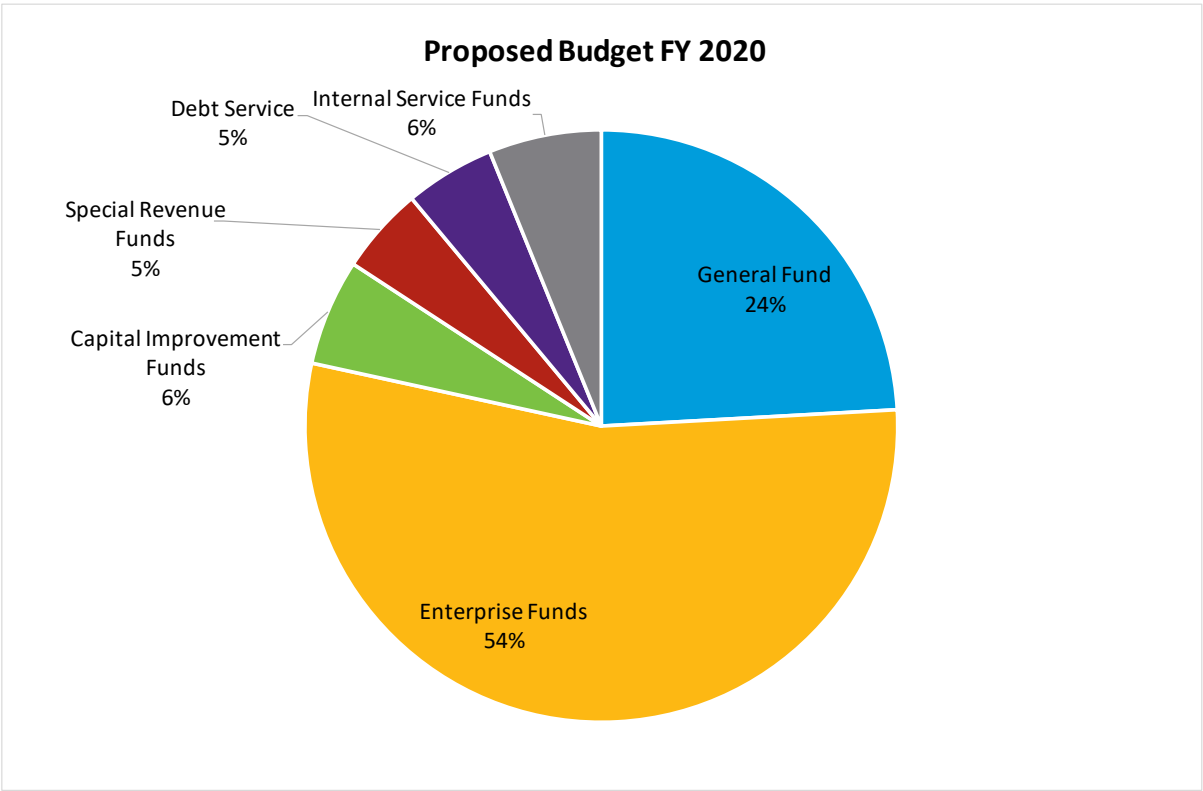
In addition to the Recreation Center, the General Fund has several facilities it maintains. The Administration and the Municipal Council have a strong desire to have the funding necessary to adequately maintain the different facilities within the General Fund so that they will be able to serve residents in the long-term. To meet this need, this will be the fourth year we have provided funding in the operational budget to maintain the building and equipment over their useful life. Since the City Center is going to be replaced, it was determined the amount that has been set aside for maintenance in prior years is adequate so no additional funds were set aside for the existing City Center. For other general fund facilities, \$237,000 is included in the FY2020 Budget for maintenance. Any unused funds in any given year will be moved forward for future use. (Current balance \$1M)

The budget includes funding from a Recreation, Arts, and Parks (RAP) Tax that was approved by the voters in November 2015. The proposed budget assumes the tax will generate approximately \$1.325 million in FY2020 for recreation and arts projects.

All Funds Summary	Actual FY 2016	Actual FY 2017	Actual FY 2018	Original Budget FY 2019	Adjusted Budget FY 2019	Tentative Budget FY 2020
Revenue & Transfer In						
Utility Sales	91,810,502	96,032,837	101,100,695	104,469,272	105,850,000	108,335,993
Sales Tax	17,010,076	17,918,297	18,973,348	18,950,000	19,207,500	19,850,000
Chargeback	14,986,134	16,792,959	13,413,378	15,345,187	15,163,258	15,793,830
Property Tax	12,021,347	12,559,700	13,059,867	12,986,427	13,246,639	18,104,355
RAP Tax	-	1,215,568	1,277,460	1,275,000	1,350,000	1,325,000
Franchise Fee	9,048,377	9,572,726	9,748,909	9,798,076	9,750,000	10,585,575
Fees	24,142,705	24,983,221	19,756,724	22,322,760	25,752,600	25,303,221
Grants	3,380,472	15,962,925	13,902,271	3,356,999	20,174,999	31,764,379
Telecom Debt Charge	3,381,630	3,408,526	3,421,532	3,250,000	3,400,000	3,250,000
B&C Roads	3,305,816	3,737,420	3,737,444	3,900,000	3,900,000	3,900,000
Miscellaneous	4,074,735	3,067,468	13,156,711	1,842,501	4,915,000	5,230,915
Other Tax	1,027,359	1,046,965	1,406,749	1,235,000	1,245,000	2,885,000
License	617,756	540,124	232,677	543,000	540,000	543,000
Principal/Interest Income	279,550	379,858	958,645	3,117,322	6,425,145	1,942,300
Land Sales	286,429	56,630	753,812	-	-	-
Loan/Bond Proceeds	5,500,000	-	35,605,946	-	70,137,872	10,000,000
Transfer In	22,442,029	22,635,475	22,614,147	23,898,195	24,000,355	26,519,878
Total Revenue & Transfer In	213,314,918	229,910,699	273,120,315	226,289,739	325,058,368	285,333,446
Expenditures & Transfer Out						
General Fund	58,387,693	62,142,608	63,999,206	64,622,211	67,800,066	67,354,968
Enterprise Funds	125,523,594	125,823,372	122,132,702	129,538,131	174,204,045	153,100,650
Capital Improvement Funds	12,048,284	15,488,222	12,697,765	7,111,975	106,869,421	16,193,958
Special Revenue Funds	8,982,847	10,249,282	12,728,322	14,437,721	16,744,069	13,229,776
Debt Service	7,411,865	8,130,689	38,008,093	8,979,688	9,219,688	13,698,387
Internal Service Funds	14,098,623	16,834,565	16,658,322	15,872,460	20,931,382	17,161,096
Total Expenditures & Transfer Out	226,452,906	238,668,738	266,224,410	240,562,185	395,768,671	280,738,835
Net Change in Fund Balance	(13,137,988)	(8,758,039)	6,895,904	(14,272,446)	(70,710,303)	4,594,611



Total expenditures above include the cost of purchased power from Utah Municipal Power Agency, which is included in the Enterprise Funds total. Total expenditures are compared both with the purchased power cost and without the purchased power cost.



Personnel Totals by Department

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Diff
Fire	77.8	84.0	83.0	81.3	80.0	80.0	80.0	83.0	83.0	83.0	-
Parks & Recreation	111.0	113.3	118.0	134.3	163.2	156.8	156.9	158.4	166.1	162.3	(3.8)
IS	14.6	15.0	15.5	15.5	15.5	16.3	16.0	16.0	16.4	19.4	3.0
Com & Neighbor Srvc	23.0	21.8	22.3	22.3	24.3	24.3	27.3	26.3	26.0	15.0	(11.0)
Development Services	-	-	-	-	-	-	-	-	-	12.0	12.0
Streets	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	-
Municipal Council	9.0	7.7	7.7	8.0	7.7	8.3	8.3	8.8	8.8	8.8	-
Mayor's Office	6.0	6.8	6.8	6.8	11.4	11.6	11.4	12.4	10.4	10.4	-
Personnel	8.4	8.4	8.4	8.5	8.5	8.5	8.5	8.5	8.5	7.5	(1.0)
Recorder	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.6	1.6	1.6	-
Finance	10.9	10.9	9.9	9.5	9.5	9.5	8.0	8.0	9.0	7.0	(2.0)
Legal Services	12.3	13.3	13.4	13.4	13.4	13.3	13.3	14.0	14.0	14.0	-
Economic Dev.	2.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	-
Police	157.1	161.4	166.2	165.0	164.9	168.5	172.0	174.7	150.5	156.5	6.0
Engineering	14.3	16.3	16.3	16.3	18.5	18.5	19.1	19.1	19.6	19.6	-
General Fund Total	463.5	478.9	488.7	502.4	537.1	535.4	541.8	550.8	533.0	536.1	3.1
Justice Court	13.9	13.9	12.8	12.8	12.6	11.5	11.5	9.5	9.5	9.5	-
Emergency Response	9.0	9.0	9.0	9.0	7.0	5.0	4.0	4.0	27.0	26.0	(1.0)
Media Services	3.0	3.0	3.1	2.6	-	-	-	-	-	-	-
Library	51.3	53.2	53.2	52.1	57.6	57.8	61.0	57.7	59.1	59.2	0.1
Covey Center	12.4	12.4	12.4	12.4	11.3	15.3	15.3	15.3	15.3	15.3	-
Golf	7.7	7.7	7.7	7.7	7.7	7.7	12.2	12.2	13.2	13.2	-
Water	30.7	32.1	32.1	32.4	36.0	36.6	36.6	35.1	36.1	36.6	0.5
Wastewater	26.6	27.6	27.6	27.8	27.8	28.3	28.3	29.1	31.1	34.9	3.8
Energy	82.6	86.8	65.0	63.0	64.5	66.1	66.6	69.1	69.1	69.8	0.8
Telecom	-	-	1.0	1.0	-	-	-	-	-	-	-
Airport	2.0	3.7	3.7	3.7	3.7	4.2	4.2	4.2	4.2	5.2	1.0
Sanitation	16.2	16.2	14.2	13.6	13.6	16.6	16.6	19.4	21.4	21.4	-
Customer Service	-	-	27.7	31.6	31.5	29.5	30.2	29.7	35.1	37.6	2.5
Insurance/Claims	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Employee Benefits	-	-	-	0.6	0.7	0.7	0.7	0.7	0.7	1.0	0.3
Peaks Ice Arena	-	-	-	-	-	-	-	-	14.5	14.5	-
Vehicle Maintenance	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0	1.0
CDBG	-	-	-	-	-	-	-	-	-	5.0	5.0
Facilities	7.5	7.5	7.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	-
Non GF Total	270.0	280.9	285.8	287.1	290.8	296.1	304.0	302.9	353.2	367.2	14.0
Total	733.5	759.8	774.5	789.5	827.9	831.5	845.8	853.7	886.1	903.3	17.1

The General Fund increased by 3.1 net positions. This is driven by 7 new police officers, 3 new IS analysts, and 1 new director of Development Services. This is balanced by changes in part-time positions in Parks and Recreation and Police, the removal of a project manager in HR, and two positions moving from Finance to Customer Service. In other funds, Emergency Response used two dispatch positions to add a Dispatch Director. Library had a minor part-time adjustment, and Water added an engineer and removed a part-time position. In Wastewater, two temporary plant management positions were added as well as 1.8 FTEs of part-time staff. Energy upgraded a part-time position to a full-time position and Airport upgraded a temporary position to a full-time office assistant. Customer Service also added a parking enforcement officer. Vehicle Maintenance added a mechanic, and CDBG moved from the RDA to be part of Community and Neighborhood Services.

FY2020 Proposed Budget by Fund					
Fund	Revenue	Transfer In	Expenditures	Transfer Out	Change in Fund Balance
General Fund	<u>54,324,222</u>	<u>13,030,746</u>	<u>(59,678,744)</u>	<u>(7,676,224)</u>	<u>-</u>
Enterprise Funds					
Airport	22,545,238	89,308	(23,007,199)	-	-
Energy	79,047,143	-	(67,844,915)	(11,374,373)	(172,144)
Golf Course	1,047,150	-	(1,047,150)	-	-
Peaks Ice Arena	1,508,000	-	(1,503,144)	-	4,856
Sanitation	6,233,350	-	(5,333,213)	(717,904)	182,233
Utility Transportation	2,400,000	-	(2,200,000)	-	200,000
Wastewater	28,236,500	-	(20,937,268)	(2,537,870)	4,761,362
Water	15,402,800	583,820	(14,863,427)	(1,734,187)	(610,994)
Total Enterprise Funds	<u>156,420,181</u>	<u>673,128</u>	<u>(136,736,316)</u>	<u>(16,364,334)</u>	<u>3,992,659</u>
Capital Improvement Funds					
B&C Road	50,000	2,895,380	(3,130,935)	-	(185,555)
Engineering	9,279,690	-	(9,316,000)	(50,000)	(86,310)
General CIP	-	700,465	(40,000)	-	660,465
Golf	-	-	-	-	-
Economic Development CIP	-	-	-	-	-
Parks & Recreation CIP	1,500,000	1,325,000	(3,657,023)	-	(832,023)
Total Capital Improvement Funds	<u>10,829,690</u>	<u>4,920,845</u>	<u>(16,143,958)</u>	<u>(50,000)</u>	<u>(443,423)</u>
Special Revenue Funds					
Arts Council	541,100	354,511	(895,611)	-	-
Cemetery Perpetuity	263,500	-	-	(169,902)	93,598
Performance	145,000	-	(145,000)	-	-
Emergency Response	742,000	1,524,255	(2,266,255)	-	-
Justice Court	1,260,084	183,627	(1,443,711)	-	-
Library	4,457,778	-	(4,603,363)	-	(145,586)
Trust & Agency	130,000	-	-	-	130,000
Vending	-	-	(27,476)	-	(27,476)
CNS	3,360,489	50,000	(3,678,458)	-	(267,969)
Total Special Revenue Funds	<u>10,899,951</u>	<u>2,112,393</u>	<u>(13,059,874)</u>	<u>(169,902)</u>	<u>(217,433)</u>
Debt Service					
Telecom	35,000	3,250,000	(3,223,077)	-	61,923
ERP	1,409,884	1,409,884	(882,045)	(1,079,616)	858,107
General	8,344,080	169,569	(8,073,649)	(440,000)	-
Total Debt Service Funds	<u>9,788,964</u>	<u>4,829,453</u>	<u>(12,178,771)</u>	<u>(1,519,616)</u>	<u>920,030</u>
Internal Service Funds					
Computer Replacement	-	-	-	-	-
Customer Service	3,485,326	591,313	(4,362,064)	-	(285,425)
Employee Benefits	2,226,292	-	(2,226,292)	-	-
Vehicle Replacement	3,508,464	125,000	(4,067,498)	-	(434,034)
Facility Services	1,710,335	237,000	(1,710,335)	-	237,000
Telecom	490,000	-	(57,025)	-	432,975
Insurance/Claims	2,010,684	-	(1,711,044)	-	299,640
Vehicle Maintenance	3,119,460	-	(3,026,839)	-	92,621
Total Internal Service Funds	<u>16,550,561</u>	<u>953,313</u>	<u>(17,161,096)</u>	<u>-</u>	<u>342,778</u>
Total - All Funds	<u>258,813,569</u>	<u>26,519,878</u>	<u>(254,958,760)</u>	<u>(25,780,076)</u>	<u>4,594,611</u>

General Fund Information

The General Fund is the primary fund for the City. This fund is used to account for all financial resources not accounted for in other funds. The departments/divisions included in the General Fund are the Municipal Council, Mayor's Office & Media, Administrative Services (Human Resources, Information Systems, Finance, Recorder), Community Development, Economic Development, General Services, Fire, Police, Parks and Recreation, Engineering, and Streets.

Revenue

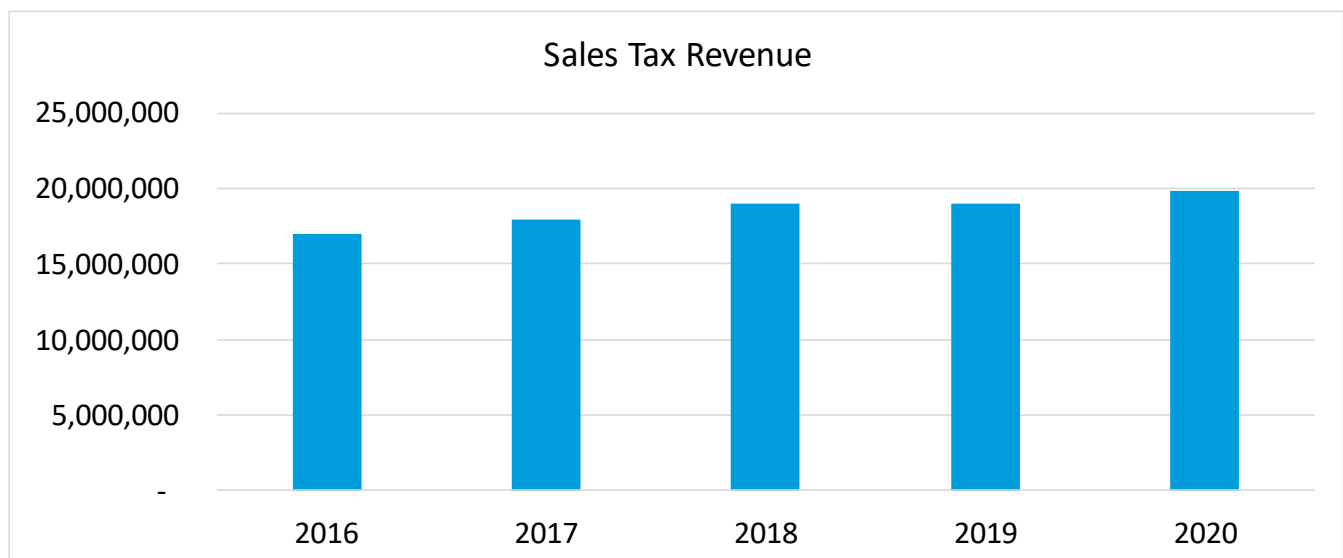
Revenue for the City can be classified into three major sources: taxes, transfers in, and fees. Taxes consist of sales tax, property tax, and road tax. Fees include inspection fees, franchise fees, user fees, parks fees, business licenses, apartment licenses, and other fees. Transfers in include transfers from the enterprise funds and the Justice Court. Other sources of revenue include intergovernmental revenues, grants, interest income, land sales, and other miscellaneous revenue. Revenue projections are done using trend analysis for those revenues that are not flat. Trend analysis generally includes a ten-year review of revenues received.

Taxes

Sales Tax

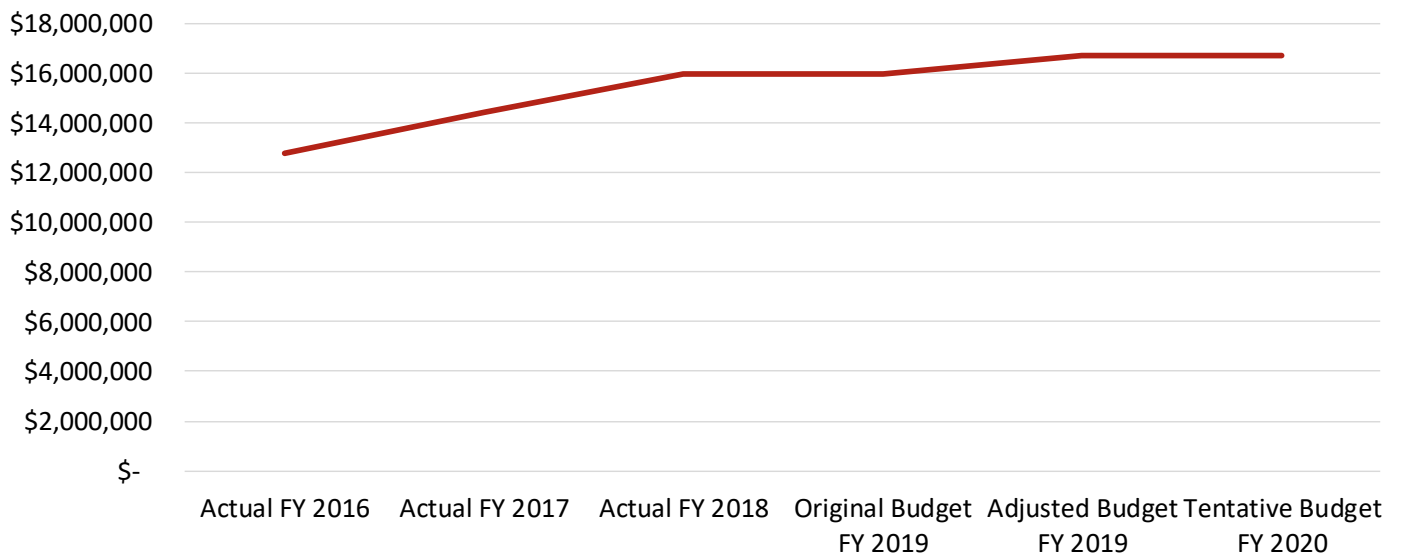
The largest source of revenue (29%) for the General Fund is sales tax. Sales tax for FY 2020 is budgeted at \$19.85 million, a 4.75% increase from the FY 2019 budget. Provo City has consistently been named one of the best cities to do business in the United States, and Provo City is always looking for new businesses to help bolster the economy further.

General Fund Revenue Summary	Actual FY 2016	Actual FY 2017	Actual FY 2018	Original Budget FY 2019	Adjusted Budget FY 2019	Tentative Budget FY 2020	% of Total
Sales Tax	\$ 17,010,076	\$ 17,918,297	\$ 18,973,348	\$ 18,950,000	\$ 19,207,500	\$ 19,850,000	29%
Transfer In	10,928,802	11,756,302	11,820,681	12,512,076	12,512,076	13,030,746	19%
Franchise Fees	9,048,377	9,572,726	9,748,909	9,798,076	9,750,000	10,585,575	16%
Fees	10,803,748	10,551,184	9,994,862	10,335,797	10,100,000	10,194,521	15%
Property Tax	4,769,380	4,955,581	5,409,064	5,375,300	5,550,000	5,518,259	8%
Road Tax	3,305,816	3,737,420	3,737,444	3,900,000	3,900,000	3,900,000	6%
Other Revenue	4,769,227	5,309,493	5,835,325	3,750,961	4,535,000	4,275,867	6%
Total Revenue & Transfer In	60,635,426	63,801,003	65,519,631	64,622,210	65,554,576	67,354,968	



General Fund Summary (cont.)	Actual FY 2016	Actual FY 2017	Actual FY 2018	Original Budget FY 2019	Adjusted Budget FY 2019	Tentative Budget FY 2020
Transfers Out						
Transfer to Airport	\$ 311,611	\$ 231,705	\$ 482,960	\$ 91,230	\$ 91,230	\$ 89,308
Transfer to Capital Reserve	-	123,448	-	-	-	-
Transfer to Covey Center	340,845	325,830	343,303	364,537	364,537	354,511
Transfer to B&C Roads	2,259,438	2,704,133	2,892,775	2,857,299	2,857,299	2,895,380
Transfer to Customer Service	98,112	93,889	101,176	328,358	328,358	591,313
Transfer to ERP Debt Service	194,830	240,830	253,830	435,830	435,830	435,830
Transfer to General CIP	-	250,000	-	40,000	40,000	40,000
Transfer to Golf	144,540	44,093	111,936	-	-	-
Transfer to Justice Court	-	-	151,251	172,766	172,766	183,627
Transfer to Parks and Rec CIP	-	1,215,568	1,277,460	1,275,000	1,275,000	1,325,000
Transfer to Vehicle Replacemen	200,000	-	-	-	-	-
Transfer to Facilities	-	-	-	395,000	395,000	237,000
Transfer to Emergency Respons	23,503	-	-	1,482,545	1,482,545	1,524,255
Transfer to Winterfest	7,583	-	-	-	-	-
Total Transfers Out	<u>3,580,462</u>	<u>5,229,496</u>	<u>5,614,691</u>	<u>7,442,565</u>	<u>7,442,565</u>	<u>7,676,224</u>
Total Exp. & Trans. Out	<u>58,387,693</u>	<u>62,142,608</u>	<u>63,999,206</u>	<u>64,622,211</u>	<u>67,800,066</u>	<u>67,354,968</u>
Net Increase (Decrease)	2,247,733	1,658,395	1,520,425	-	(2,245,490)	-
Beginning Fund Balance	10,532,115	12,779,848	14,438,243	15,958,668	15,958,668	16,713,178
Projected Encumbrance & Operational Savings					3,000,000	
Ending Fund Balance	12,779,848	14,438,243	15,958,668	15,958,668	16,713,178	16,713,178

Fund Balance (General Fund) FY 2016 - FY2020



General Fund Balance

	Audited 2011	Audited 2012	Audited 2013	Audited 2014	Audited 2015	Audited 2016	Audited 2017	Audited 2018
<i>Revenues</i>	40,330,795	44,020,846	46,390,629	50,323,846	48,883,712	53,002,161	55,114,223	55,801,159
<i>Subsidy transfers</i>	<u>7,087,281</u>	<u>7,976,106</u>	<u>8,565,303</u>	<u>9,549,272</u>	<u>9,619,798</u>	<u>10,403,410</u>	<u>10,976,451</u>	<u>11,820,682</u>
Revenues and subsidy transfers	47,418,076	51,996,952	54,955,932	59,873,118	58,503,510	63,405,571	66,090,674	67,621,841
Assigned and unassigned								
Unassigned	8,547,405	7,639,116	8,977,109	8,338,392	8,633,582	11,170,908	9,882,260	13,128,183
Assigned	<u>640,160</u>	<u>1,433,306</u>	<u>2,135,314</u>	<u>2,211,242</u>	<u>1,968,150</u>	<u>2,001,787</u>	<u>3,716,456</u>	<u>3,074,233</u>
	<u>9,187,565</u>	<u>9,072,422</u>	<u>11,112,423</u>	<u>10,549,634</u>	<u>10,601,732</u>	<u>13,172,695</u>	<u>13,598,716</u>	<u>16,202,416</u>
<i>Fund Balance (assigned and unassigned)</i>	19.38%	17.45%	20.22%	17.62%	18.12%	20.78%	20.58%	23.96%

Current Debt Obligations

All info comes from the FY 2018 CAFR

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Outstanding Balance</u>
General Obligation Bonds				
2011 Series GO Bond	Recreation Center	39,000,000	6/30/2032	3,710,000
2017 Series GO Bond (Refunded 2011 Series)	Recreation Center Refunding	24,550,000	6/30/2032	24,550,000
Rec Center Bonds Combined	Recreation Center	31,690,000	6/30/2032	28,260,000
2019 Series GO Bond	City Center and Fire Station	65,930,000	2/1/2039	65,930,000

Year ended June 30,	Principal	Interest	Total
2020	4,025,000	3,873,080	7,898,080
2021	4,170,000	3,725,706	7,895,706
2022	4,155,000	3,536,106	7,691,106
2023	4,295,000	3,393,856	7,688,856
2024	4,415,000	3,271,456	7,686,456
2025-2039	73,130,000	21,577,569	94,707,569

Revenue Bonds

2014 Cemetery Bond	Cemetery Expansion	2,334,000	5/1/2034	1,901,000
Telecom 2004 Taxable Series	Fiber Network	39,500,000	6/30/2026	18,325,000

Year ended June 30,	Principal	Interest	Total
2020	2,316,000	2,318,020	3,382,784
2021	2,440,000	2,442,021	3,382,745
2022	2,573,000	2,575,022	3,385,047
2023	2,712,000	2,714,023	3,386,186
2024	2,857,000	2,859,024	3,385,855
2025-2035	7,328,000	798,638	8,126,638

Combined General Obligation and Revenue Bonds Debt Schedule

Year ended June 30,	Principal	Interest	Total
2019	6,431,000	5,054,524	11,485,524
2020	6,705,000	4,787,766	11,492,766
2021	6,828,000	4,472,368	11,300,368
2022	7,112,000	4,197,402	11,309,402
2023	7,382,000	3,935,061	11,317,061
2024-2035	81,128,000	22,694,462	103,822,462

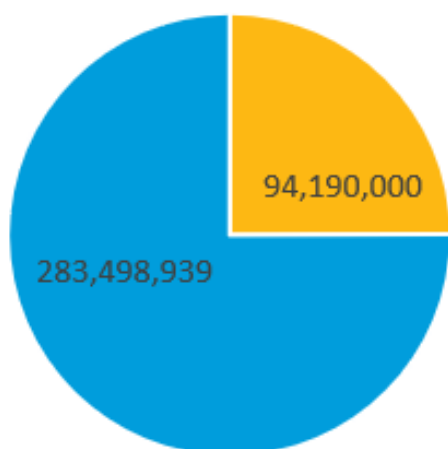
<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Outstanding Balance</u>
Lease Agreements				
2016 Capital Lease - \$5,500,000	Provo 360	5,500,000	2/26/2023	3,221,484
2017 Capital Lease - \$2,040,000	Fire Apparatus	2,040,000	3/15/2025	1,562,410
2019 Capital Lease - \$2,490,000	Fire Apparatus	2,490,000	4/1/2027	2,490,000
Total Lease Obligations as of June 30, 2020				7,273,894
Revenue Bonds - Enterprise Funds				

Storm Water District 2010 Series B	3,850,000	6/30/2024	3,340,000
Water 2015	10,775,000	2/1/2035	9,245,000
Wastewater 2015	8,980,000	2/1/2035	7,705,000
Energy 2015	19,550,000	6/1/2035	16,470,000
Sales Tax Revenue Bonds 2017	4,975,000	2/15/2034	4,975,000

Year ended June 30,	Principal	Interest	Total
2020	2,300,000	1,614,661	3,914,661
2021	2,525,000	1,518,210	4,043,210
2022	2,620,000	1,409,473	4,029,473
2023	2,725,000	1,294,872	4,019,872
2024	2,820,000	1,158,623	3,978,623
2024-2035	<u>28,745,000</u>	<u>6,436,582</u>	<u>35,181,582</u>
	41,735,000	13,432,420	55,167,420

Legal Debt Margin

The City does not have the final tax valuation for the 2018 tax year, so the 2017 valuation was used to compute the legal debt margin for the City.



Estimated Market Value	9,442,223,487
Total Legal Debt Limit (4% of market value)	377,688,939
Current General Obligation debt outstanding	94,190,000
Legal Debt Margin	283,498,939

25% of legal debt limit

- Current General Obligation debt outstanding
- Remaining Debt Limit (based on 4% of market value)

Long Term Planning

The City of Provo, incorporated in 1851, is located in a metropolitan area that has a dynamic and diverse economy. The City has a diverse manufacturing and industrial base. Major industries include retail business, light manufacturing, software development, and a university community. This diversity stabilizes the unemployment rate and offers a broad range of employment opportunities.

The City of Provo provides a full range of services that include public safety, streets, recreational and cultural events, community development and general administrative services. The City of Provo also operates energy, water, wastewater, sanitation, municipal golf course, and storm drain utilities. A general aviation airport and a telecom network are also part of the City of Provo. Component units are legally separate entities for which the nature and significance of their relationship with the City of Provo are such that exclusion would cause the financial statements to be misleading or incomplete. Blended component units are included as part of the primary government. Accordingly, Provo City Redevelopment Agency is reported as special revenue fund and the Provo City Storm Water Service District as an enterprise fund.

The Administration and Municipal Council has worked hard to submit a responsible, sustainable budget. The City is closely monitoring the current economic environment. As the City plans for the future, we are being very cautious to align the commitment of City resources with the anticipated revenues for the City. We continue to focus on the results that matter to citizens, prioritize and improve levels of service, and find cost effective and innovative options for service delivery.

The City undertook an in-depth and detailed look at the budgeting process for Fiscal Year 2020. Administration began reviewing preliminary budget projections in January of 2019 in preparation for the FY 2020 budget.

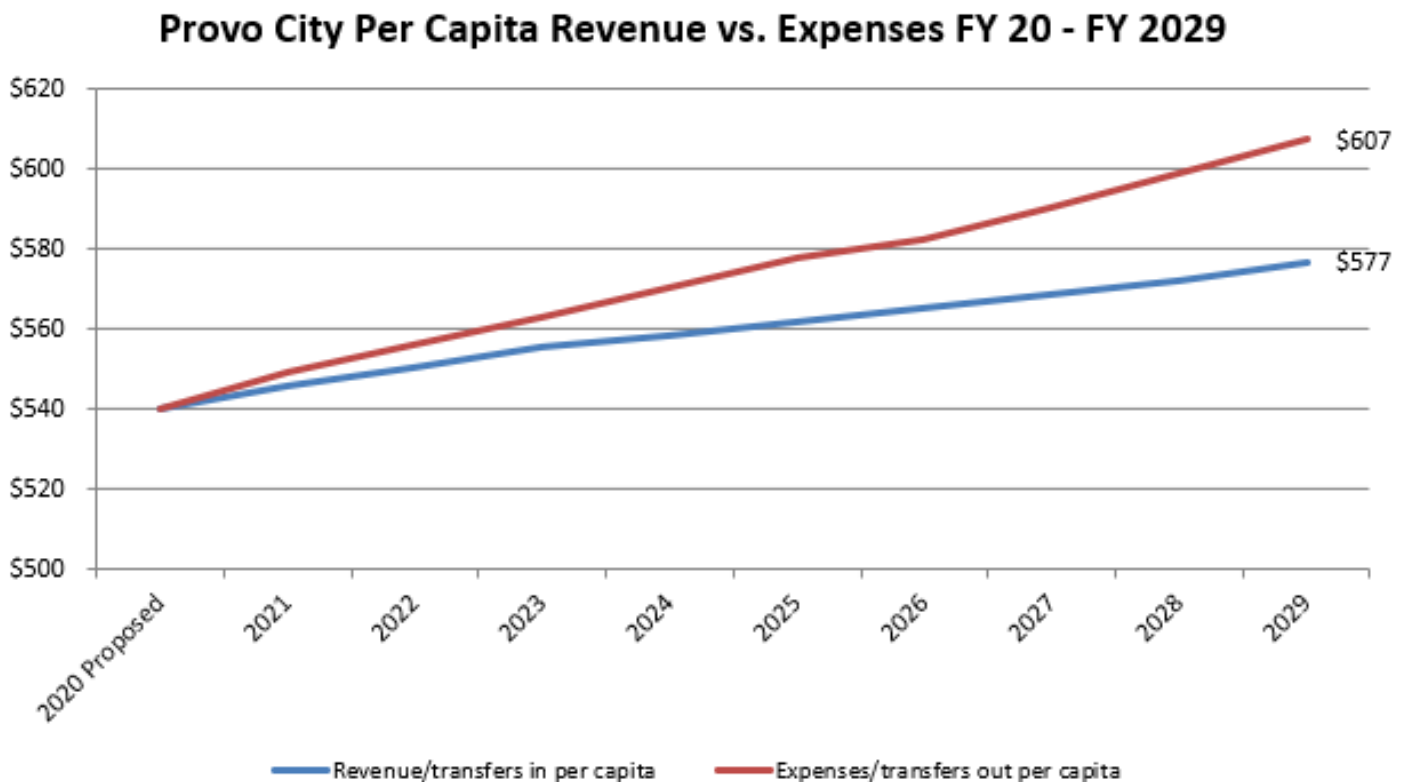
The Administration includes a 10-year model that provides the Adopted budget for Fiscal Year 2020, with a nine-year look forward. This 10-year model currently reflects revenues, transfers in, expenses and transfers out for the General Fund.

The spreadsheet has been designed with numerous assumptions in mind, with the capability of changing them as needed for analysis. The major assumptions included for Fiscal Year 2020 is the following: 2.5% merit increases, health insurance increase of 4.5%, 2% property tax increase, 401K match of 2%, market study increases, a 15% wastewater utility increase, an 8% storm drain utility increase, 5% water utility increase, and no Energy Rate increase.

The spreadsheet is dynamic with the option to change the assumptions provided and add additional items. Other assumptions available in the spreadsheet are: changes to revenues and current transfers in, other utility rate increases, increases to operations, capital, vehicle replacement, and transfers out to other departments.

For the Fiscal 2021 and budget years forward, the following **assumptions** have been made, with Fiscal 2020 being the base:

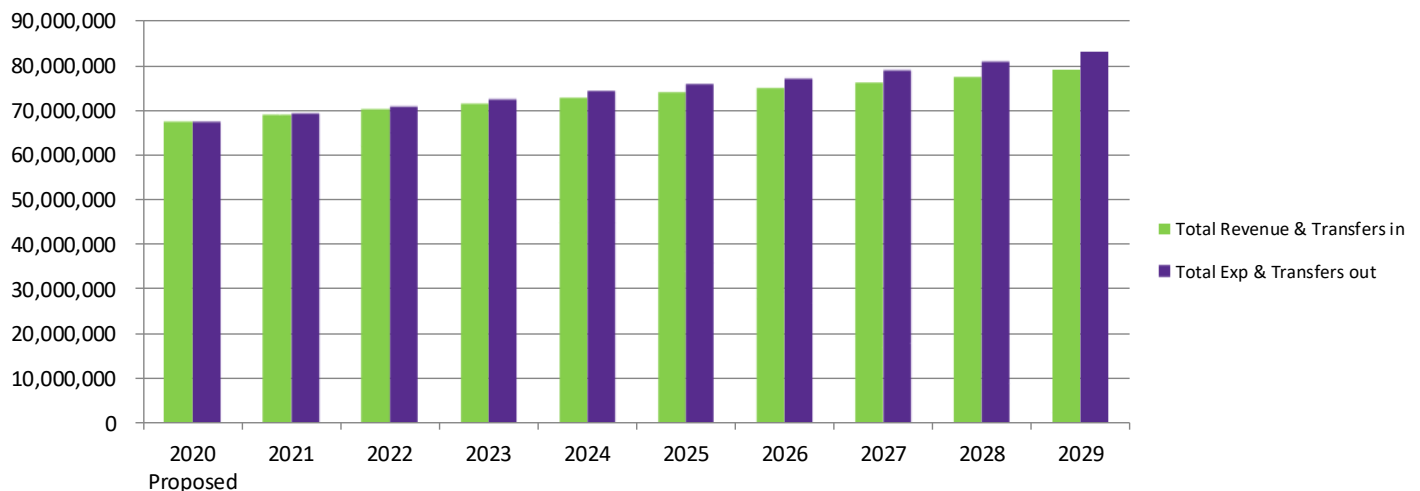
- **Funding for 2.5% payroll increase**
- **Defined contribution retirement with a 0% increase; 1% increase moving forward**
- **Insurance had a 4.5% increase and a 6% increase is modeled moving forward**
- **Property tax increase of 2.5% for growth**
- **1% increase to sales and franchise tax**
- 1.5% increase to lodging tax
- 2% increase to Community & Neighborhood Services and Parks & Recreation fees
- 1% increase to public safety fees, ambulance charges, internal service chargebacks and interest income
- 1.25 % increase for utility sales based on growth
- 1.25 % population increase
- Actual adopted utility rate increases through FY 2020 and then projections provided by departments thereafter
- 1% increase to operations



Provo City General Fund Projection

	2020 Proposed	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenues:										
Current Property Tax	\$ 5,193,259	\$ 5,323,090	\$ 5,456,168	\$ 5,592,572	\$ 5,732,386	\$ 5,875,696	\$ 6,022,588	\$ 6,173,153	\$ 6,327,482	\$ 6,485,669
Vehicle Fees	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Sales and Use Taxes	19,850,000	20,048,500	20,248,985	20,451,475	20,655,990	20,862,549	21,071,175	21,281,887	21,494,706	21,709,653
RAP Tax	1,325,000	1,338,250	1,351,633	1,365,149	1,378,800	1,392,588	1,406,514	1,420,579	1,434,785	1,449,133
Franchise Taxes	10,585,575	10,691,431	10,798,345	10,906,329	11,015,392	11,125,546	11,236,801	11,349,169	11,462,661	11,577,287
Lodging Tax	495,000	502,425	509,961	517,611	525,375	533,256	541,254	549,373	557,614	565,978
Parks & Recreation	6,047,000	6,167,940	6,291,299	6,417,125	6,545,467	6,676,377	6,809,904	6,946,102	7,085,024	7,226,725
Business Licenses	543,000	543,000	543,000	543,000	543,000	543,000	543,000	543,000	543,000	543,000
Road Taxes	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000	3,900,000
Community Development Fees	1,935,000	1,973,700	2,013,174	2,053,437	2,094,506	2,136,396	2,179,124	2,222,707	2,267,161	2,312,504
Public Safety	66,400	67,064	67,735	68,412	69,096	69,787	70,485	71,190	71,902	72,621
Fire	1,450,000	1,464,500	1,479,145	1,493,936	1,508,876	1,523,965	1,539,204	1,554,596	1,570,142	1,585,844
Interest Income	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000
Intergovernmental	433,000	433,000	433,000	433,000	433,000	433,000	433,000	433,000	433,000	433,000
Misc.	1,750,988	1,750,988	1,750,988	1,750,988	1,750,988	1,750,988	1,750,988	1,750,988	1,750,988	1,750,988
Total Revenue	54,324,222	54,953,888	55,593,432	56,243,034	56,902,876	57,573,148	58,254,039	58,945,745	59,648,464	60,362,401
Transfers in:										
Transfer from ERP Debt Service	419,151	395,752	407,625	419,854	432,449	436,773	441,141	445,553	450,008	454,508
Transfer from Vending	26,876									
Transfer from Engineering CIP	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Transfers (Utilities)										
Transfer from Water	1,583,560	1,683,522	1,789,795	1,902,775	2,022,888	2,150,583	2,286,338	2,430,664	2,584,099	2,747,220
Transfer from Wastewater	1,859,550	2,353,493	2,621,203	2,892,825	2,928,985	2,965,598	3,002,668	3,040,201	3,078,203	3,194,598
Transfer from Energy	7,822,446	8,078,631	8,343,206	8,616,446	8,898,635	9,190,065	9,491,040	9,801,871	10,122,883	10,454,407
Transfer from Sanitation	651,404	659,547	667,791	676,138	684,590	693,147	701,812	710,584	719,467	728,460
Transfer from Storm Drain	617,760	625,482	633,301	641,217	649,232	657,347	665,564	673,884	682,307	690,836
Total Transfers in	13,030,747	13,846,427	14,512,920	15,199,256	15,666,779	16,143,514	16,638,563	17,152,757	17,686,967	18,320,030
Total Revenue & Transfers in	67,354,969	68,800,315	70,106,352	71,442,289	72,569,655	73,716,661	74,892,602	76,098,501	77,335,432	78,682,431
Expenditures:										
Personnel	31,073,141	31,849,970	32,646,219	33,462,374	34,298,934	35,156,407	36,035,317	36,936,200	37,859,605	38,806,095
Insurance	7,857,307	8,250,172	8,662,681	9,095,815	9,550,606	10,028,136	10,529,543	11,056,020	11,608,821	12,189,262
Retirement	6,561,748	6,627,365	6,693,639	6,760,576	6,828,181	6,896,463	6,965,428	7,035,082	7,105,433	7,176,487
Operations	14,186,548	14,328,413	14,471,698	14,616,415	14,762,579	14,910,205	15,059,307	15,209,900	15,361,999	15,515,619
Total Expenditures	59,678,744	61,055,921	62,474,236	63,935,179	65,440,299	66,991,211	68,589,594	70,237,202	71,935,857	73,687,463
Transfers out:										
Transfer to Covey Center	354,511	354,511	354,511	354,511	354,511	354,511	354,511	354,511	354,511	354,511
Transfer to Customer Service	591,313	591,313	591,313	591,313	591,313	591,313	591,313	591,313	591,313	591,313
Transfer to Justice Court	183,627	183,627	183,627	183,627	183,627	183,627	183,627	183,627	183,627	183,627
Transfer to ERP Debt Service	435,830	422,830	422,830	422,830	422,830	422,830				
Transfer to Emergency Response	1,524,255	1,562,361	1,601,420	1,641,456	1,682,492	1,724,555	1,767,668	1,811,860	1,857,157	1,903,586
Transfer to Facilities	237,000	395,000	395,000	395,000	395,000	395,000	395,000	395,000	395,000	395,000
Transfer to General CIP	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Transfer to Parks & Recreation CIP	1,325,000	1,338,250	1,351,633	1,365,149	1,378,800	1,392,588	1,406,514	1,420,579	1,434,785	1,449,133
Transfer to Road CIP	2,895,380	3,017,885	3,140,390	3,262,895	3,385,400	3,507,905	3,630,410	3,752,915	3,875,420	3,997,925
Transfer to Golf Course	-	-	-	-	-	-	-	-	-	-
Transfer to Peaks Ice Arena	-	-	-	-	-	-	-	-	-	-
Transfer to Airport	89,308	89,308	89,308	89,308	89,308	89,308	89,308	89,308	89,308	89,308
Transfer to Airport CIP	-	-	-	-	-	-	-	-	-	-
Total Transfers out	7,676,224	7,995,085	8,170,032	8,346,089	8,523,282	8,701,637	8,458,352	8,639,114	8,821,121	9,004,403
Total Exp & Transfers out	67,354,968	69,051,006	70,644,268	72,281,268	73,963,581	75,692,848	77,047,946	78,876,315	80,756,978	82,691,866
Operating Surplus (Deficit)	\$ 1	\$ (250,691)	\$ (537,916)	\$ (838,979)	\$ (1,393,926)	\$ (1,976,186)	\$ (2,155,344)	\$ (2,777,814)	\$ (3,421,547)	\$ (4,009,434)

Revenue vs. Expenditures 2020-2029



Changes between the 05/07 Tentative Budget and the 05/14 Tentative Budget

CHANGE	PAGE OR TABLE AFFECTED	LINE(S) AFFECTED
1) Revenue moved to different line item: \$10 million state loan for wastewater treatment plant	All Funds Summary, Revenue & Transfers In (p.39)	Loan of \$10 million was originally included in the "Principal/Interest Income" line, but it is now included in the "Loan/Bond Proceeds" line.
2) Revenue moved to different line item: \$8,314,080 in property tax for debt service	All Funds Summary, Revenue & Transfers In (p. 39)	Debt service property tax was originally included in the "Other Tax" line, but it is now included in the "Property Tax" line.
3) Revenue added: \$1.65 million added to Engineering CIP revenue for ¼-cent sales tax	All Funds Summary, Revenue & Trans. In (p. 39)	"Other Tax" line: increased by \$1.65 million
	Proposed Budget by Fund, Capital Improvement Fund (p. 42)	Engineering Revenue line: increased by \$1.65 million
	Engineering Capital Improvement, Rev (p. 106)	"Other Tax" line: increased by \$1.65 million
4) Revenue added: \$228,238 in property tax revenue added to the Airport for Duncan Aviation (*Note: Detail sheets already included this revenue)	All Funds Summary, Revenue & Trans. In (p. 39)	"Property Tax" line: increased by \$228,238
	Proposed Budget by Fund, Enterprise Funds (p. 42)	"Airport" revenue line: increased by \$228,238
	Enterprise Summary, Revenue & Trans. In (p. 72)	"Airport" revenue line: increased by \$228,238
	Airport, Revenue & Trans. In (p. 74)	"Property Tax revenue" line was added; "Property Tax revenue" line: \$228,238 was included on that line.
5) Payroll expenses moved: \$144,872 in payroll expenses moved from Admin Services (Finance) in the General Fund to Customer Service Fund	All Funds Summary, Expenditures & Transfers Out (p. 39)	"Internal Service Funds" line: increased by \$144,872
	General Fund Summary, Transfers Out (p. 47)	"Transfer to Customer Service" line: increased by \$144,872
	Admin Services, Finance (p. 54)	"Accounting" line: decreased by \$76,005 "Collections" line: decreased by \$68,867
	Internal Service Summary, (p. 110)	"Transfer In" line under "Revenue Source": increased by \$144,872 "Customer Service" line under "Expenditure & Transfer Out": increased by \$144,872
	Customer Service (p. 120)	"Transfer In" revenue line: increased by \$144,872 "Call Center" expenditure line: increased by \$144,872

CHANGE	PAGE OR TABLE AFFECTED	LINE(S) AFFECTED
6) Supplemental totals adjusted: Total numbers updated regarding funded supplemental requests	Budget Highlights, Expenditures (p. 33)	"Forty-three requests for made for a total of \$4,728,432. . ."
7) Supplemental description added: Description added to Budget Highlight, Expenditures section regarding Accidental Death & Dismemberment insurance	Budget Highlights, Expenditures, Admin Services (p. 34)	"\$11,760: Accidental Death & Dismemberment (AD&D) insurance coverage. . ."
8) Personnel Totals description updated: Changed number of police officers	FTE Summary (p. 41)	"This is driven by 6 7 new police officers. . ."
9) Description added: ¼ cent sales tax added to "Other Taxes" section	Other Taxes (p. 45)	"Other taxes included in the FY 2020 budget are the lodging tax, <i>the 1/4 cent sales tax</i> , and B&C Road taxes."
10) Paid off revenue bond removed: 2005 Covey Center bond was paid off early and was removed from "Current Debt Obligations" section.	Current Debt Obligations, Revenue Bonds (p. 123)	2005 Covey Center bond line removed; principal, interest, and total lines adjusted accordingly
11) Assumption corrected for long-term planning: Insurance assumption corrected	Long Term Planning bullet points (p. 134)	"Insurance had a 4.3% 4.5% increase. . ."
12) General Fund Projections updated: 2020 proposed column updated to reflect relevant changes described in this document	Provo City General Fund Projections, 2020 Proposed numbers (p. 135)	Various lines updated based on changes described in this document.

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: HSALZL
Department: Council
Requested Meeting Date: 05-14-2019

SUBJECT: A presentation from the Police Department on staffing and other issues.
(19-004)

RECOMMENDATION: Presentation only.

BACKGROUND: Chief Ferguson and John Borget will discuss the department's supplementary requests, including retirement changes and the request to raise officer staffing levels to 2012 PERF recommended levels. In the last fiscal year, the retention of officers was a major focus for the police department. Chief Ferguson will report to the Council about the effects of the department's effort to recruit and retain officers.

FISCAL IMPACT: Proposed FY2020 budget is \$18,305,691.

PRESENTER'S NAME: Chief Rich Ferguson, John Borget

REQUESTED DURATION OF PRESENTATION: 45 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 19-004

2019 Budget Retreat

Provo Police Department

Supplementals 2019

- Approved Supplementals
- 1 Cop Logic- the departments online reporting system
- Purpose of cop logic- to save officer hours and keep them available for priority 911 calls for service.
- 2. Animal Shelter-
- Purpose- Provo share to keep the shelter running. The yearly increase is due to personnel costs and higher animal numbers brought in by Provo Animal Control

Supplementals 2019

- Not Approved
- 1. Carrier Vests/ \$ 33,000
- Purpose- a weight bearing vest relieves lower back pain of officers, distributing the weight throughout the torso. Study have shown vests cause fewer back problems
- 2. Portable Radios –
- Purpose - UCA is requiring a change to mobile/portable radios. Some radios were purchased this year through return of UCA funds (56 mobile and 40 portable). Additional funding would replace 80 more of the 18 year old radios
- 3. K9 Replacement – We found funds available in our beer tax grant to purchase a new K9
- 4. SWAT – Purpose –Requests would replace worn out gear for 23 assigned SWAT officers.

Seven new officers

- Seven new officers will be assigned to patrol
- Purpose; to help handle calls for service
- Relieve overtime expenses- \$381,084 this year (anticipated)
- Slow the necessity of the rotation list / detectives covering patrol shifts
- Prepare us to handle the anticipated growth and needs placed upon the department; Airport, West Side growth, and other unforeseen demands

Tier II retirement for public safety;

Proposed changes July 01, 2020

Defined Benefit option

From: 25 years = 37%

To: 25 years of service = 50%

- Defined Contribution option
 - Increase 4%

Recruitment

- Recruitment remains down Nationwide
- Some Agencies report a 25% shortage in manpower
- The Provo Police Department is focused on recruiting dedicated individuals seeking a career in Provo
- Lateral program – We have hired 4 lateral officers in past 2 months. This is a significant cost savings for the city.
- Recruitment team;
 - Job fairs, social media, police academy instructors, National publications , quarterly testing
- Employee bonus for referrals- \$500.00
- Channel 17 videos

Retention Pros

- Master Officer Program
- Opportunities for professional experiences
- Competitive pay
- New facility / better working conditions
- Engaged leadership

Retention challenges

- Increased work load- overtime demands
- Retirements
- Utah agencies higher wages/ lower call volumes luring our experienced officers away
- Demands on the profession- officers asking themselves, “is it worth it”

Current Staffing

- 16 officers/ positions in various stages
- Four officers in Field Training (12 weeks)
- Three in the academy- graduation of August 01,2019
- Six in background, Academy date in June / Graduation November
- Three in background, Laterals

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: HSALZL
Department: Council
Requested Meeting Date: 05-14-2019

SUBJECT: A presentation on the reorganization of Community Development and other departments into Community and Neighborhood Services and Development Services Departments and consideration of budget impacts. (19-004)

RECOMMENDATION: Presentation only.

BACKGROUND: In her State of the City address at the beginning of 2019, the mayor announced the creation of two new departments, Community and Neighborhood Services (CNS) and Development Services (DS), that would draw on employees from different departments to create a one-stop shop for some of the City's services. The presentation will explain the anticipated staffing of CNS and DS, including a summary of the division directors, management, and personnel structure and how that is expected to impact the budget.

FISCAL IMPACT: Proposed budgets for FY2020 are: CNS \$1,677,080, DS \$1,237,820, Economic Development \$670,804, Redevelopment Agency \$2,391,792.

PRESENTER'S NAME: Wayne Parker, John Borget

REQUESTED DURATION OF PRESENTATION: 45 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 19-004

Development Services

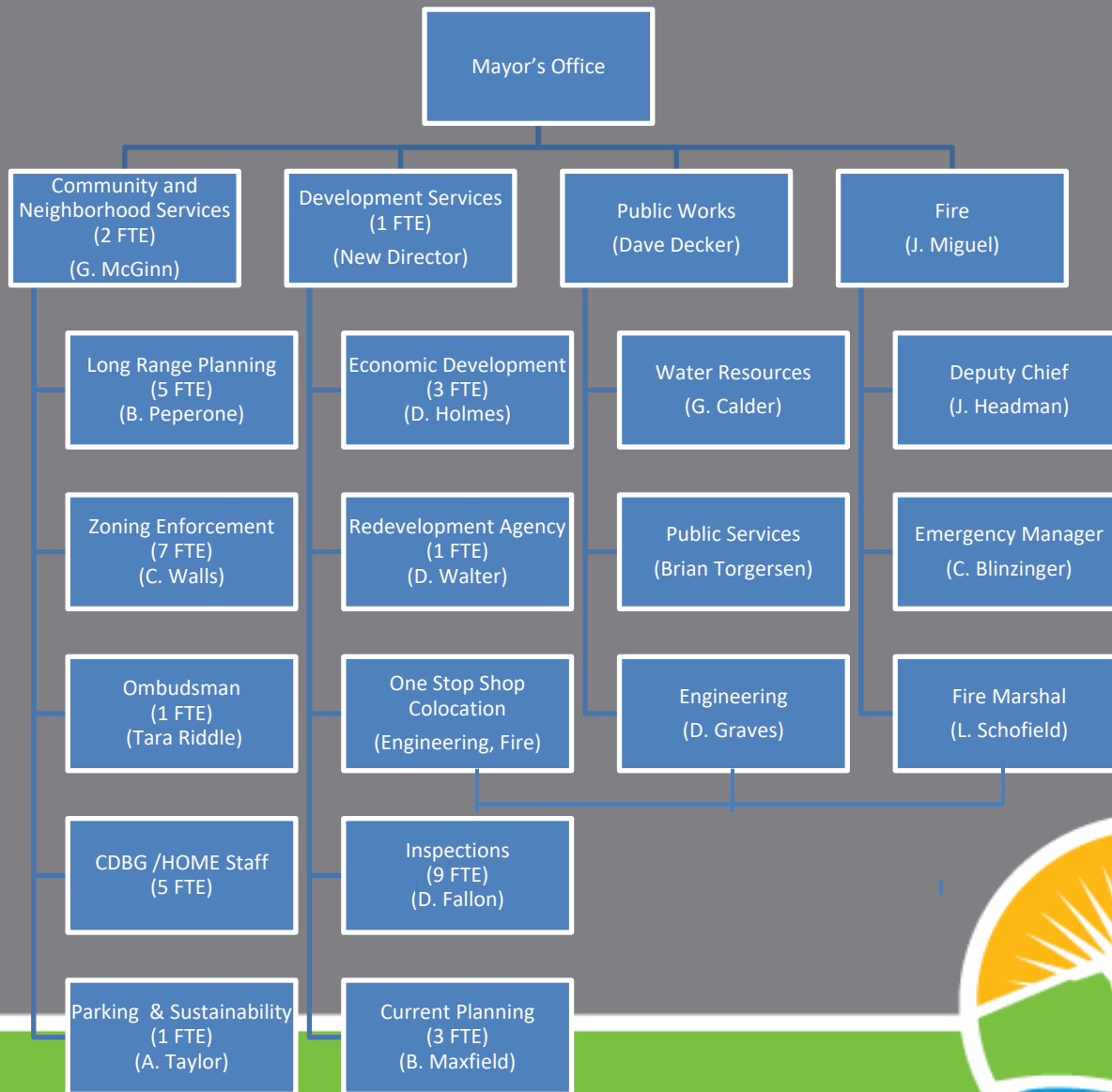
- Bring Economic Development and Redevelopment Agency into new department
- Bring current planning and inspections from Community Development to new department
- Responsible for all development review and approval from start to finish
- Host of the one stop shop



Community and Neighborhood Services

- Retain long range planning
- Retain zoning enforcement
 - Add other enforcement functionality
- Keep ombudsman/property manager
- Keep parking and sustainability
- Receive federal funding staff from the Redevelopment Agency





General Fund Impacts

Budget	FY 2019 Budget	FY 2020 Proposed
Community Development	\$2,881,114	0
Economic Development	\$754,997	0
Community & Neighborhood	0	\$1,677,080
Development Services	0	\$1,908,624
TOTAL	\$3,636,111	\$3,585,704



Total Budget Impacts (FY20)

Budget	Comm & Neighborhood	Development Services
CDBG/HOME/SPG	\$3,676,958	
TIF/New Development		\$2,429,132
General Fund	\$1,677,080	\$1,908,624
TOTAL BUDGET AUTHORITY	\$5,354,038	\$4,337,756
Full Time Employee Count	21	18



PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: HSALZL
Department: Council
Requested Meeting Date: 05-14-2019

SUBJECT: A presentation on Provo360. (19-004)

RECOMMENDATION: Presentation only.

BACKGROUND: Since its launch in 2013, the City's project team has been working on Provo360, a \$3,200,581 software upgrade which would facilitate the integration of various City services and also help residents access those services more easily. The program is expected to enhance the customer experience, improve efficiency, increase transparency, empower stewardship, and promote innovation.

FISCAL IMPACT: Proposed FY2020 estimate is \$770,058.

PRESENTER'S NAME: Wayne Parker, John Borget, and Karen Larsen

REQUESTED DURATION OF PRESENTATION: 15 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 19-004



WELCOME HOME

CIS / WMS PROJECT UPDATE

May 14, 2019



Project Update

- Project Initiative
- Brief Project History and Project Areas
- Project Implementation Plan
- Progress to Date and Project Schedules
- What's Happening Now
- OCM and Managing Expectations
- Project Org Chart and Resources

Project Initiative

- What is Provo 360

A vision to provide our residents, our businesses, our students, and our visitors with a 360 degree view of their business with the city at any time, from anywhere, and from any device. Whether it be getting a business license, paying a utility bill, reporting a crime or looking for a park pavilion we are working towards solutions to make information requests and transactions accessible, easy and even enjoyable for our customer while giving our administration the same 360 degree view to enable them to serve, resource, measure, refine and improve like never before through a system-wide integrated software solution.

- Directive

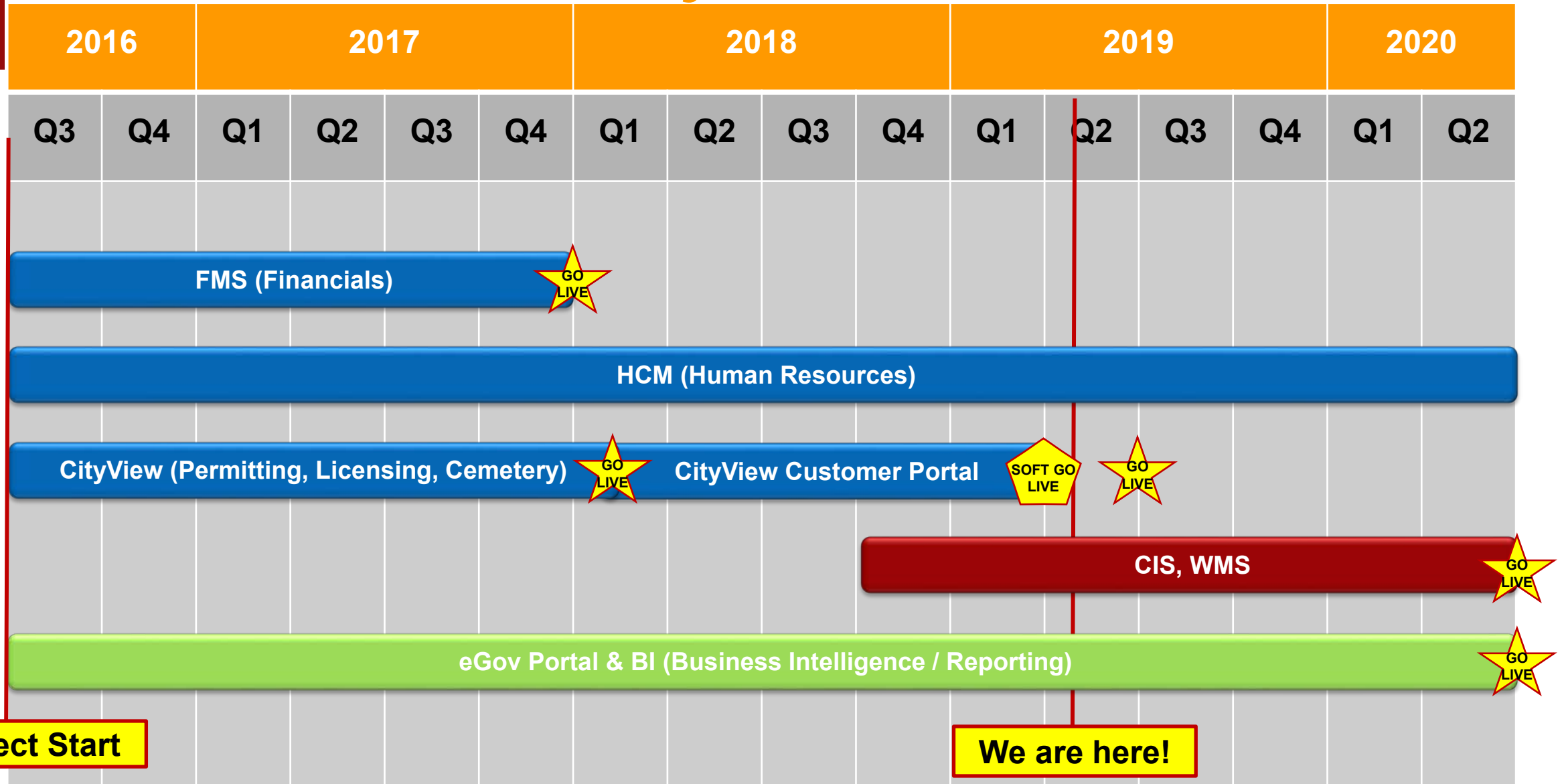
The City made the decision the summer of 2016 to have Cayenta be the City's ERP software solution which includes the CIS, Customer Information System and the WMS, work management system and asset management program. *"The Provo 360 initiative requires all of our managers and directors to understand the system functionality and then customize the system to best meet your needs".* - Wayne Parker



Project History and Project Areas

- Project began 3 years ago, (summer of 2016)
 - AAC Utility Partners
 - Harris (Cayenta, CityView)
- Phase 1
 - FMS (live beginning 2018)
 - Inventory
 - HCM
 - Planning, Permits and Licensing (live December of 2017 and February of 2018)
 - eGov Portal
- Phase 2
 - CIS
 - WMS (includes MWM)
 - HCM
 - eGov Portal

Provo 360 Overall Project Schedule



Provo 360 Phase 1 Project Schedule – (FMS, HCM, CD)

2018		2019				2020		
Q3	Q4	Q1		Q2	Q3	Q4	Q1	Q2
Licensing and Permitting Portal		GO LIVE						
HCM (Human Resources)								
We are here!								

A change in focus will be occurring in the HCMS portion of the project.

When Provo 360 was originally undertaken, it was determined our partner, Cayenta, would be allowed the opportunity to develop their personnel product into a full Human Capital Management System. It was acknowledged that this would require significant effort and development, but, if successful, the City could benefit from having a single integrated provider. After a sizeable effort by the City and Cayenta, and a careful examination of the progress to date, the City is now opting to pursue a more traditional HCMS product and will be redirecting efforts accordingly. We continue to value our partnership with Cayenta in other areas of the project.

100



Project View – Next 90 Days

Activity	MAY				JUNE				JULY				
	5/06	5/13	5/20	5/27	6/03	6/10	6/17	6/24	7/01	7/08	7/15	7/22	7/29
Analysis & Configuration Phase													
WMS System Configuration													
Test Planning & Execution Phase													
CIS Functional Testing													
WMS Functional Testing													
Initial Data Conversion (1)													

What's Going on Right Now!

- CIS Testing Week 1. (8 to 10 full weeks of testing, over next 4 months)
 - Functional team and selected SME's.
 - Utility billing, move in, move outs, account set up, etc...
 - Rates, inventory (meters, sanitation containers)
 - Work flows
- WMS Configuration Week 1. (4 weeks of system configuration)
 - Functional team and SME's
 - Assets & attributes
 - Work flows
 - PM schedules
 - Inventory / job costing
 - Mobile

What's Going on Right Now!

- Interface / Integrations & Modifications
 - Financials, payments, banking, payment processors, etc...
 - CityView, GIS, MeterSense (Neptune)
- Functional Matrix
- Data conversion discussions

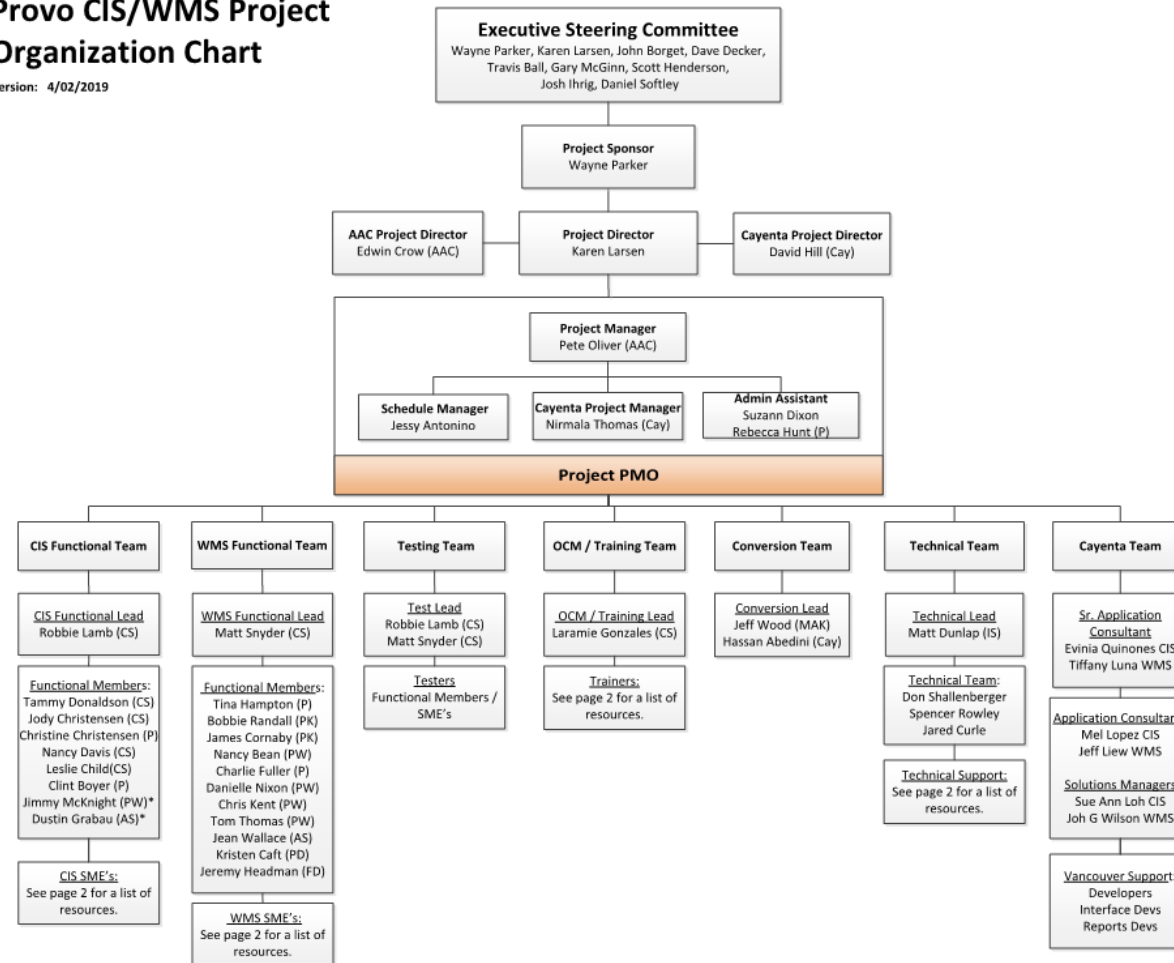
Managing Expectations

- Time Investment and Participation
- Questions and Input extremely helpful
 - Being present to avoid wasted time discussing the same topic multiple times.
- Decisions and compromises for global settings
- Being present helps in understanding why the software acts as it does for testing and training.
- Knowing what the software can and can't do to avoid frustration, and future last minute changes.
- Avoid the “That ship has already sailed” conversation.

Organization Chart and Project Resources

Provo CIS/WMS Project Organization Chart

Version: 4/02/2019



* Belongs to Multiple Teams



QUESTIONS?

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: HSALZL
Department: Council
Requested Meeting Date: 05-14-2019

SUBJECT: A presentation from Customer Services on staffing and parking enforcement. (19-004)

RECOMMENDATION: Presentation only.

BACKGROUND: In the tentative budget for FY 2019-2020, a part-time parking enforcement officer position in the Customer Service Department is expected to become a full-time position. This is in keeping with Customer Service's new efforts to improve parking enforcement.

FISCAL IMPACT: Proposed FY2020 Customer Services budget is \$4,217,191.

PRESENTER'S NAME: Karen Larsen, John Borget

REQUESTED DURATION OF PRESENTATION: 10 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 19-004



Parking Enforcement Fee Structure Change

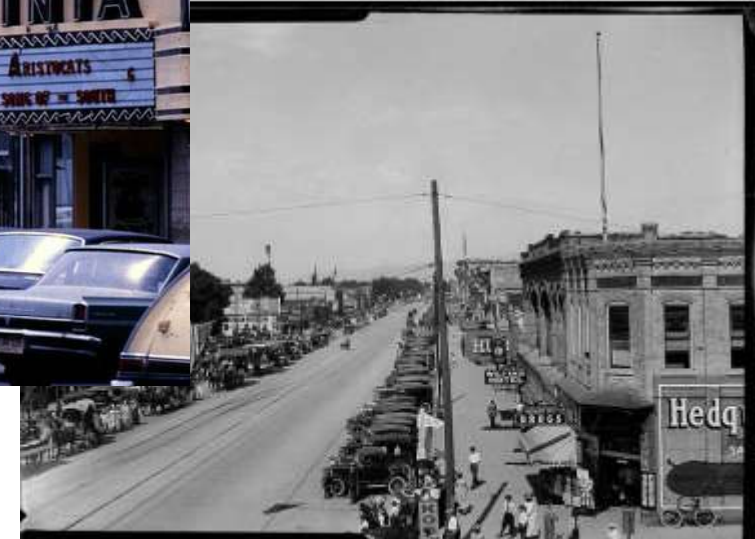
Parking Enforcement Overview

- Introductions
- History
- Operations Overview
- New Parking Fee Structure Proposal



Parking Enforcement history...

- Move for a better fit
- Change the perception of enforcement to a more customer friendly interaction
- Rebranding
- Citation review
- Larger staff for customer questions
- Easier for payments to be made



Parking Operations

- Staffing (8 officers)
- Shifts covered and need flexibility
- Areas of enforcement include:
 - 2 neighborhood permitted areas
 - Joaquin neighborhood
 - Downtown
 - Tree Streets timed parking
 - Airport
- Mark abandoned vehicles



PARKING VIOLATION

PROVINCE OR STATE	AUTOMOBILE LICENSE NUMBER
TIME	MAKE OF AUTOMOBILE

This is not a ticket, but if it were within my power, you would receive two. Because of your bull headed, inconsiderate, feeble attempt at parking, you have taken enough room for a 20 mule team, 2 elephants, 1 goat and a safari of pygmies from the African interior. The reason for giving you this, is so that in the future you may think of someone else, other than yourself. Besides, I don't like domineering, egotistical or simple minded drivers and you probably fit into one of these categories.

I sign off wishing you an early transmission failure (on the expressway at about 4:30 p.m.). Also, may the fleas of a thousand camels infest your armpits.



Why a new fee structure is being proposed

- New law regarding parking fees passed during the 2018 legislative session.
- Parking enforcement operations growth.
- Parking needs and enforcement needed as outlined in the Strategic Parking Management Plan.
- Provo City's Parking Violation Code has not been modified for over 10 years, and the fee amounts longer than that.

City Code is noncompliant under new law

New legislation passed and takes effect July 1st, 2019.

- HB0336 modifies the assessment of late fees for parking violations.
 - New law does not allow for the cumulation of late fees to total more than 25% of original fee.

40 11-58-201. Limits on penalties for failure to pay a fine.
41 An individual assessed a parking citation, civil citation, or administrative fine may not
42 be charged:
43 (1) by the original jurisdiction that imposes the fine, late fees and interest in the
44 aggregate that are more than 25% of the initial fine amount; and
45 (2) by a court, interest in the aggregate that is more than 25% of the initial fine amount.
46 Section 4. Section **76-3-301** is amended to read:

- Current Provo City Code states that if any fee is not paid on time, and is 6 to 10 days late, the fee due will be double the original fee. If paid 11 to 15 days late the fee will be triple the original fee.

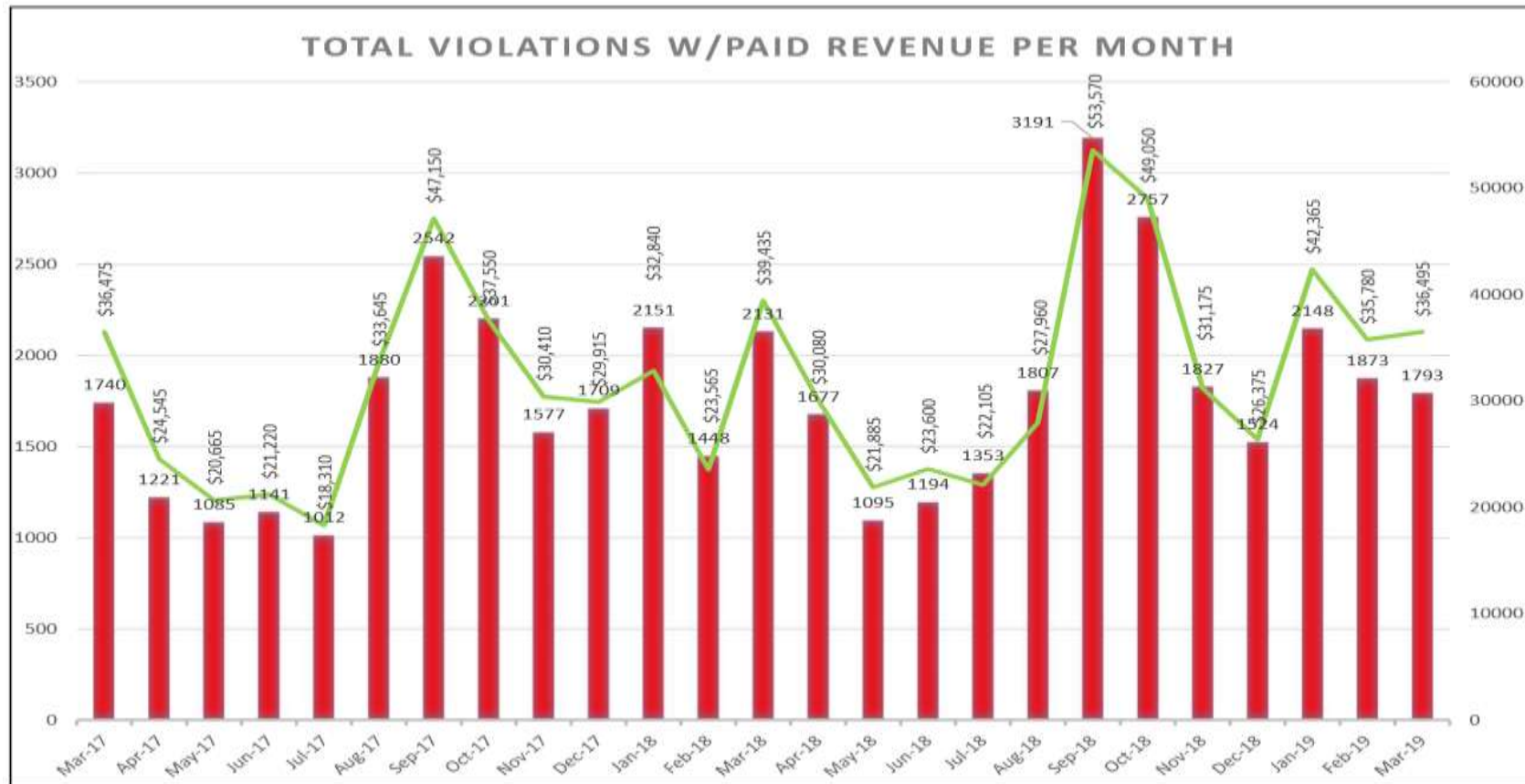
Growth

Parking enforcement operational needs have grown to meet the demand of parking availability and enforcement as requested by our residents and business owners.

- Parking needs and enforcement needed as outlined in the Strategic Parking Management Plan.
 - Additional parking
 - Permitted parking areas
- Operations proposed budget increase.
 - An increase of 25% in revenue needed to balance the needs of the next 5 years proposed budget.
 - Full time position added
 - Equipment, vehicles, LPR's. etc... expense divided over next 5 years

Quick Statistics

- 1,740 (avg) citations issued per month over the last 12 months
- \$39,700. avg / monthly revenue generated. (\$476,700 avg / year)
- Current operating costs approximately \$463,000. / year. (revenue neutral)



New Violation Fee Structure Goals:

- Revise current rate structure to follow new law by eliminating old late fee assessment.
- New fee structure will provide incentive to pay on time by receiving a substantial discount rather than adding a hefty late penalty
- Fees will increase enough to net approximately a 25% increase in revenue to meet the current needs of the parking enforcement effort as well as those over the next few years.

Proposed Fee Increase Scenarios

General information for basis of fee calculations:

- Majority of citation fees are \$30. (60%=\$30, 30%=\$25, 10%=other)
- 30% of past due violations will/have paid the penalty of double the fee.
- 5% of the 30% will/have paid the penalty of triple the fee.
- Comparable fees to other city's and BYU. (\$60 /avg)

• Proposed Scenario 1

- Fee increase for typical fee of \$30 to \$55 with a 30% / \$17 dollar discount to pay on time. + 25% late fee on late payments

(this scenario would net a 25% increase in revenue)

• Proposed Scenario 2

- Fee increase for typical fee of \$30 to \$55 with a 28% / \$15 dollar discount to pay on time. + 25% late fee on late payments

(this scenario would net a 30% increase in revenue)

New Fee Table Sample

Parking Violation Fee Table (proposed)

This fee table reflects the \$15 discount

Violation	Within 5 Days	Within 11 Days	Within 15 Days	
Overtime Restricted Parking 9.31.080	\$25	\$50	\$75	Old fee
	\$40	\$55	\$68.75	New fee
Overtime Restricted Parking 9.31.080 on 3rd or Subsequent Violation Within 60 days	\$25	\$50	\$75	
	\$40	\$55	\$68.75	
Double Parking 9.31.030	\$25	\$50	\$75	
	\$40	\$55	\$68.75	
Within Intersection 9.31.010	\$25	\$50	\$75	
	\$40	\$55	\$68.75	
Out of Stall 9.31.020	\$25	\$50	\$75	
	\$40	\$55	\$68.75	
Red/Yellow Curb 9.31.020	\$30	\$60	\$90	
	\$40	\$55	\$68.75	
Sidewalk 9.31.010	\$30	\$60	\$90	
	\$40	\$55	\$68.75	
No Parking Sign 9.31.020	\$30	\$60	\$90	
	\$40	\$55	\$68.75	
Crosswalk 9.31.010	\$25	\$50	\$75	
	\$40	\$55	\$68.75	
Left Side of Curb 41-6-104 UCA	\$30	\$60	\$90	
	\$40	\$55	\$68.75	
Expired Registration 41-1a-215 UCA	\$30	\$60	\$90	
	\$40	\$55	\$68.75	

Parking Violation Fee Table (proposed)

This fee table reflects the \$17 discount

Violation	Within 5 Days	Within 11 Days	Within 15 Days	
Overtime Restricted Parking 9.31.080	\$25	\$50	\$75	Old fee
	\$38	\$55	\$68.75	New fee
Overtime Restricted Parking 9.31.080 on 3rd or Subsequent Violation Within 60 days	\$25	\$50	\$75	
	\$38	\$55	\$68.75	
Double Parking 9.31.030	\$25	\$50	\$75	
	\$38	\$55	\$68.75	
Within Intersection 9.31.010	\$25	\$50	\$75	
	\$38	\$55	\$68.75	
Out of Stall 9.31.020	\$25	\$50	\$75	
	\$38	\$55	\$68.75	
Red/Yellow Curb 9.31.020	\$30	\$60	\$90	
	\$38	\$55	\$68.75	
Sidewalk 9.31.010	\$30	\$60	\$90	
	\$38	\$55	\$68.75	
No Parking Sign 9.31.020	\$30	\$60	\$90	
	\$38	\$55	\$68.75	
Crosswalk 9.31.010	\$25	\$50	\$75	
	\$38	\$55	\$68.75	
Left Side of Curb 41-6-104 UCA	\$30	\$60	\$90	
	\$38	\$55	\$68.75	
Expired Registration 41-1a-215 UCA	\$30	\$60	\$90	
	\$38	\$55	\$68.75	

Questions?

2019 Parking Enforcement Rate Analysis

MONTH	TOTAL VIOLATIONS PER MONTH	PAID VIOLATIONS	UNPAID VIOLATIONS	OTHER (voided, reduced, dismissed, etc)	TOTAL CITATION BILLABLE / RECIEVABLE	YEARLY TOTAL	PAID REVENUE PER MONTH	YEARLY TOTAL	UNPAID REVENUE PER MONTH	
Jan-17	1780	1374	267	139	\$46,895		\$39,140		\$7,755	
Feb-17	1695	1269	301	125	\$44,605		\$36,080		\$8,525	
Mar-17	1740	1286	287	167	\$44,595		\$36,475		\$8,120	
Apr-17	1221	870	249	102	\$32,055		\$24,545		\$7,510	
May-17	1085	691	299	95	\$29,645		\$20,665		\$8,980	
Jun-17	1141	722	317	102	\$30,530		\$21,220		\$9,310	
Jul-17	1012	628	278	106	\$26,515		\$18,310		\$8,205	
Aug-17	1880	1182	533	165	\$49,025		\$33,645		\$15,380	
Sep-17	2542	1672	562	308	\$63,290		\$47,150		\$16,140	
Oct-17	2201	1333	655	213	\$56,020		\$37,550		\$18,470	
Nov-17	1577	1070	390	117	\$41,545		\$30,410		\$11,135	
Dec-17	1709	1039	536	134	\$45,565	\$510,285	\$29,915	\$375,105	\$15,650	\$135,180
Jan-18	2151	1176	783	192	\$54,510		\$32,840		\$21,670	
Feb-18	1448	831	482	135	\$37,025		\$23,565		\$13,460	
Mar-18	2131	1381	562	188	\$55,905		\$39,435		\$16,470	
Apr-18	1677	1044	481	152	\$44,150		\$30,080		\$14,070	
May-18	1095	690	296	109	\$30,945		\$21,885		\$9,060	
Jun-18	1194	775	311	108	\$32,540		\$23,600		\$8,940	
Jul-18	1353	750	461	142	\$35,430		\$22,105		\$13,325	
Aug-18	1807	940	582	285	\$45,360		\$27,960		\$17,400	
Sep-18	3191	1889	901	401	\$80,420		\$53,570		\$26,850	
Oct-18	2757	1676	731	350	\$71,385		\$49,050		\$22,335	
Nov-18	1827	1043	523	261	\$47,090		\$31,175		\$15,915	
Dec-18	1524	868	446	210	\$39,580	\$574,340	\$26,375	\$381,640	\$13,205	\$192,700
	41738	26199	11233	4306	\$1,084,625		\$756,745		\$327,880	
		63%	27%	10%			70%		30%	

60% are \$30 Citations

30% are \$25 Citations

10% are other

Assumptions: (based on two years history)

30% of the past due will pay the penalty of double the fee

5% of that 30% will pay the tripple fee

Basis of calculating the base increase = 90% of revenue derive from \$30 citations

2 YEAR TOTALS (2017 &2018) COMBINED

	30% OF UNPAID	DBL RATE REVENUE	TOTAL PAID REV (ON TIME)	TOTAL COLLECTED
TOTAL BILLABLE				
\$1,084,625	\$98,364.0	\$196,728.0	\$756,745	\$953,473.0

Revenue Billable \$1,084,625.00 (2 year)

Revenue Collected \$953,473.00 (2 year)

Current Parking Enforcement Operating Costs

\$542,312.50 (avg / year)

\$476,736.50 (avg / year)

\$462,956.00 / year

Revenue Collected \$953,473.00 (2 year)
Current Parking Enforcement Operating Costs

\$476,736.50 (avg / year)
\$462,956.00 / year

PROPOSED PARKING FEE INCREASE ANALYSIS

Based on totals from the last two years for a better average per year

Proposed increase scenario #1 Fee increase for typical fee of \$30 to \$45 with a 33% / \$15 dollar discount to pay on time. + 20% late fee on late payments

\$473,360 (avg / year) Revenue Neutral (+/-1%)

Proposed increase scenario #2 Fee increase for typical fee of \$30 to \$60 with a 50% / \$30 dollar discount to pay on time. + 10% late fee on late payments

\$499,646 (avg / year) Revenue Neutral (+/-1%)

Proposed increase scenario #3 Fee increase for typical fee of \$30 to \$50 with a 30% / \$15 dollar discount to pay on time. + 20% late fee on late payments

\$547,788 (avg / year) 15% (=/-1%) increase overall
 (additional \$71,000 annual revenue)

Proposed increase scenario #4 Fee increase for typical fee of \$30 to \$65 with a 50% / \$32.50 dollar discount to pay on time. + 10% late fee on late payments

\$541,283 (avg / year) 15% (=/-1%) increase overall
 (additional \$64,547 annual revenue)

Proposed increase scenario #5

\$572,084 (avg / year) 20% increase overall
 (additional \$95,347 annual revenue)

Proposed increase scenario #6

\$572,084 (avg / year) 20% increase overall
 (additional \$95,347 annual revenue)

Proposed increase scenario #7 Fee increase for typical fee of \$30 to \$58 with a 35% / \$20 dollar discount to pay on time. + 20% late fee on late payments

\$601,375 (avg / year) 25% (+/-1%) increase overall
 (additional \$124,638 annual revenue)

Proposed increase scenario #8 Fee increase for typical fee of \$30 to \$67 with a 45% / \$30 dollar discount to pay on time. + 10% late fee on late payments

\$603,785 (avg / year) 25% (+/-1%) increase overall
 (additional \$127,048 annual revenue)

Proposed increase scenario #9 Fee increase for typical fee of \$30 to \$55 with a 28% / \$15 dollar discount to pay on time. + 25% late fee on late payments

New fee increase to \$55 (assuming 70% will pay ontime for the discount of \$15)(net \$40)	26199 x \$40	\$1,047,960
Unpaid citations that assumingly will pay the penalty (30%)	11233 x 30%	3370
Unpaid citations that assumingly will pay the orriginal fee not taking advantgae of the ontime discount (45%) x \$55 orriginal f	3370 x \$55	\$185,350
Unpaid citations that assumingly will pay the orriginal fee + a 10% late fee	3370 x 5%	168.5
Unpaid citations that assumingly will pay the orriginal fee + a 10% late fee revenue	168.5 x \$55+25%	\$11,584
Net revenue under new fee structure (over 2 years)(Collected)		\$1,244,894 (2 year)

\$622,447 (avg / year) 30% (+/-1%) increase overall
 (additional \$145,710 annual revenue)

Proposed increase scenario #10 Fee increase for typical fee of \$30 to \$55 with a 30% / \$17 dollar discount to pay on time. + 25% late fee on late payments

New fee increase to \$55 (assuming 70% will pay ontime for the discount of \$30)(net \$38)	26199 x \$38	\$995,562
Unpaid citations that assumingly will pay the penalty (30%)	11233 x 30%	3370
Unpaid citations that assumingly will pay the orriginal fee not taking advantgae of the ontime discount (45%) x \$67 orriginal f	3370 x \$55	\$185,350
Unpaid citations that assumingly will pay the orriginal fee + a 10% late fee	3370 x 5%	168.5
Unpaid citations that assumingly will pay the orriginal fee + a 10% late fee revenue	168.5 x \$55+25%	\$11,584
Net revenue under new fee structure (over 2 years)(Collected)		\$1,192,496 (2 year)

\$596,248 (avg / year) 25% (+/-1%) increase overall
 (additional \$119,511 annual revenue)

Note: The only difference between Scenario 9 & 10 is the discount offere
 (Fees stay the same... changing the discount from \$17 to \$15 increases th
 potential increase in revenue 5%)

Customer Service Parking Enforcement 5 year CIP

25% increase the 1st year, with no increase for the next 4 years of the 5 year projection

	2017	2018	2019*	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Operating Costs		\$462,956	\$462,956	\$608,031	\$565,956	\$570,956	\$575,956	\$580,956
Revenue Collected	\$476,736	\$476,736						
Proposed Overall Budget Increase	0%	0%	0%	25%	0%	0%	0%	0%
Anticipated Revenue Collected			\$476,736	\$597,000	\$597,000	\$597,000	\$597,000	\$597,000
Anticipated Revenue Increase				\$125,000	\$0	\$0	\$0	\$0
Net Revenue After Proposed Budget				-\$11,031	\$31,044	\$26,044	\$21,044	\$16,044

* Estimate based on previous two years average.

Proposed Budget Increases

2020	Costs
Staffing (Personel 1FT)	\$60,000
Equipment / LPR (supplementals)	\$18,000
(Enforcement vehicles)	
(Equipment)	
(Misc supplies, contract serv., etc.)	
(Fuel & maintenance)	
(Total other)	\$68,000
Total	\$146,000

2021	
Equipment / LPR	\$18,000
(Addition staffing / routs)	
(Equipment)	
(Misc supplies, contract serv., etc.)	
(Fuel & maintenance)	
(Total other)	\$25,000
Total	\$43,000

Equipment / LPR	\$18,000
Misc	\$5,000
2022	\$23,000

Equipment / LPR	\$18,000
Misc	\$5,000
2023	\$23,000

Equipment / LPR	\$18,000
Misc	\$5,000
2024	\$23,000

Parking Violation Fee Table (proposed)

This fee table reflects the \$15 discount

Violation	Within 5 Days	Within 11 Days	Within 15 Days	Old fee	New fee
<u>Overtime Restricted Parking 9.31.080</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Overtime Restricted Parking 9.31.080 on 3rd or Subsequent Violation Within 60 days</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Double Parking 9.31.030</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Within Intersection 9.31.010</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Out of Stall 9.31.020</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Red/Yellow Curb 9.31.020</u>	\$30	\$60	\$90		
	\$40	\$55	\$68.75		
<u>Sidewalk 9.31.010</u>	\$30	\$60	\$90		
	\$40	\$55	\$68.75		
<u>No Parking Sign 9.31.020</u>	\$30	\$60	\$90		
	\$40	\$55	\$68.75		
<u>Crosswalk 9.31.010</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Left Side of Curb 41-6-104 UCA</u>	\$30	\$60	\$90		
	\$40	\$55	\$68.75		
<u>Expired Registration 41-1a-215 UCA</u>	\$30	\$60	\$90		
	\$40	\$55	\$68.75		
<u>Firelane 9.32.120/Hydrant 9.31.010</u>	\$30	\$60	\$90		
	\$40	\$55	\$68.75		
<u>Blocking Driveway 9.31.010</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Unattended over 72 hours 9.31.050</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Disability Space 41-1a-1306 UCA</u>	\$125	\$250	\$375		
	\$150	\$175	\$218.75		
<u>Skateboard, etc. violation 9.32.170</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		
<u>Others</u>	\$25	\$50	\$75		
	\$40	\$55	\$68.75		

Note: All fee paid within 5 business days are shown at the discounted rate.

Parking Violation Fee Table (proposed)

This fee table reflects the \$17 discount

Violation	Within 5 Days	Within 11 Days	Within 15 Days
<u>Overtime Restricted Parking 9.31.080</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Overtime Restricted Parking 9.31.080 on 3rd or Subsequent Violation Within 60 days</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Double Parking 9.31.030</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Within Intersection 9.31.010</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Out of Stall 9.31.020</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Red/Yellow Curb 9.31.020</u>	\$30	\$60	\$90
	\$38	\$55	\$68.75
<u>Sidewalk 9.31.010</u>	\$30	\$60	\$90
	\$38	\$55	\$68.75
<u>No Parking Sign 9.31.020</u>	\$30	\$60	\$90
	\$38	\$55	\$68.75
<u>Crosswalk 9.31.010</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Left Side of Curb 41-6-104 UCA</u>	\$30	\$60	\$90
	\$38	\$55	\$68.75
<u>Expired Registration 41-1a-215 UCA</u>	\$30	\$60	\$90
	\$38	\$55	\$68.75
<u>Firelane 9.32.120/Hydrant 9.31.010</u>	\$30	\$60	\$90
	\$38	\$55	\$68.75
<u>Blocking Driveway 9.31.010</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Unattended over 72 hours 9.31.050</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Disability Space 41-1a-1306 UCA</u>	\$125	\$250	\$375
	\$150	\$175	\$218.75
<u>Skateboard, etc. violation 9.32.170</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75
<u>Others</u>	\$25	\$50	\$75
	\$38	\$55	\$68.75

Note: All fee paid within 5 business days are shown at the discounted

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: HSALZL
Department: Council
Requested Meeting Date: 05-14-2019

SUBJECT: A presentation from Administrative Services on operations including internal audit and Information Systems. (19-004)

RECOMMENDATION: Presentation only.

BACKGROUND: The new budget includes funding for an internal audit of the City's finances. Information Systems expressed a need for several new analyst positions in their supplemental requests. The FY 2019-2020 budget provides for three new analyst positions.

FISCAL IMPACT: Administrative Services has a proposed FY2020 budget of \$6,291,259 including \$7,000 supplemental for internal auditing and \$3,733,464 for Information Systems Division.

PRESENTER'S NAME: John Borget, Josh Ihrig

REQUESTED DURATION OF PRESENTATION: 20 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 19-004

PROVO CITY

2020 BUDGET SUPPLEMENTALS
INFORMATION SYSTEMS





Provo City is hungry for technology, and rightly so. With a resident population that expects high tech and a workforce that needs it to keep up with the demands, how could it not be a priority? While IS does a tremendous job with the resources they have, the City must continually evaluate needs and prioritize additional resources where appropriate.

PRIORITY ALIGNMENT

MUNICIPALITY IT PRIORITY ALIGNMENT

PROVO
IS DIVISION



Cyber
Security



Citizen
Engagement



IT
Staffing

OTHER *
MUNICIPALIT
DEPARTMENTS



Cyber
Security



Citizen
Engagement

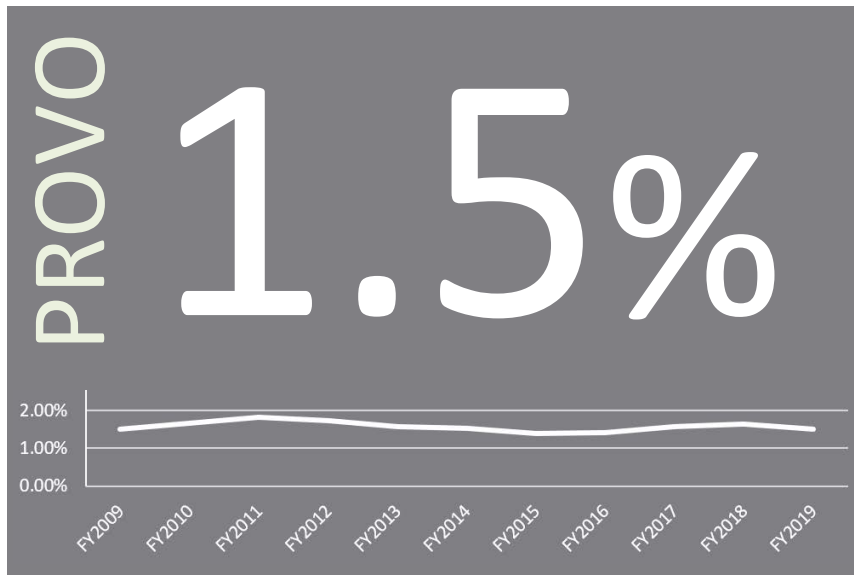


IT
Staffing

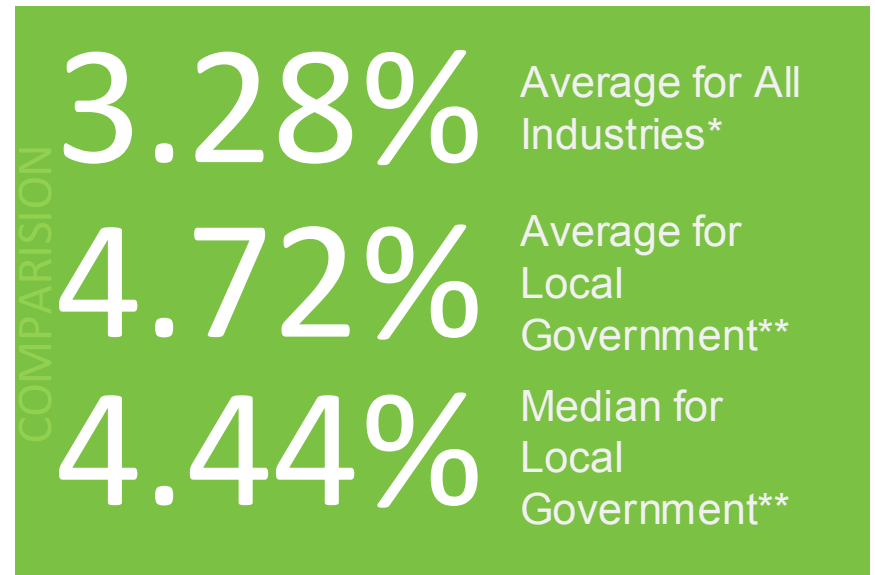
*Source: The Center For Digital Government Dec 2018

FUNDING COMPAIRISON

IT AS PERCENT OF REVENUE



IT Budget as a % of Revenue is a common metric for organizations to measure & compare investments in IT against others in the same industry.



*Source: Technology Budgets: Deloitte Insights

** Local Government Sample Review of CAFR & Budget Data

City	Residents*	Total City Revenue*	IT Budget**	Total City FTE*	City IT FTE Count**	IT as % Of Revenue	User to IT Staff Ratio	IT Spending Per Employee	IT Spending Per Capita	College Town	Energy Utility
Salt Lake City, UT	194,188	\$ 314,322,149	\$ 14,172,795	2955.9	71.0	4.51%	42	\$ 4,794.75	\$ 72.98	✓	
Eugene, OR	167,780	\$ 313,004,803	\$ 13,911,088	1441	50.0	4.44%	29	\$ 9,653.77	\$ 82.91	✓	✓
Tempe, AZ	161,000	\$ 221,776,949	\$ 16,992,401	1686	76.0	7.66%	22	\$ 10,078.53	\$ 105.54	✓	
West Valley City, UT	136,170	\$ 119,945,932	\$ 4,723,776	792	14.0	3.94%	57	\$ 5,964.36	\$ 34.69		
Roseville, CA	134,073	\$ 202,700,000	\$ 7,714,893	1150.73	40.0	3.81%	29	\$ 6,704.35	\$ 57.54		✓
Provo, UT	123,336	\$ 216,456,179	\$ 3,245,748	839	16.5	1.50%	51	\$ 3,868.59	\$ 26.32	✓	✓
Owensbrough, KY	114,752	\$ 89,288,175	\$ 2,222,418	397	15.0	2.49%	26	\$ 5,598.03	\$ 19.37		✓
College Station, TX	109,895	\$ 98,457,922	\$ 5,412,172	979.6	31.5	5.50%	31	\$ 5,524.88	\$ 49.25	✓	✓
Orem, UT	88,328	\$ 66,044,951	\$ 2,380,000	538	12.0	3.60%	45	\$ 4,423.79	\$ 26.95	✓	
Ogden, UT	87,031	\$ 82,070,982	\$ 4,800,550	624	21.8	5.85%	29	\$ 7,693.19	\$ 55.16		
Bryan, TX	83,260	\$ 76,814,968	\$ 6,601,019	874	37.0	8.59%	24	\$ 7,552.65	\$ 79.28		✓
AVERAGE						4.72%	34.86	\$ 6,532.45	\$ 55.45		
MEDIAN						4.44%	28.82	\$ 5,964.36	\$ 55.16		

* Data comes from City Published CAFR

** Data Comes from City Published Annual Budget

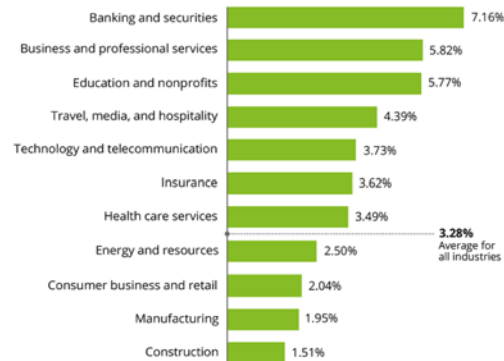
Using data from most Recent Budget Books and Most Recent CAFR (e.g. FY2019 Budget Matched w/ 2018 CAFR)

3rd Party Industry Data – IT as % of Revenue

2008 State of the CIO

Industry	IT Budget as a Percent of Revenue	Users per IT Staffer
Financial Services	10.5	15.7
Government	7.8	37.8
Education/nonprofit	6.2	48.3
Health Care	5.0	25.4
Wholesale and Retail	3.9	47.5
Manufacturing	3.4	40.9
Overall Sample	6.7	35.1

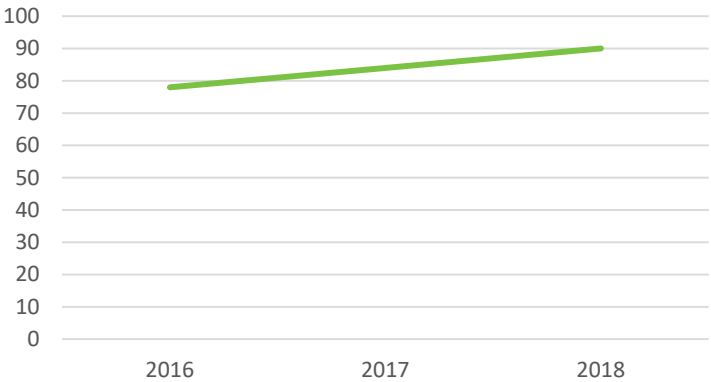
2019 Deloitte Insights



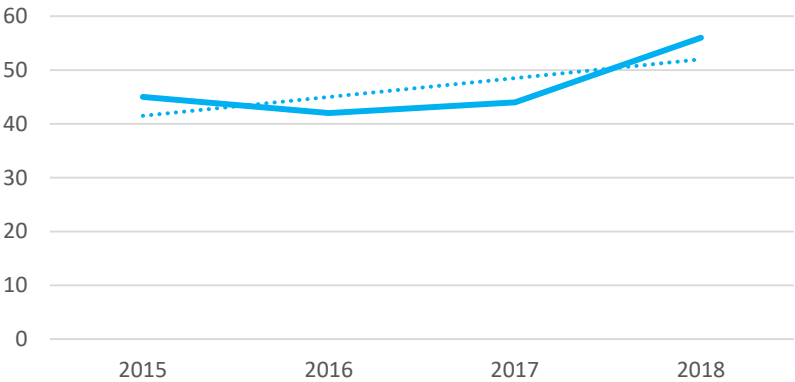
Cities selected for review based on a random sample of cities that meet one or more of the following criteria: Population, Electric Utility, Local, and/or College Town. Population Limited to 80K thru 170K w/ exception for SLC.

SERVICE OFFERING TREND

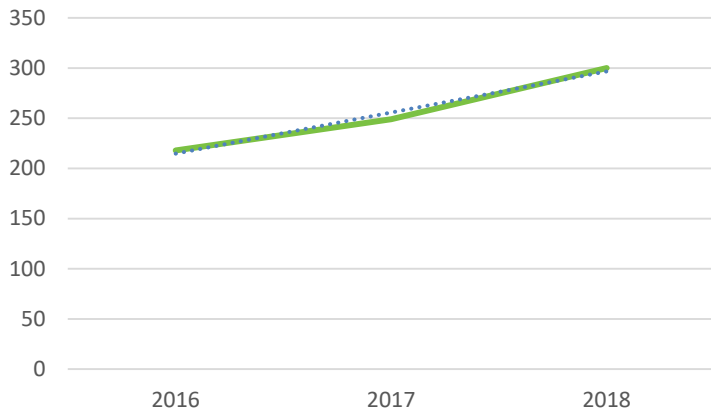
Unique Services



Project Completed (4 Year Lookback)



Systems In Service



- 17% Growth Trend in Offerings
- 20% Growth Trend in Tickets
- 27% Increase in Projects
- ~6 Hours Per Year Per System
- ~5 Projects per Resource

IT SUPPLEMENTAL REQUEST SUMMARY

Moves the needle from 1.5%
to 1.83% of Revenue

IT STAFF AUGMENTATION	\$299.6K	
CYBER SECURITY STAFF	\$228.9K	 
MS OFFICE 365	\$130.5K	
GIS IMAGERY & INTERN	\$24.8K	 
WEB AUTOMATION TOOLS	\$30K	

\$713.8K
TOTAL

PUBLIC SAFETY ANALYST

\$95,941 (Fully Loaded)

Public Safety Analysts are responsible for supporting the specialized hardware and software of the Police, Fire, and 911 dispatch organizations. Currently, one analyst is dedicated to service these critical functions and it is recommended to add at least one more resource to allow for skill depth and cross training capability. A couple other key factors in our decision to request additional headcount are as follows:

- The implementation of advanced public safety technologies has doubled in the last five years requiring more resource to successfully support them.
- Advanced technologies in Public Safety require specialized support. As such, roles are difficult to share with more generalized technology workers.

COMMUNICATIONS ANALYST

\$95,941 (Fully Loaded)

The communications team is responsible for the administration of city networked services, providing connectivity to over 3000 devices. This includes:

- 900+ workstations / endpoints
- 1000+ telephones
- 500+ concurrent wireless users
- 850+ servers, IOT devices, and infrastructure devices

The maintenance and management of this city-wide infrastructure is currently handled by 2 FTEs and requires knowledge of networking protocols and transport medium such as wireless, fiber optics, and traditional copper standards. Currently the city is engaged in the construction of a new city center, fire station, water treatment plant, airport terminal, and several remodels. These projects will require the attention of this team and will limit the team's ability to perform necessary maintenance of Provo's growing network. Furthermore, the Google Fiber contracts will be coming to a potential close within the next few years. While still hoping for a long relationship with Google, the City will need to plan and design the exit options so that they can be executed, if necessary, in a timely, less costly way.

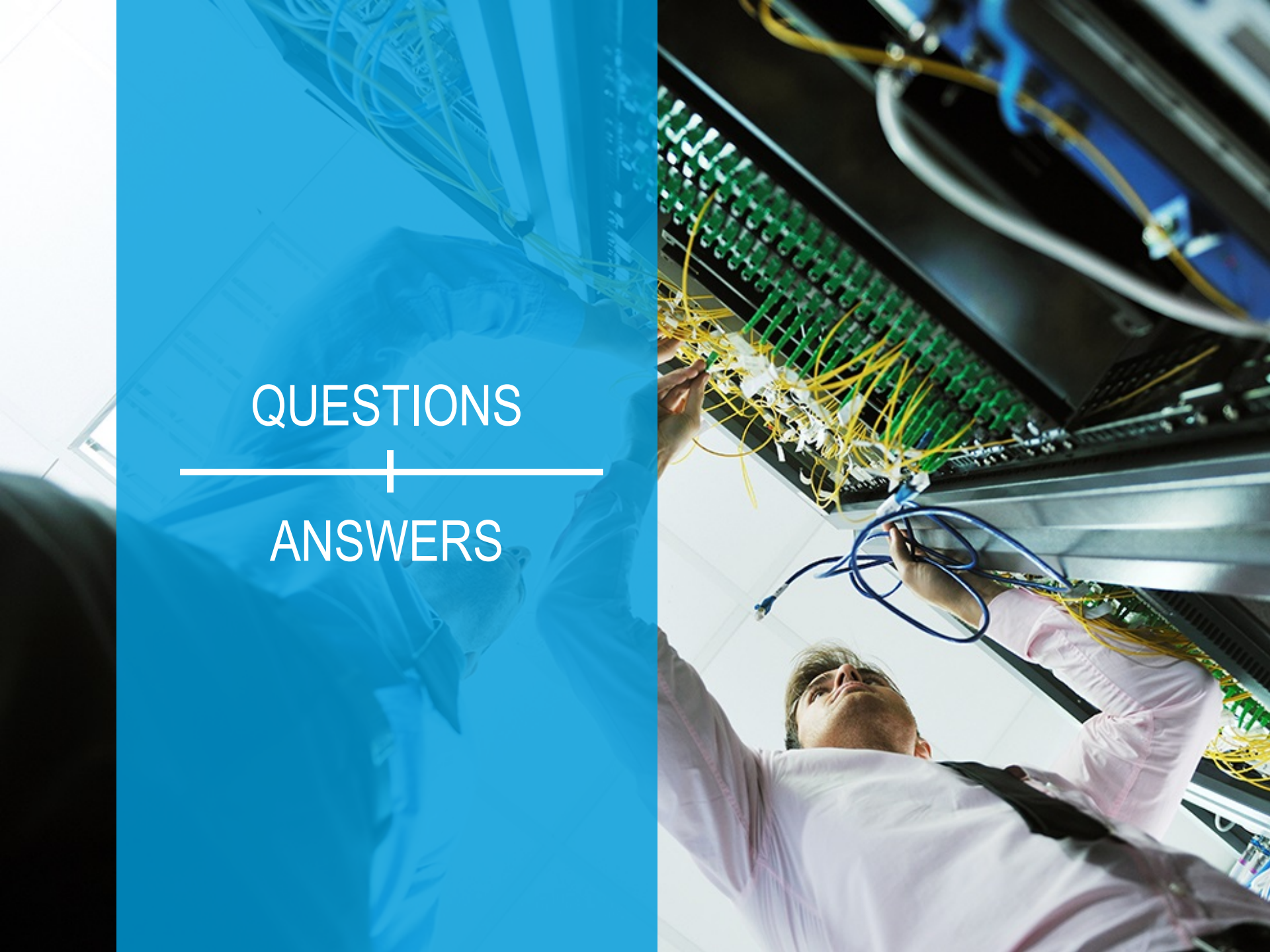
INFOSEC ANALYST 2

[\\$107,700 \(Fully Loaded\)](#)

This position would be responsible for the ongoing analysis and management of defensive security infrastructure and security controls. Responsibilities would include, but not be limited to: a) perimeter security activities such as the strategy and testing of firewall, VPN, and remote proxy services; b) security life cycle management activities, vulnerability assessment and bug management; c) management of end user security technologies; and d) end user training.

UNFUNDED BY ADMINISTRATION:

— INFOSEC ANALYST 3	\$121,200
— CITYVIEW ANALYST	\$107,700
— MS OFFICE 365	\$130,500
— GIS IMAGERY & INTERN	\$24,800
— WEB AUTOMATION TOOLS	\$30,000



QUESTIONS

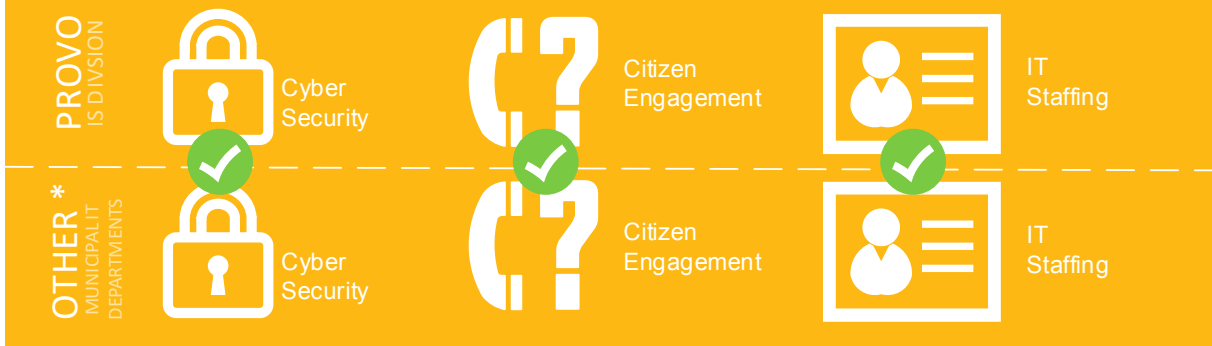
ANSWERS

INFORMATION SYSTEMS

ANNUAL REPORT

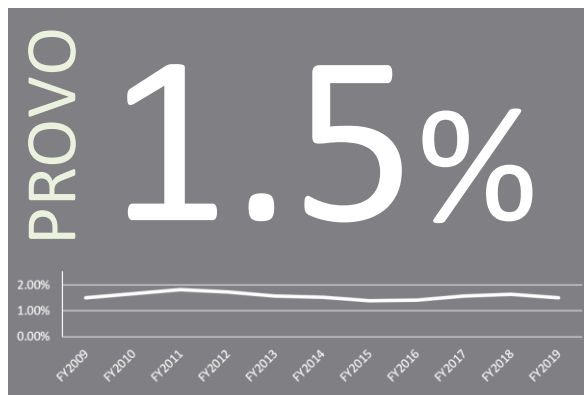
SERVICE | INNOVATION | TECHNOLOGY | SAFETY

MUNICIPALITY IT PRIORITY ALIGNMENT

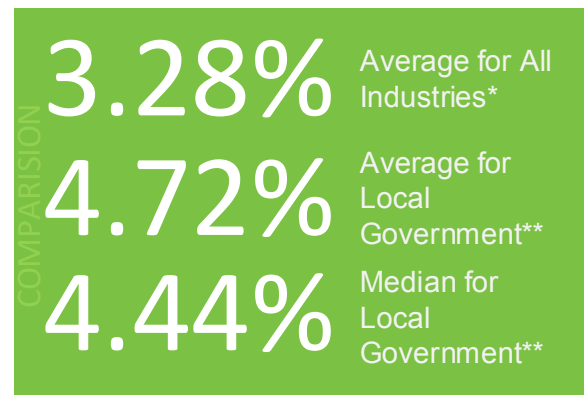


*Source: The Center For Digital Government Dec 2018

IT AS PERCENT OF REVENUE



IT Budget as a % of Revenue is a common metric for organizations to measure & compare investments in IT against others in the same industry.



*Source: Technology Budgets: Deloitte Insights

** Local Government Sample Review of CAFR & Budget Data

IT SUPPLEMENTAL REQUEST SUMMARY

Moves the needle from 1.5% to 1.83% of Revenue	IT STAFF AUGMENTATION	\$299.6K	
	CYBER SECURITY STAFF	\$228.9K	
	MS OFFICE 365	\$130.5K	
	GIS IMAGERY & INTERN	\$24.8K	
	WEB AUTOMATION TOOLS	\$30K	
			\$713.8K
			TOTAL

TABLE OF CONTENTS

LETTER FROM THE DIVISION DIRECTOR	3
INFORMATION SYSTEMS DIVISION OVERVIEW	4
FUNDING	6
STAFFING	7
ACCOMPLISHMENTS SUMMARY	8
IS PERFORMANCE METRICS.....	9
PERCEIVED SERVICE SCORES	9
HELPDESK / IT SUPPORT	10
RESOLUTION DAYS	10
TECHNOLOGY PURCHASES	11
SERVICES OFFERED	11
PROJECTS.....	12
PREVENTATIVE MAINTENANCE.....	13
CYBER SECURITY.....	13
WEB	14
IS STRATEGY	15
FY2020 STRATEGIC IMPERATIVES	17
CYBER SECURITY.....	17
CITIZEN ENGAGEMENT	18
IT STAFFING	18
SUPPLEMENTALS.....	19
IT STAFF AUGMENTATION.....	19
CYBER SECURITY TEAM.....	20
MS OFFICE 365 CLOUD	21
GIS IMAGERY & INTERN	21
WEB AUTOMATION TOOLS	22
APPENDIX A – IT EXPENSE AND BUDGET VS. REVENUE OF “SIMILAR” MUNICIPALITIES	23
APPENDIX B – PROVO INFORMATION SYSTEMS REVIEW OVER LAST 10 YEARS	24
APPENDIX C – PROVO WEB SITE TOP 20 PAGES VISITED	25

LETTER FROM THE DIVISION DIRECTOR



Dear Administration,

This Annual Report provides background on the Information Systems Division with a focus on the mission, vision, and strategies that will guide the organization of 16 employees serving the Information Technology needs of Provo City. I am proud to report the great achievements made last year by the IS team given the resources that our organization is thankful to have. You will find within this report a listing of the stand-outs for this past year and I'm sure you will be pleased by just how good of a technology workforce currently exists. However, I also have the heavy task of informing you of the risks and needs related to the rapid growth of the City's technology appetite.

While your technology workers still find ways to meet day to day operational needs and project priorities, they are having to work extended hours and take critical risks by skipping daily and weekly maintenance duties. To be clear, the Provo Information Systems team continues to fall behind in their ability to perform adequate preventative maintenance and cyber security. Your departments are also beginning to feel neglected as the technology workers' ability to respond to their service and project needs are split between larger and larger numbers of priorities. There is a reason for this.

Simply put, Provo's supported systems footprint has grown over 17% in the past two years without resources aligned to support that growth.

Provo is at a crossroads and will now need to consider options that allow its technology workers to succeed. Do we; a) reduce systems and/or responsibilities, b) increase resources, or c) some mix of the two? With IS operating over the past ten years at a 1.5% of revenue metric, and Provo's peers operating today at an average 4.72%, the option to increase resources seems prudent and in line with the stated goals of the city. As such, you will find within this report a section for supplemental budget requests that moves the needle along with a challenge for the administration to review if a fundamental change in funding structures is appropriate.

We invite you now to review this report and come to your own conclusions. Please know that we, your Information Systems Division, will support you on whatever decision is made. We ask that you thoroughly investigate and endeavor to align your resourcing priorities with what you hope to get out of your technology team... a team who is working hard on Provo City's behalf.

Sincerely,

Joshua Ihrig
Division Director Information Systems

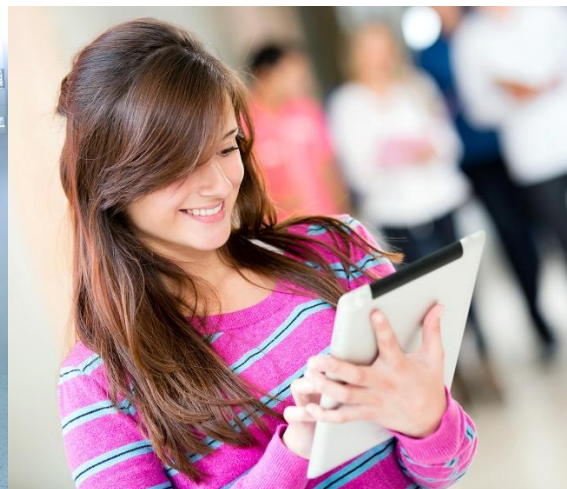
INFORMATION SYSTEMS DIVISION OVERVIEW

The Information Systems Division is part of the Administrative Services Department and is split into the following functional areas to provide the below defined services:

- **Helpdesk** – this function provides technical assistance and support for questions and issues related to computer systems, software and hardware.
 - Technology Help Request (Ticket) Intake, Management, and Reporting
 - Device Support and Maintenance (e.g. Laptop, Desktop, Printer, Tablet)
 - PC Software Support (e.g. Windows, MS Office, Adobe)
 - Technology Inventory Lifecycle (Purchase, Issuance, Transfer, Disposal)
 - Employee Technology Management (new hires, changes, terminations)
 - Front Line Support for all other IS functions
- **GIS** – the Geographic Information Systems function provides digital mapping data services that allow city organizations to visualize, question, analyze, and interpret data to understand relationships, patterns and trends.
 - Create and Maintain Mapping Standards
 - Map Development, Maintenance, and Dissemination
 - Map Data Creation, Management, and Maintenance
 - Geospatial Data Analysis Services
 - Mapping Technology Support and Maintenance
- **Communications** – this function provides installation, support, and maintenance of networking, voice and data services for city operations, inter-local partnerships, contracted service agreements, and various business specific connectivity requirements (e.g. Water Well connectivity).
 - Internet Access
 - Networking / Connectivity Services
 - Wireless Communications (WiFi, Radio, Cellular)
 - Voice Communications (Phone & Voice Mail)
 - Physical Wiring (e.g. Fiber, Copper) Inside Buildings and Between City Locations
- **Systems** – this function provides installation, support, and maintenance of enterprise technology infrastructure and software for city operations including, but not limited to, financial, human resources, work management, and various business specific systems (e.g. Utility Billing).
 - Server Infrastructure
 - Enterprise Software Support, Licensing and Maintenance (e.g. ERP, Email, Document Management)
 - Systems Access Rights Management
 - Business Systems & Process Analysis, Integration, and Automation
 - Data & Data Storage Management
 - Data Backup / Disaster Recovery



- **Security** – The security function provides services to mitigate risks associated with cyber security incidents using the following five security principals: assessment, prevention, detection, reaction, and recovery.
 - Edge Security Oversight (e.g. firewall, remote access)
 - Virus / Malware Detection & Mitigation
 - Security Posture Assessment
 - Risk Mitigation Policy & Procedure
 - Security Control Testing
 - Intrusion Detection / Prevention
 - Incident Response
 - Security Education
- **Technology** – this function provides proactive technological investments and upgrades that focus resources and dollars at enhancing city operations and capabilities in a positive way.
 - Named Technology Initiatives (e.g. Provo 360)
 - Technology Pilots
 - Lunch & Learns / Technology Learning Events
- **Web & eGovernment** – this function provides web services to create and maintain city websites and web applications that enable our residents to transact business with the city at any time, from anywhere, and on any device.
 - provo.org
 - home.provo.org (employee intranet)
 - Provo 360 eGovernment initiative
- **Administrative** – this function provides leadership and management for IS Division functions along with services that support the vision, strategy and planning within the city.
 - Technology Vision, Strategy, and Planning
 - Technology Project Management
 - IS Budget
 - Technology Procurement Approval & Oversight
 - Operational Oversight for IS Functions
 - Office Management
 - Technology Staffing
 - Technology Contract Management
 - Technology Policy & Procedure



FUNDING

Information Systems is authorized to employ 16.5 full time equivalent (FTE) staff. The overall IS budget for fiscal year 2019 was \$3,245,758. Of this approximately 80% is from the General funds and 20% from the Enterprise funds. We do not receive grants, but we do receive some direct funding to support Department specific project initiatives.

Provo is very conservative in funding Information Systems as evidenced by a 1.5% of revenue metric as compared to an average 4.72% metric of our peers. This highly conservative funding stance should be reviewed by the organization as it may not be in alignment with the stated City technology goals or IS strategy.

Cities selected for review in Table 1 below are based on a random sample of cities that meet one or more of the following criteria: Population, Electric Utility, Local, and/or College Town. Population Limited to 80K thru 170K w/ exception for SLC.



*Source: Technology Budgets: Deloitte Insights
** Local Government Sample Review of CAFR & Budget Data

TABLE 1: IT EXPENSE AND BUDGET VS. REVENUE OF "SIMILAR" MUNICIPALITIES

City	Residents*	Total City Revenue*	IT Budget**	Total City FTE*	City IT FTE Count**	IT as % Of Revenue	User to IT Staff Ratio	IT Spending Per Employee	IT Spending Per Capita	College Town	Energy Utility
Salt Lake City, UT	194,188	\$ 314,322,149	\$ 14,172,795	2955.9	71.0	4.51%	42	\$ 4,794.75	\$ 72.98	✓	
Eugene, OR	167,780	\$ 313,004,803	\$ 13,911,088	1441	50.0	4.44%	29	\$ 9,653.77	\$ 82.91	✓	✓
Tempe, AZ	161,000	\$ 221,776,949	\$ 16,992,401	1686	76.0	7.66%	22	\$ 10,078.53	\$ 105.54	✓	
West Valley City, UT	136,170	\$ 119,945,932	\$ 4,723,776	792	14.0	3.94%	57	\$ 5,964.36	\$ 34.69		
Roseville, CA	134,073	\$ 202,700,000	\$ 7,714,893	1150.73	40.0	3.81%	29	\$ 6,704.35	\$ 57.54		✓
Provo, UT	123,336	\$ 216,456,179	\$ 3,245,748	839	16.5	1.50%	51	\$ 3,868.59	\$ 26.32	✓	✓
Owensborough, KY	114,752	\$ 89,288,175	\$ 2,222,418	397	15.0	2.49%	26	\$ 5,598.03	\$ 19.37		✓
College Station, TX	109,895	\$ 98,457,922	\$ 5,412,172	979.6	31.5	5.50%	31	\$ 5,524.88	\$ 49.25	✓	✓
Orem, UT	88,328	\$ 66,044,951	\$ 2,380,000	538	12.0	3.60%	45	\$ 4,423.79	\$ 26.95	✓	
Ogden, UT	87,031	\$ 82,070,982	\$ 4,800,550	624	21.8	5.85%	29	\$ 7,693.19	\$ 55.16		
Bryan, TX	83,260	\$ 76,814,968	\$ 6,601,019	874	37.0	8.59%	24	\$ 7,552.65	\$ 79.28		✓
AVERAGE						4.72%	34.86	\$ 6,532.45	\$ 55.45		
MEDIAN						4.44%	28.82	\$ 5,964.36	\$ 55.16		

* Data comes from City Published CAFR

** Data Comes from City Published Annual Budget

Using data from most Recent Budget Books and Most Recent CAFR (e.g. FY2019 Budget Matched w/ 2018 CAFR)

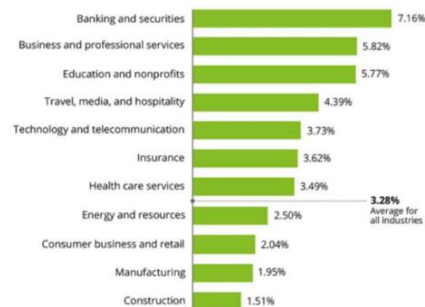
3rd Party Industry Data – IT as % of Revenue

2008 State of the CIO

Industry	IT Budget as a Percent of Revenue	Users per IT Staffer
Financial Services	10.5	15.7
Government	7.8	37.8
Education/nonprofit	6.2	48.3
Health Care	5.0	25.4
Wholesale and Retail	3.9	47.5
Manufacturing	3.4	40.9
Overall Sample	6.7	35.1

SOURCE: 2008 "State of the CIO" survey of 558 heads of IT.

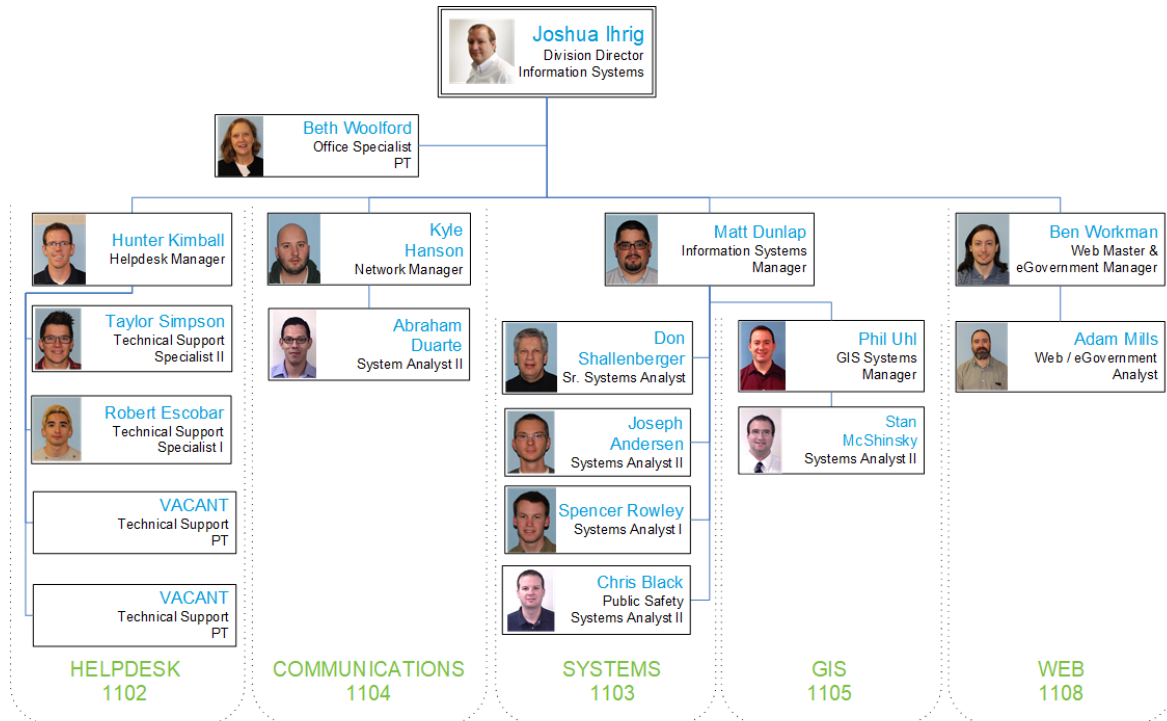
2019 Deloitte Insights



Source: Technology Budgets: From Value Preservation to Value Creation / Deloitte Insights

STAFFING

The Information Systems Division has 15 Full Time and 3 Part Time positions to fulfill the information technology needs of the City. The team is running at a 51:1 IT worker to employee ratio vs. our peers who run, on average, a 35:1. We recognize that staff ratios have fallen out of favor as organizations can now avoid some IS staffing by utilizing cloud services. As such, this ratio should be reviewed as part of any assessment related to funding as a percentage or similar metric.

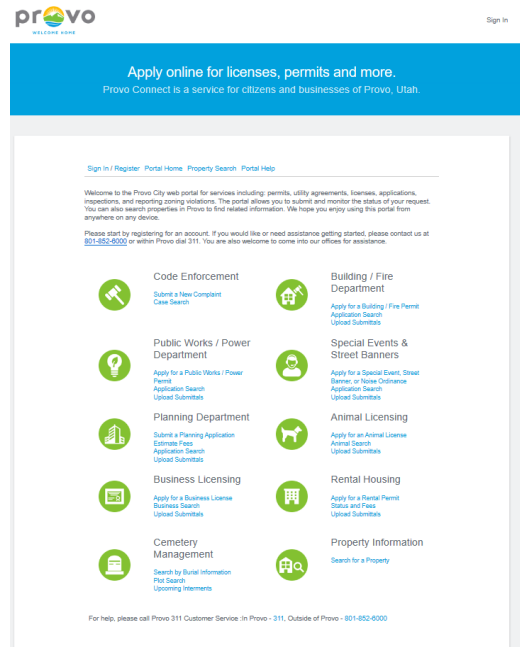


AREA	FTE	NOTES
Helpdesk	4	1 Dedicated to Public Safety
GIS	2	
Communications	2	
Systems	5	1 Dedicated to Public Safety & 1 to CIS (Utility Billing)
Security	0	
Technology	0	
Web & EGovernment	2	
Administrative	1.5	

ACCOMPLISHMENTS SUMMARY

Information Systems is pleased to report our accomplishments over this past year that improved the quality, quantity, and/or efficiency of our IT service offerings. A few of these successes are as follows:

- Continued work on the Provo 360 initiative meeting or exceeded all project assignments including the a) implementation of web-based licensing, permits, planning review, code enforcement, and cemetery; b) implementation of test and production platforms for Phase 2 CIS/WMS modules; and c) completion of project technical and business discovery including related technical reviews & write-ups for Phase 2.
- Exceeded customer service score average target of 3.3 for service quality, communication, timeliness, delivery, business skill, technical skill, courtesy, and value.
- Upgraded resident, employee, and outside entity access to information including a) upgrade of outdated phone and voicemail systems; b) technical support for City construction projects (e.g. Public Works Admin Building, Airport, 911 Dispatch); and c) expanded communication capabilities at city facilities (e.g. Peaks Ice Arena, Golf Course, and Water Tanks).



- Engaged on multiple technology pilots and updates to enhance usability, data integrity, and cost-effective technology delivery including, but not limited to, a) drone.provo.org, b) technician training solutions, and c) web audit automation.
- Enhanced Provo cyber security posture by a) investing in vulnerability management solutions, b) Implementing new cyber security training courses for Provo Staff, and c) enhancing endpoint protection capabilities.

IS PERFORMANCE METRICS

PERCEIVED SERVICE SCORES

OVERALL SCORE: ●

Information Systems distributes a survey, periodically, via email to employees that received IS services. This survey measures several customer service indicators, from quality and timeliness, to business skill and courtesy. Employees respond on a 4-point scale in which one (1) means 'very dissatisfied,' two (2) means 'dissatisfied,' three (3) means 'satisfied,' and four (4) means 'very satisfied.' Since measurement began in late 2012, all indicators have seen an increase in satisfaction with recent scores meeting or exceeding targets and often hitting stretch goals. We anticipate, over the coming years, for these scores to normalize closer to 3.0 or begin to shift and highlight weaknesses due to the number of systems in service vs. allocated resources.

1 = VERY DISSATISFIED

2 = DISSATISFIED

3 = SATISFIED

4 = VERY SATISFIED

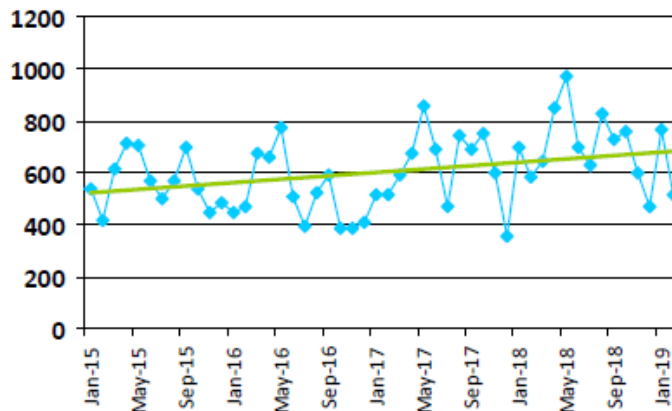


HELPDESK / IT SUPPORT

OVERALL SCORE: ●

The customer support responsibility of the Information Systems team continues to prove itself demanding. At the height of 2018, over 950 requests for assistance were received in a single month, requiring an average of about 60 issues responded to and closed per business day to keep pace with the influx. With the city adoption of technology on a rapid rise, we expect this trend to continue and recommend teams continue to evaluate and implement solutions that can automate this support load.

CITYWIDE TICKET QUANTITY



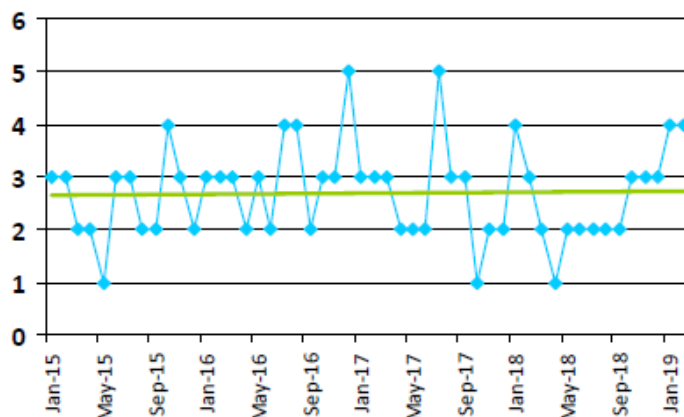
YEAR	# TICKETS	% INCREASE
2014	4581	
2015	7110	55.2%
2016	6652	-6.4%
2017	7912	18.9%
2018	8866	12.1%

RESOLUTION DAYS

OVERALL SCORE: ●

Information Systems continues to resolve assistance requests for our customers on average within three business days (2.57 average actual score), despite the demanding and consistent volume of requests received. Based on service growth, we anticipate the recent spikes to be indicative of resource constraints that may be turning for the worse. As such, this metric has a warning and should be watched closely over the coming months / year.

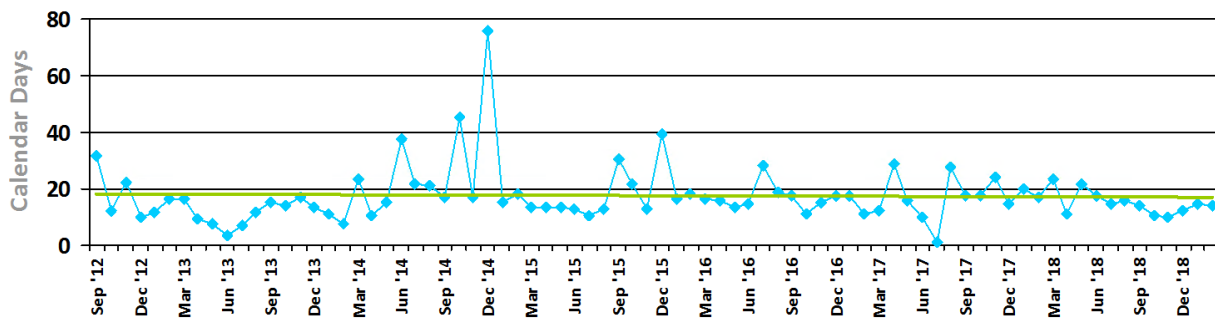
CITYWIDE TICKET AVERAGE CLOSE DAYS



TECHNOLOGY PURCHASES

OVERALL SCORE: ●

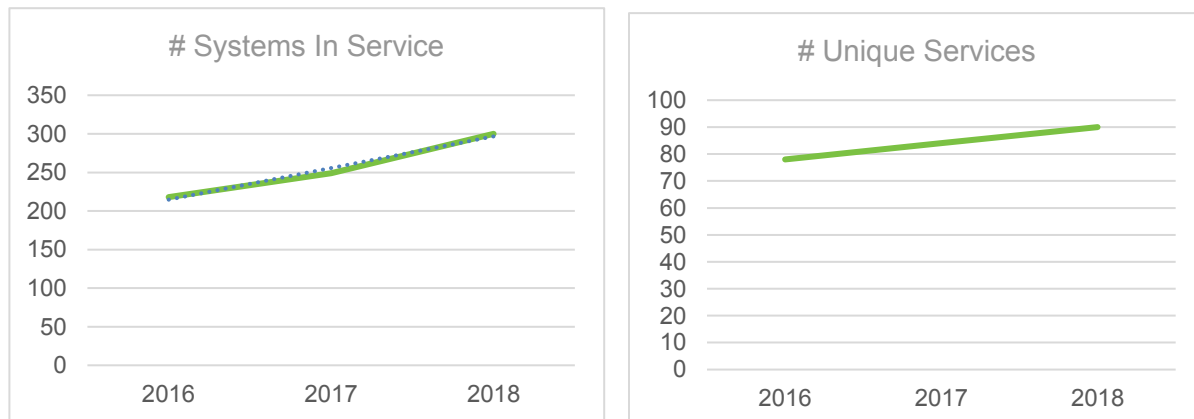
The IS team continues to meet or exceed the average 30-day technology purchasing turnaround target from time of approval to installation. At our fastest, this process has been executed in as little as three days and has averaged over this past year at 15 days. It is noted that Intel had a processor shortage this year which impacted some orders and may impact our metric in the coming year.



SERVICES OFFERED

OVERALL SCORE: ●

The IS team continues to see the City's appetite for IS services grow at a high rate. The number of unique services has grown at a rate of 7.4% over the past two years while the systems required to maintain the service offerings grew at 17.4% over the same period. To put this into perspective, the IS team can currently focus around six business hours per system/service per year. With this rapid service growth and lack of additional resources available to support new services, the demands are exceeding our resources.



A few examples of systems and services added this past year include, but are not limited to, CityView Portal (Online Licensing, Permitting, Code Enforcement, and Cemetery), Coplogic (online crime reporting), OnBase (upgraded document management & council agenda management), Milestone security camera system upgrades (more storage and coverage), PulsePoint (CPR needs alerting and emergency data), Capricorn upgrades (online utility usage portal), cyber security tools (endpoint protection and testing systems), and narcotics storage control system (strong storage and access control of narcotics).

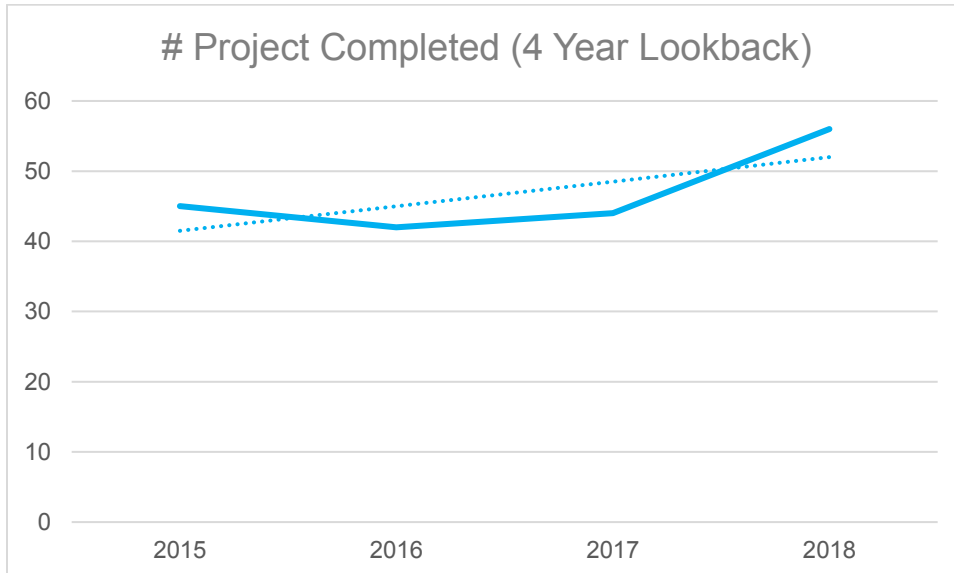
PROJECTS

OVERALL SCORE: ●

The IS team continues to see large numbers of technology projects with most of them initiated by the Departments or the Administration. Last year saw a 27% increase of projects over the prior year with an average increase of 8% over the prior four years. At the time of writing this annual report, the Information Systems team already had 55 active projects with scopes ranging in size and complexity putting us on trend to exceed 2018 numbers.

Out of 16.5 staff members in information systems, there are 11 technology workers that are available to work on technology projects (i.e. 5.5 FTE's in Helpdesk & Administrative roles are not available for technology project work). As such, technology workers, on average, are responsible for five, or more, active projects each in addition to their reactive maintenance (tickets), preventative maintenance, cyber security, and administrative duties.

It is also important to note that most, if not all, of the projects the team completes represent needs and efficiency improvements on behalf of the departments they are intended for. However, the addition of the technology to the portfolio generally adds workload to the IS Division in the form of increased reactive maintenance, preventative maintenance, cyber security, and administrative workloads.

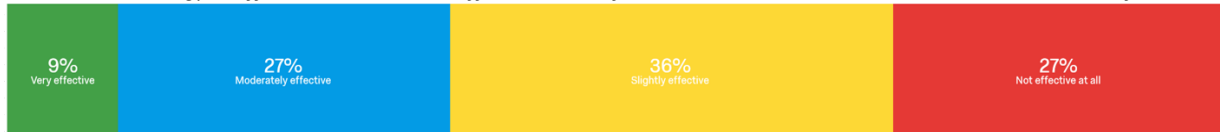


PREVENTATIVE MAINTENANCE

OVERALL SCORE: ●

The IS team continues to struggle to perform preventative maintenance actions. Most preventative maintenance tasks are not performed due to project and reactive ticket workloads. This greatly concerns the team. A resource shift needs to occur to address this necessary work. Failure to do so will result in less stable systems and leaves them more vulnerable to attack. Shifting resources to correct this will likely negatively impact other operating metrics, while the addition of resources should preserve acceptable metric scores.

Provo's Technology Staff sentiment on the effectiveness of Provo's Preventative Maintenance stance is as follows:



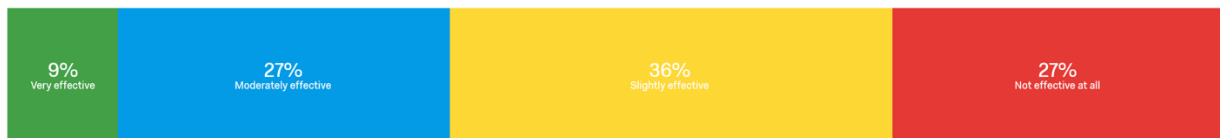
CYBER SECURITY

OVERALL SCORE: ●

The IS team continues to struggle sharing duties between cyber security and delivering services. Although there have been some great successes in our last year's investments, the team just does not have enough time to dedicate and focus on this critical function.

- Removed over 540 security vulnerabilities across 240 systems
- Delivered Training to all Provo employees that better prepared them to assist IS teams in securing the City.

Provo's Technology Staff sentiment on the effectiveness of Provo's cyber security stance is as follows:



WEB

OVERALL SCORE: ●

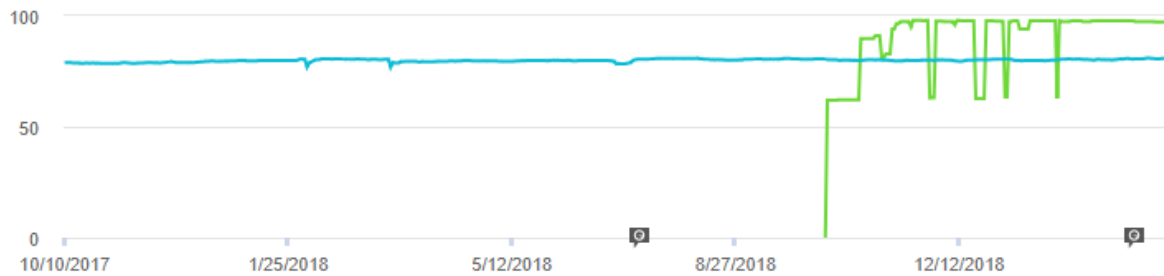
Web services were moved over to the Information Systems Division last fiscal year. Since then, we have made great strides in the quality of Provo's web sites while also giving insight into usage via the implementation of analytics. We are pleased to report that in the first year we have a) removed over 5,000 broken links, b) increased overall quality score from 62 to 98 (which now exceeds the Government Industry standard of 80), and c) served over 549,000 site visits.

Active Users



Quality Benchmark Score

- Provo Score
- Industry benchmark (Government)



IS STRATEGY



The current Information Systems (IS) strategic plan defines a road map for Provo City based on the guiding principles of service, innovation, technology, and safety. As part of the plan, the city set a citywide IS vision to provide *Service First*, enable *Anytime / Anywhere / Any Device Access*, improve *Workforce Effectiveness* and deliver *Operational Excellence*. The plan is reviewed and updated on a periodic basis and, for the purposes of this document, is summarized as follows:

- **TECHNOLOGY LEADERSHIP** - Provo City has a strong desire to utilize current technology to reach its goals and objectives. Provo expects to offer improved resident services at a higher quality (effectiveness) and with fewer expenses (efficiency). To drive this commitment, we set the objectives to: a.) Cooperate with other entities to cultivate a culture of process and service innovation, b.) Provide effective support for technology, and c.) Invest in technology when it provides positive returns for our residents.
- **SERVICE EXCELLENCE** - To create an environment of service excellence IS must maintain a correct balance of service and safety while addressing upcoming challenges common to both private and public-sector organizations. To meet this challenge, we set objectives to: a.) Hire and retain skilled IS professionals, b.) Create and maintain effective business relationship management, c.) Maintain a highly effective and engaged IS Governance Committee, d.) Provide technology education through lunch & learn style engagements, and e.) Perform ongoing IS service measurement and improvement.
- **RESILIENT INFRASTRUCTURE** - The City of Provo relies on information systems to perform business efficiently and effectively. To provide service reliability we set the following objectives: a.) Create and maintain a fully architected and reliable network, b.) Setup data centers that can operate city services in a cost effective and resilient manner, and c.) Maintain preparedness for disasters, both large and small, by testing and sustaining the disaster recovery plans and the regional offsite disaster recovery center.
- **MOBILE COMPUTING** - Mobile computing is both a personal and organizational trend that promises productivity improvements to those that embrace the technology. As such Provo sets the objective to: a.) Evaluate bring your own device (BYOD) options, b.) Implement virtual application technology that provides secure computing to any device, at any time, and from any location, and c.) Expose all city services through easy to use integrated web applications giving residents unprecedented access to city resources and services.
- **SERVICE CONSOLIDATION** - Provo City has great opportunities to reduce costs and increase operational efficiency through service consolidation. To take advantage of these opportunities Provo City sets the following objectives to: a.) Consolidate servers to reduce operational complexity, b.) Utilize voice over IP (VOIP) technology to combine data and voice networks, c.) Create a printing service plan to reduce print spend, and d.) Centralize IS sub teams, where possible, to remove duplicated effort while reducing decentralized staffing risks.

- **APPLICATION STANDARDIZATION** - Barriers to information sharing and our ability to achieve operational excellence can be mitigated, and even eliminated, through a strong commitment to application standardization. Provo recognizes the value of application standards and sets the objectives to: a.) Implement a fully integrated municipal City-wide software system (Provo 360) to replace costly disparate systems, b.) Utilize a buy vs. build approach to take advantage of rich technology stacks without the costs of custom development, and c.) Continue to standardize on MS Office with investment in the training required to be highly productive.
- **COLLABORATION** - True collaboration is required for the teams of today to accomplish complex tasks and goals. Provo City recognizes that having the right tools is core to a successful collaborative environment and as such Provo sets the objective to: a.) Investigate and implement unified communications technologies that provide a positive return on investment, b.) Invest in document sharing technology that improves the speed of teams in the creation, editing and publishing of work product, and c.) Evaluate and improve the City's collaboration rooms with technology that supports the team's ability to perform business.
- **SECURITY** – Cyber assets are critical to the operations of the City; therefore, it becomes critical to mitigate municipal government cyber security risks. In doing so, Provo sets the objective to: a.) organize and maintain a security team, b.) establish an ongoing security program with the appropriate policies, procedures, audits and controls, c.) provide continuing cyber security employee education, and d.) provide special consideration for justified security funding.



FY2020 STRATEGIC IMPERATIVES

To advance the City IS Strategy the IS team is proposing targeted investment in the following areas for the upcoming FY2020 budget: a) Cyber Security, b) Citizen Engagement, and c) IT Staffing. This target is a common theme among municipalities throughout the United States and shows our recommended top priorities are in alignment with our industry peers.



*Source: The Center For Digital Government Dec 2018

Furthermore, it is our belief that these imperatives align closely with Council priorities and with the IS Strategy that the administration defined for our city.

CYBER SECURITY

This imperative focuses on initiatives to secure and protect city systems, data, and resources. This includes training city workers about cyber security, testing our cyber security stance (e.g. vulnerability assessments), and enhancing our mitigation tools (e.g. security software, physical security controls, and monitoring).

- Council Priority Alignment - **YES**
 - Safe City
 - Responsible Government
- IS Strategy Alignment - **YES**
 - Security
 - Resilient Infrastructure
- Budget / Resource Alignment - **NO**
 - Supplementals Required

CITIZEN ENGAGEMENT

This imperative focuses on initiatives to utilize technology to directly or indirectly engage our citizens with better data and services. This includes Provo 360, eGovernment Portals, GIS Mapping enhancements, etc.

- Council Priority Alignment - YES
 - Responsible Government
 - Education
 - Business and Economic Vitality
- IS Strategy Alignment - YES
 - Technology Leadership
 - Mobile Computing
 - Application Standardization
- Budget / Resource Alignment - PARTIAL
 - Provo 360 Fully Funded
 - Supplementals Required

IT STAFFING

This imperative focuses on initiatives to provide the right human resources to run the city's technology-based business systems. This includes reviewing headcount and other investments that simplify the complexity of the environment or reduce overall technology support workloads.

- Council Priority Alignment - YES
 - Safe City
 - Responsible Government
 - Education
 - Business and Economic Vitality
- IS Strategy Alignment - YES
 - Technology Leadership
 - Service Excellence
 - Resilient Infrastructure
- Budget / Resource Alignment - NO
 - Supplementals Required

SUPPLEMENTALS

Provo City is hungry for technology, and rightly so. With a resident population that expects high tech and a workforce that needs it to keep up with the demands, how could it not be a priority? While IS does a tremendous job with the resources they have, the City must continually evaluate needs and prioritize additional resources where appropriate.

The Information Systems team recommends that the city administration evaluate its funding strategy for technology and ensure the chosen strategy aligns with the City's direction. As it currently stands, the City's strategy for Information Systems is out of alignment with the funding allotted and may require a fundamental re-prioritization of funds to address desired outcomes. This is based on industry metrics, peer review, and technology projects on the horizon.

In the absence of a fundamental change to funding by the City, we focus our requests for the upcoming year on the most needed areas. Specifically, we request a) augmentation of IS staff, b) addition of a dedicated cyber security team, c) full adoption of Office 365 for all computer workers, d) investment in GIS, and e) moving web quality automation tools, that include ADA compliance specific tool sets, from pilot to production.

IT SUPPLEMENTAL REQUEST SUMMARY				
Moves the needle from 1.5% to 1.83% of Revenue	IT STAFF AUGMENTATION	\$299.6K		\$713.8K TOTAL
	CYBER SECURITY STAFF	\$228.9K		
	MS OFFICE 365	\$130.5K		
	GIS IMAGERY & INTERN	\$24.8K		
	WEB AUTOMATION TOOLS	\$30K		

IT STAFF AUGMENTATION

REQUEST AREA TOTAL: \$299,592

IT Staff Augmentation is broken up into three individual supplemental requests, namely: a) Public Safety Analyst FTE, b) Communications FTE, and c) CityView FTE.

PUBLIC SAFETY ANALYST

[\\$95,941 \(Fully Loaded\)](#)

Public Safety Analysts are responsible for supporting the specialized hardware and software of the Police, Fire, and 911 dispatch organizations. Currently, one analyst is dedicated to service these critical functions and it is recommended to add at least one more resource to allow for skill depth and cross training capability. A couple other key factors in our decision to request additional headcount are as follows:

- The implementation of advanced public safety technologies has doubled in the last five years requiring more resource to successfully support them.
- Advanced technologies in Public Safety require specialized support. As such, roles are difficult to share with more generalized technology workers.

COMMUNICATIONS ANALYST

\$95,941 (Fully Loaded)

The communications team is responsible for the administration of city networked services, providing connectivity to over 3000 devices. This includes:

- 900+ workstations / endpoints
- 1000+ telephones
- 500+ concurrent wireless users
- 850+ servers, IOT devices, and infrastructure devices

The maintenance and management of this city-wide infrastructure is currently handled by 2 FTEs and requires knowledge of networking protocols and transport medium such as wireless, fiber optics, and traditional copper standards. Currently the city is engaged in the construction of a new city center, fire station, water treatment plant, airport terminal, and several remodels. These projects will require the attention of this team and will limit the team's ability to perform necessary maintenance of Provo's growing network. Furthermore, the Google Fiber contracts will be coming to a potential close within the next few years. While still hoping for a long relationship with Google, the City will need to plan and design the exit options so that they can be executed, if necessary, in a timely, less costly way.

CITYVIEW ANALYST

\$107,700 (Fully Loaded)

Over the past year, the CityView services have been added to our support offering. This technology solution provides web-based and back-office services for Licenses, Permits, Code Enforcement, and Cemetery city operations. This workflow enabled platform is supported by the vendor; however, city teams that request services from the vendor are met with high dollar change orders (e.g. a \$20k change order was received for the creation of a small reporting project) making it difficult for departments to derive the full value from this system.

The IS Division is not currently staffed to provide the needed services and 3rd party vendors are not available to meet this department need. As such, an FTE is requested to address the citywide support needs of this platform. This resource would provide a) CityView workflow creation & modification, b) reports development including metrics and key performance indicators (KPI's), c) automation / script development, and d) tier 2 and 3 technical support including assisting departments with base configuration services (e.g. Fee structure implementation).

CYBER SECURITY TEAM

REQUEST AREA TOTAL: \$228,900

Provo City currently does not have a dedicated cyber security team but rather relies on "duty splits" within each IS staff area (systems and networking taking the lion's share). This creates a conflict as the pressure to deliver a service vs. the security of the service is generally directly opposed. Additionally, as the city engages its business in an ever-increasing cyber threat landscape, it will have to evaluate and staff to meet those threats. As such, we request that a dedicated cyber security team be formed and staffed to meet the needs of the city.

This year's request for a dedicated Cyber Security Team will be broken up into two supplemental requests, namely: a) InfoSec SA3, and b) InfoSec SA2. This break is intended to allow the administration the option to incrementally fund the cyber security team.

INFOSEC ANALYST 3

\$121,200 (Fully Loaded)

This position would be responsible for the management of information security operations within IS including but not limited to: a) ongoing management of information security strategy, policy and procedure; b) the ongoing analysis and management of offensive security programs including the testing and validation of implemented security controls, bugs, and reported security issues; and c) incident response.

INFOSEC ANALYST 2

\$107,700 (Fully Loaded)

This position would be responsible for the ongoing analysis and management of defensive security infrastructure and security controls. Responsibilities would include, but not be limited to: a) perimeter security activities such as the strategy and testing of firewall, VPN, and remote proxy services; b) security life cycle management activities, vulnerability assessment and bug management; c) management of end user security technologies; and d) end user training.

MS OFFICE 365 CLOUD

REQUEST AREA TOTAL: \$130,500

Provo City currently utilizes Office 365 cloud services for email and, in some limited cases, to purchase the full Office Productivity suite (e.g. Word, Excel, PowerPoint, SharePoint). This request represents the additional funding needed to standardize all Office Productivity Suite licenses onto the Office 365 Platform.

- Simplifies current mix of licensing standards for MS Office (no more having everyone on different versions)
- Reduces workload of IS licensing functions
- Provides the full productivity tool to workers who rely on computers for their job (Only \$17 for each employee per month to have access to this productivity suite).
- A sprinkle of innovation is included here as teams will have access to the additional bundled tool (e.g. collaboration tools).

GIS IMAGERY & INTERN

REQUEST AREA TOTAL: \$24,800

GIS Imagery and Intern requests are broken up into two individual supplemental requests, namely: a) Aerial Imagery, and b) GIS Intern. This low investment has a high impact to the GIS team allowing them to have reliable sources of imagery and human resources to keep map data updated and accurate while the team engages on department project priorities.

AERIAL IMAGERY

\$12,800 (Ongoing)

Aerial imagery is the most requested data. The older the imagery is, the less valuable it is. Due to constant construction and changes within the city, new map data is continuously needed. Detailed imagery communicates a great deal of information very quickly. This makes it an ideal asset for mapping, analysis, presentations, decision making, and historical comparison for all departments. Additionally, the administration has, in the past, expressed a desire to obtain aerials on a regular basis.

GIS INTERN

\$12,000 (Ongoing)

GIS interns are a positive force for moving the GIS goals of the city forward. With appropriate training, they can assist with day-to-day activities that consume analyst time, freeing analysts to apply their skills to projects that help departments become more efficient in their work.

WEB AUTOMATION TOOLS

REQUEST AREA TOTAL: \$30,000

This supplemental is targeted at automating routine maintenance and quality checks of Provo City's websites on behalf of all residents. This cloud-based tool investment includes tools that are specific to ADA compliance so that we can improve our sites to better meet the needs of all residents.

APPENDIX A – IT EXPENSE AND BUDGET VS. REVENUE OF “SIMILAR” MUNICIPALITIES

INFORMATION SYSTEMS
IT EXPENSE AND BUDGET VS. REVENUE OF “SIMILAR” MUNICIPALITIES

City	Residents*	Total City Revenue*	IT Budget**	Total City FTE*	City IT FTE Count**	IT as % Of Revenue	User to IT Staff Ratio	IT Spending Per Employee	IT Spending Per Capita	College Town	Energy Utility
Salt Lake City, UT	194,188	\$ 314,322,149	\$ 14,172,795	2955.9	71.0	4.51%	42	\$ 4,794.75	\$ 72.98	✓	
Eugene, OR	167,780	\$ 313,004,803	\$ 13,911,088	1441	50.0	4.44%	29	\$ 9,653.77	\$ 82.91	✓	✓
Tempe, AZ	161,000	\$ 221,776,949	\$ 16,992,401	1686	76.0	7.66%	22	\$ 10,078.53	\$ 105.54	✓	
West Valley City, UT	136,170	\$ 119,945,932	\$ 4,723,776	792	14.0	3.94%	57	\$ 5,964.36	\$ 34.69		
Roseville, CA	134,073	\$ 202,700,000	\$ 7,714,893	1150.73	40.0	3.81%	29	\$ 6,704.35	\$ 57.54		✓
Provo, UT	123,336	\$ 216,456,179	\$ 3,245,748	839	16.5	1.50%	51	\$ 3,868.59	\$ 26.32	✓	✓
Owensbourough, KY	114,752	\$ 89,288,175	\$ 2,222,418	397	15.0	2.49%	26	\$ 5,598.03	\$ 19.37		✓
College Station, TX	109,895	\$ 98,457,922	\$ 5,412,172	979.6	31.5	5.50%	31	\$ 5,524.88	\$ 49.25	✓	
Orem, UT	88,328	\$ 66,044,951	\$ 2,380,000	538	12.0	3.60%	45	\$ 4,423.79	\$ 26.95	✓	
Ogden, UT	87,091	\$ 82,070,982	\$ 4,800,550	624	21.8	5.85%	29	\$ 7,693.19	\$ 55.16		
Bryan, TX	83,260	\$ 76,814,968	\$ 6,601,019	874	37.0	8.59%	24	\$ 7,552.65	\$ 79.28		✓
		AVERAGE		4.72%		34.86	\$ 6,532.45		\$ 55.45		
		MEDIAN		4.44%		28.82	\$ 5,964.36		\$ 55.16		

* Data comes from City Published CAFR

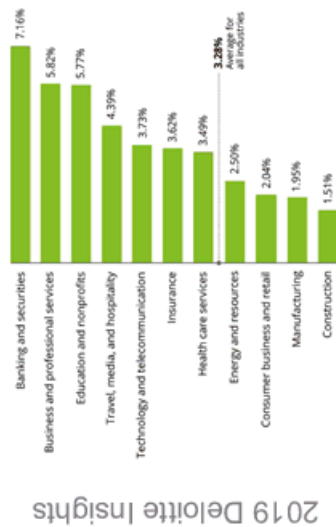
** Data Comes from City Published Annual Budget

Using data from most Recent Budget Books and Most Recent CAFR (e.g. FY2019 Budget Matched w/ 2018 CAFR)

3rd Party Industry Data – IT as % of Revenue

Industry	IT Budget as a Percent of Revenue	Users per IT Staffer
Financial Services	10.5	15.7
Government	7.8	37.8
Education/nonprofit	6.2	48.3
Health Care	5.0	25.4
Wholesale and Retail	3.9	47.5
Manufacturing	3.4	40.9
Overall Sample	6.7	35.1

SOURCE: 2008 "State of the CIO" survey of 558 heads of IT.



Source: Technology Budgets: From Value Preservation to Value Creation / Deloitte Insights

Cities selected for review based on a random sample of cities that meet one or more of the following criteria: Population, Electric Utility, Local, and/or College Town. Population limited to 80K thru 170K w/ exception for SL.

APPENDIX B – PROVO INFORMATION SYSTEMS REVIEW OVER LAST 10 YEARS

INFORMATION SYSTEMS
PROVO INFORMATION SYSTEMS REVIEW OVER LAST 10 YEARS

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Revenue*	\$ 152,907,019	\$ 136,062,595	\$ 121,271,286	\$ 136,140,936	\$ 152,887,988	\$ 157,760,280	\$ 173,363,971	\$ 178,568,879	\$ 185,621,025	\$ 196,493,843	\$ 216,456,179
IS Budget**	\$ 2,388,725	\$ 2,248,709	\$ 2,200,358	\$ 2,362,196	\$ 2,385,045	\$ 2,411,104	\$ 2,410,533	\$ 2,536,247	\$ 2,899,011	\$ 3,200,796	\$ 3,245,748
IS Staff**	14.36	13.56	12.00	13.00	13.00	15.51	15.51	16.34	16.04	16.60	16.50
Total Staff*	829	816	791	734	758	773	789	826	832	829	839
Population* †	120,723	123,040	125,403	114,625	115,321	115,925	118,447	114,807	115,264	116,868	123,336
Notable Changes						A		B	C	D	
IT Review Metrics											
IT as % of Revenue	1.50%	1.65%	1.81%	1.74%	1.56%	1.53%	1.39%	1.42%	1.56%	1.63%	1.50%
User to IT Staff Ratio	58:1	60:1	66:1	56:1	58:1	50:1	51:1	51:1	52:1	50:1	51:1
IT Spending Per FTE	\$ 2,760.83	\$ 2,755.77	\$ 2,781.74	\$ 3,218.25	\$ 3,146.50	\$ 3,119.15	\$ 3,055.17	\$ 3,070.52	\$ 3,484.39	\$ 3,861.03	\$ 3,868.59
IT Spending Per Capita	\$ 18.96	\$ 18.28	\$ 17.55	\$ 20.61	\$ 20.68	\$ 20.80	\$ 20.35	\$ 22.09	\$ 25.15	\$ 27.39	\$ 26.32
Per Capita Change %		-3.7%	-4.2%	14.9%	0.4%	0.6%	-2.2%	7.9%	12.2%	8.2%	-4.1%
Revenue Change %		-12.4%	-12.2%	10.9%	11.0%	3.1%	9.0%	2.9%	3.8%	5.5%	9.2%
IT Budget Change %		-1.8%	-2.2%	6.9%	1.0%	1.1%	0.0%	5.0%	12.5%	9.4%	1.4%

* Data pulled from the prior years CAFR (e.g. FY2009 will use 2008 CAFR)

** Data pulled from the budget years adopted budget

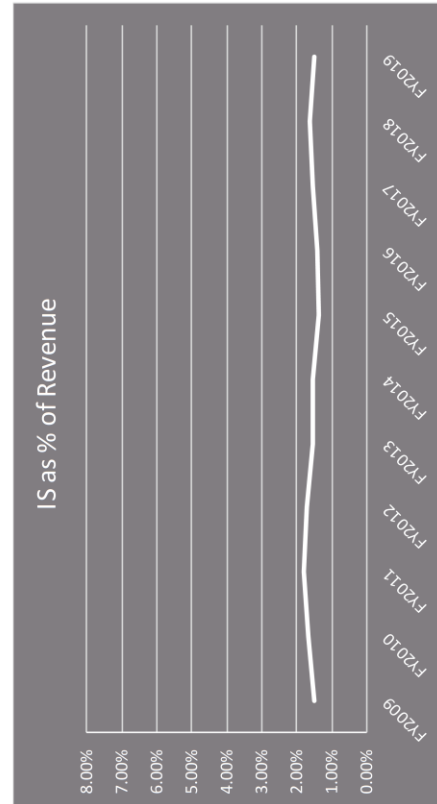
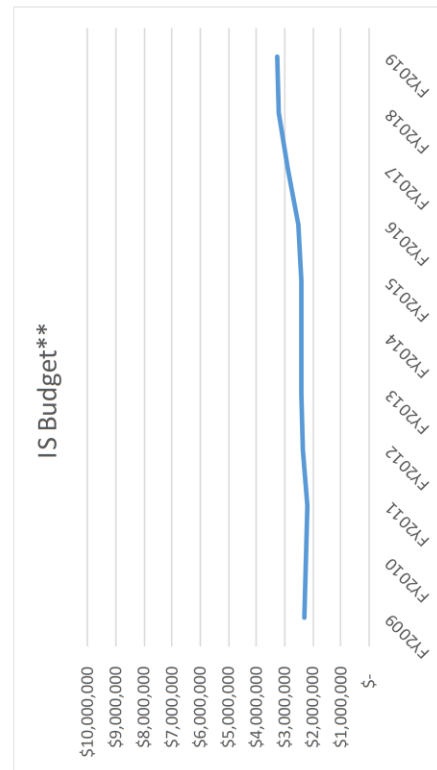
† Population data is pulled from the latest reported year of each CAFR.

A 1) Organizational Structure & Reporting Changes, 2) Google Fiber, 3) WiFi Added to Facilities, 4) Regional Offsite Disaster Recovery Implemented

B 1) Includes consolidation of CIS resource into IT and 2) Implementation of Everbridge reverse 911 notification system

C 1) Provo 360 Licensing Overlap w/ Legacy Software (Implementation Full Swing)

D 1) Large Oracle Expenses w/ Extended Support Required and 2) Move of Web team from Mayors office to IS



APPENDIX C – PROVO WEB SITE TOP 20 PAGES VISITED

1. /community/recreation-center	109,310 (5.93%)
2. /	98,971 (5.36%)
3. /departments/human-resources/employment-opportunities	64,872 (3.52%)
4. /community/peaks-ice-arena	53,226 (2.89%)
5. /community/covey-center-for-the-arts	53,060 (2.88%)
6. /community/recreation-center/fees-memberships	52,471 (2.84%)
7. /community/recreation-center/aquatics	38,451 (2.08%)
8. /community/peaks-ice-arena/peaks-ice-rink-calendar	37,957 (2.06%)
9. /city-services/airport/commercial-service	29,580 (1.60%)
10. /city-services/airport	22,654 (1.23%)
11. /provo311/parking	22,590 (1.22%)
12. /city-services/city-utilities	22,110 (1.20%)
13. /community/covey-center-for-the-arts/community-production	21,294 (1.15%)
14. /home	20,345 (1.10%)
15. /provo311/pay-my-bill	19,836 (1.08%)
16. /provo311/pay-my-bill/utility-billing	17,040 (0.92%)
17. /?splash=https://tix6.centerstageticketing.com/sites/coveycenter/&isexternal=true	16,798 (0.91%)
18. /community/recreation-center/amenities/fitness	15,728 (0.85%)
19. /departments/recreation/sports/soccer	12,949 (0.70%)
20. /community/recreation-center/aquatics/aquatic-programs	12,942 (0.70%)

PROVO MUNICIPAL COUNCIL STAFF REPORT



Submitter: HSALZL
Department: Council
Requested Meeting Date: 05-14-2019

SUBJECT: A presentation from Public Works on operations and capital improvements including rate changes, wastewater, airport, and other issues. (19-004)

RECOMMENDATION: Presentation only.

BACKGROUND: Public Works will be coming to present on some of their ongoing projects and the impacts those are expected to have on the budget. The airport will be receiving grant money and is expected to grow substantially in the coming years.

FISCAL IMPACT: Proposed FY2020 budgets for Public Works can be found on pages 67, 68, 73, 79, 81, 83, 85, 105, 126, and 146 of the Tentative Budget document.

PRESENTER'S NAME: David Decker, John Borget

REQUESTED DURATION OF PRESENTATION: 45 minutes

COMPATIBILITY WITH GENERAL PLAN POLICIES, GOALS, AND OBJECTIVES:

CITYVIEW OR ISSUE FILE NUMBER: 19-004

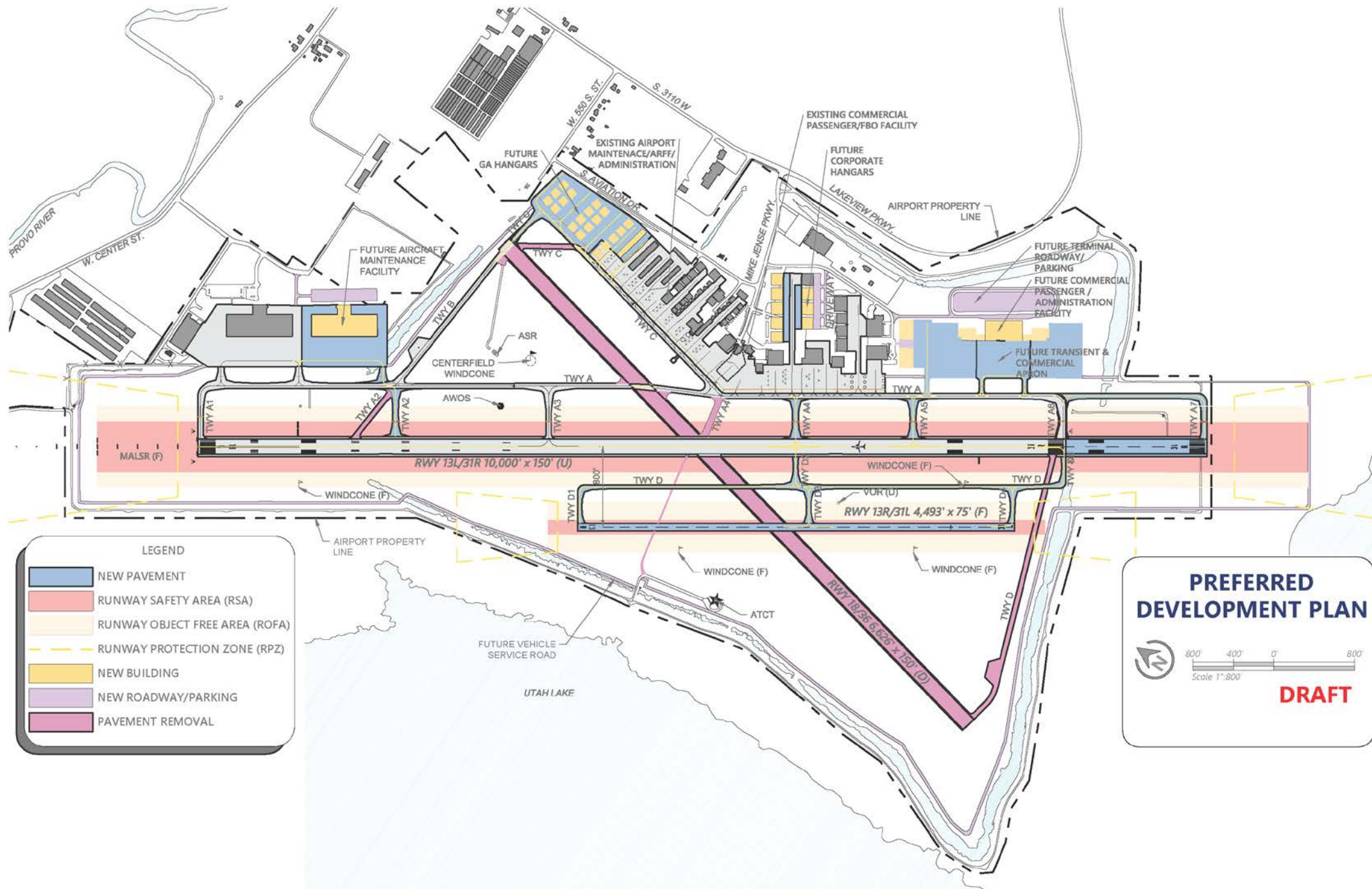


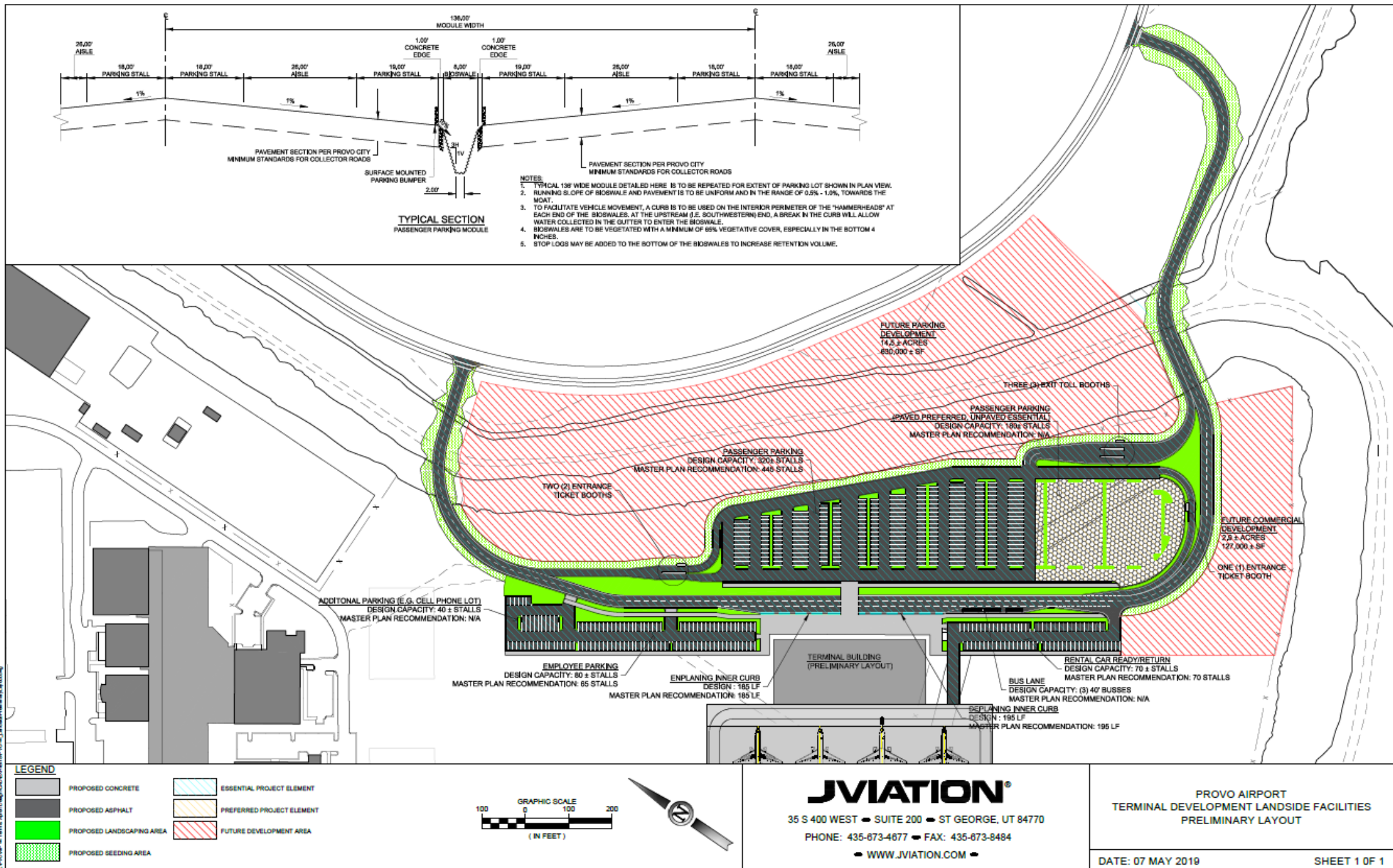
Public Works Budget

May 14, 2019

Airport Fee Changes

	Current	Proposed	Unit
Ground Lease	\$0.21	\$0.45	per sq ft per year
Tie Downs			
Monthly Fee	\$25	\$35	
Annual Fee	\$250	\$350	
Landing Fee	\$0.60	\$0.65	per 1,000 pounds
Passenger Fee	\$0.65	\$0.65 to \$1.25	per passenger (depending on aircraft capacity)
Fuel Flowage Fee	\$0.06	\$0.08	per gallon
Airport Parking Fee	\$5.00	\$6.00	per day





JVIATION®

35 S 400 WEST • SUITE 200 • ST GEORGE, UT 84770

PHONE: 435-873-4877 • FAX: 435-873-8484

• WWW.JVIATION.COM •

TERMINAL BUILDING, COMMERCIAL APRON, AND ACCESS ROAD AND PARKING LOT

1 - Commercial Apron and Terminal 60% Design (FAA Funding)

Design (Entitlements)

Commercial Apron	\$	497,007
Terminal Building 60% (MHTN)	\$	483,270
Terminal Building 60% (Jviation)	\$	148,332

Construction Administration (Entitlements)

Commercial Apron	\$	771,663
------------------	----	---------

Construction (Entitlements + Discretionary)

Commercial Apron	\$	7,399,728
------------------	----	-----------

TOTAL	\$	9,300,000
--------------	-----------	------------------

**FAA funding
requires a 9.37%
Provo match of
\$871,410**

TERMINAL BUILDING, COMMERCIAL APRON, AND ACCESS ROAD AND PARKING LOT

2 - Terminal Parking and Loop Road (Local Funding)

Design

Terminal Parking and Loop Road \$ **350,526**

Construction Administration

Terminal Parking and Loop Road \$ **541,881**

Construction

Terminal Parking \$ **5,280,570** Based on the most recent estimates

Loop Road \$ **2,341,930** Based on the most recent estimates

TOTAL \$ **8,514,907**

SOURCES

\$ 546,940 Storm

\$ 630,721 Power

\$ 1,500,000 Loan from Power

\$ 500,000 B&C Funding

\$ 3,177,661 Subtotal

(\$5,337,246) Difference

TERMINAL BUILDING, COMMERCIAL APRON, AND ACCESS ROAD AND PARKING LOT

3 - Terminal Building 100% Design (Local Funding)

Design

Terminal Building (MHTN)	\$ 340,400
Terminal Building (Jviation)	\$ 98,888
CMGC	\$ 200,000

SOURCES

\$ 9,000,000	State
\$ 4,300,000	County
\$ 2,500,000	Loan from Power
\$ 15,800,000	

Construction Administration

Terminal Building	\$ 600,198
-------------------	------------

Construction

Terminal Building	\$ 14,500,000
-------------------	---------------

TOTAL \$ 15,739,486

TERMINAL BUILDING, COMMERCIAL APRON, AND ACCESS ROAD AND PARKING LOT

4 - Sewer

Construction

TOTAL \$ 4,386,825

5 - Water

Construction

TOTAL \$ 2,301,745

Financial Objectives of Rate Increases

1-No Bonding

2-Fix Existing Deficiencies

3-Plan for Future Projects

4-Keep rate increases reasonable

5-Achieve fund balance goal of 25% of revenue

5 Year Rate Increase Plan

	FY15	FY16	FY17	FY18	FY19	FY20
Water Rate Increase	8.0%	19.8%	11.0%	8.5%	5.0%	5.0%
Wastewater Rate Increase	20.0%	24.4%	19.8%	14.5%	19.0%	15.0%
Sanitation Rate Increase	0.0%	1.7%	0.0%	10.0%	10.0%	10.0%
Stormwater Rate Increase	20.1%	25.8%	21.6%	8.0%	8.0%	8.0%
Combined Monthly Increase	9.8%	16.9%	12.2%	10.8%	11.2%	10.0%

Stormwater 8% Rate Increase

	Current	Proposed
Storm Water User Fees	\$9.95	\$10.75

Sanitation 10% Rate Increase

	Current	Proposed
Garbage Can w/o Recycling	\$17.50	\$19.25
Garbage Can with Recycling	\$15.50	\$17.25
Green Waste Can	\$5.50	\$6.00
Recycling Can	\$7.00	\$7.70

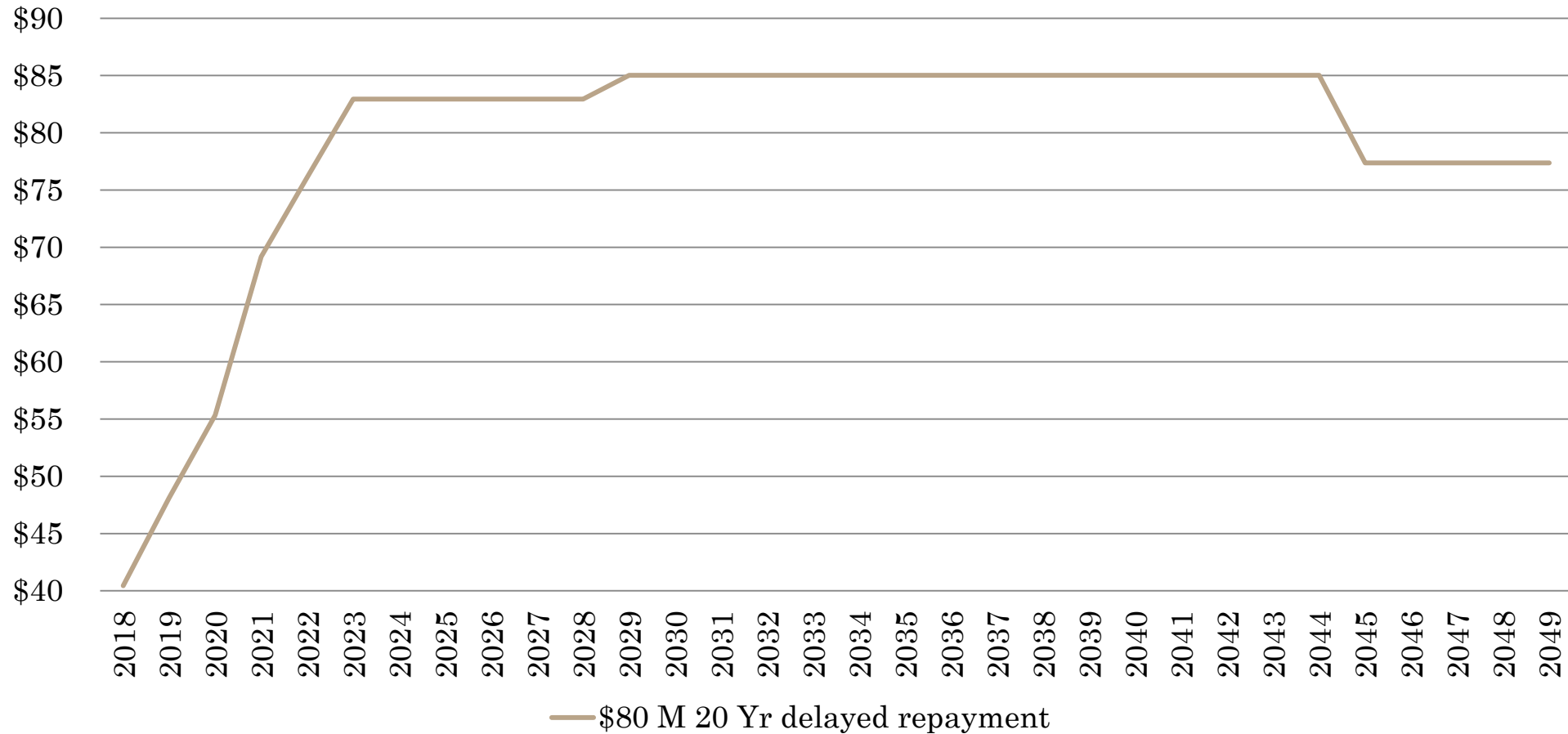
Water 5% Rate Increase

	Current	Proposed
3/4" Meter Base Rate	\$16.05	\$16.86
Summer Usage per 1,000 Gallons	\$1.51	\$1.59
Winter Usage per 1,000 Gallons	\$0.91	\$0.96

Wastewater 15% Rate Increase

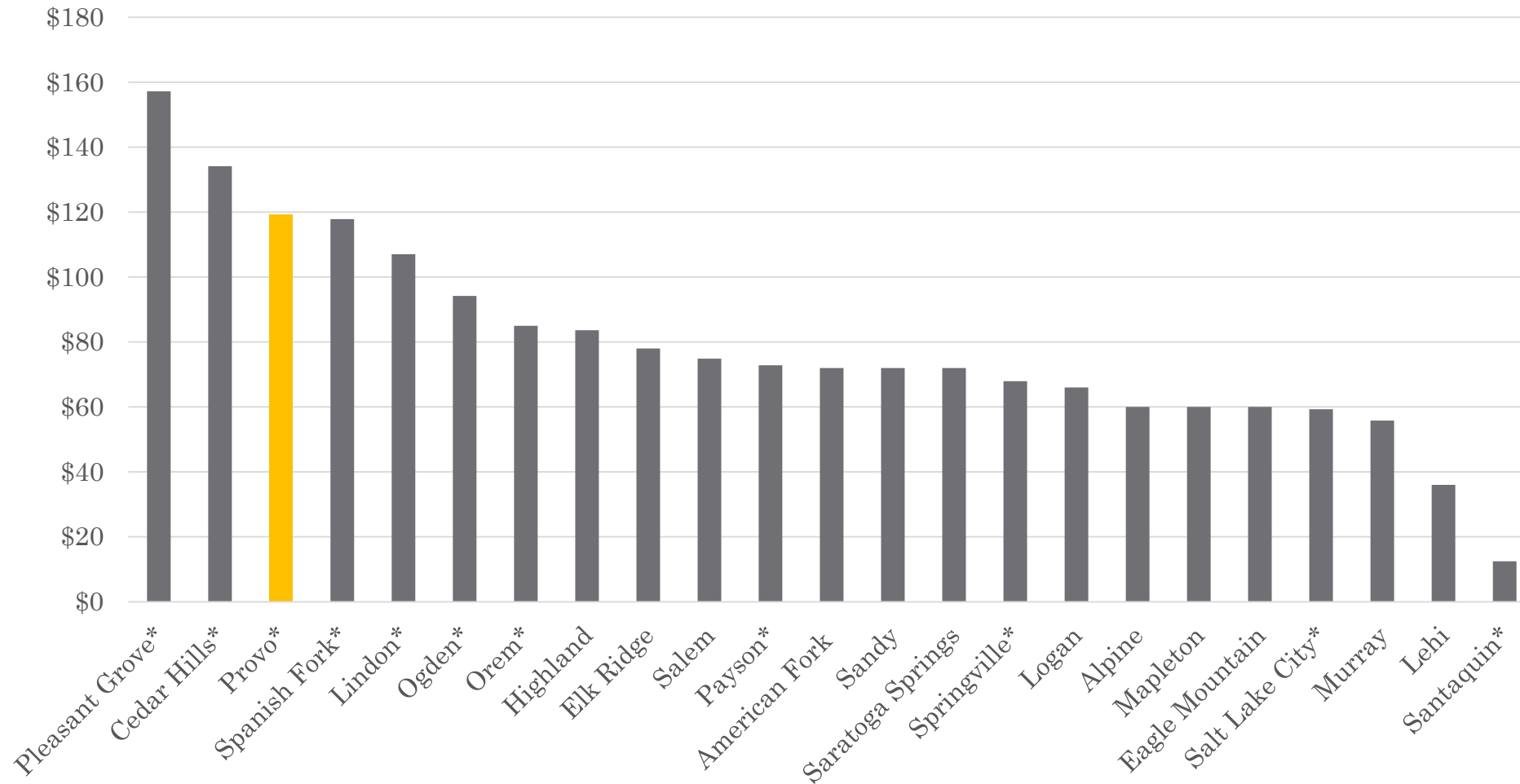
	Base Charge	Base Charge
3/4" Meter Base Rate	\$11.94	\$13.73
Multi-Unit Dwelling Base Rate per Unit	\$10.75	\$12.36
Uses per 1,000 Gallons	\$3.27	\$3.76

Wastewater Rate Forecast



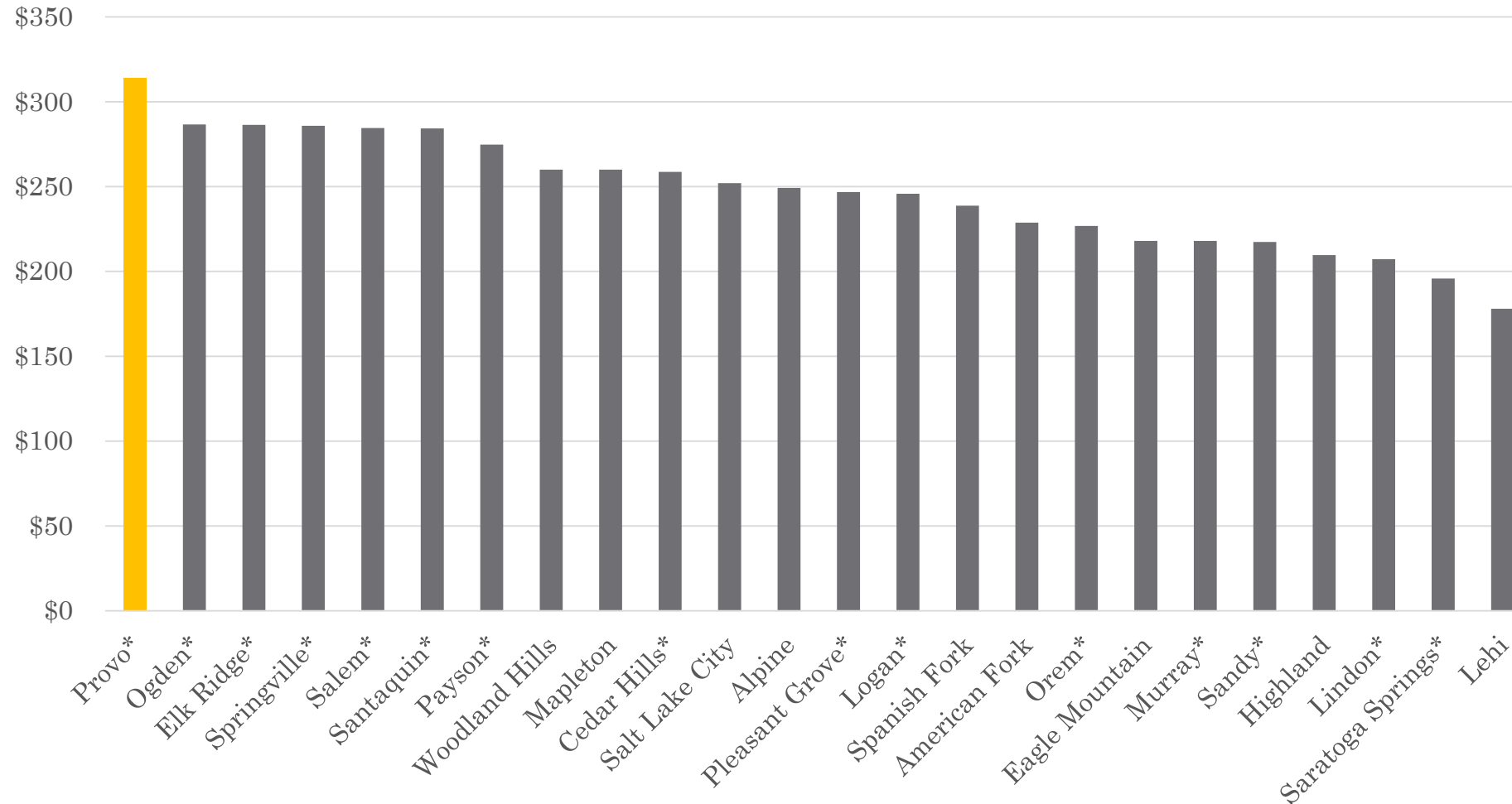
2018	2019	2020	2021	2022	2023	2024	2025
\$40	\$48	\$55	\$69	\$76	\$83	\$83	\$83

FY19 Average Annual Stormwater Cost



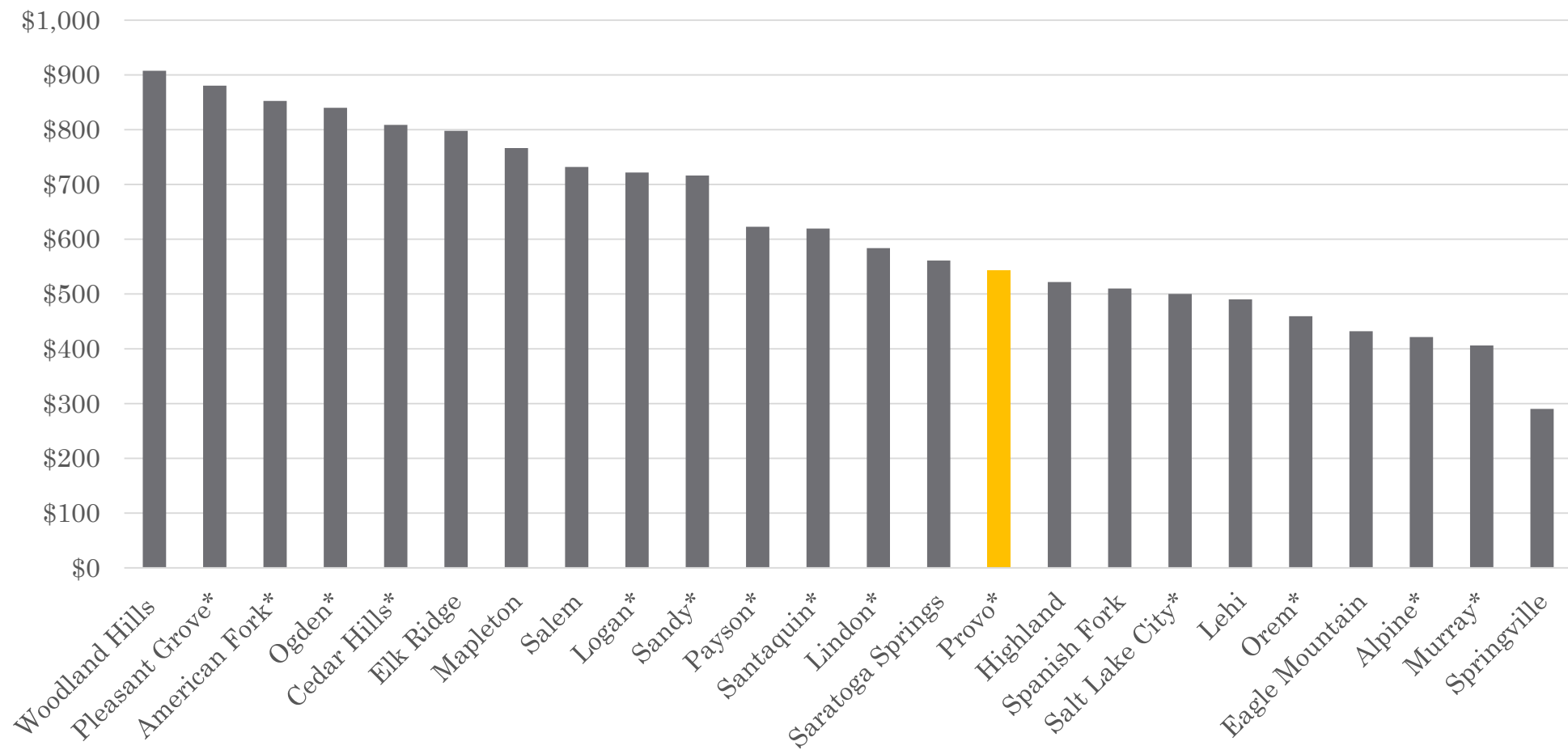
Proposed FY20 Provo rate vs other cities' current rates

FY19 Average Annual Sanitation Cost



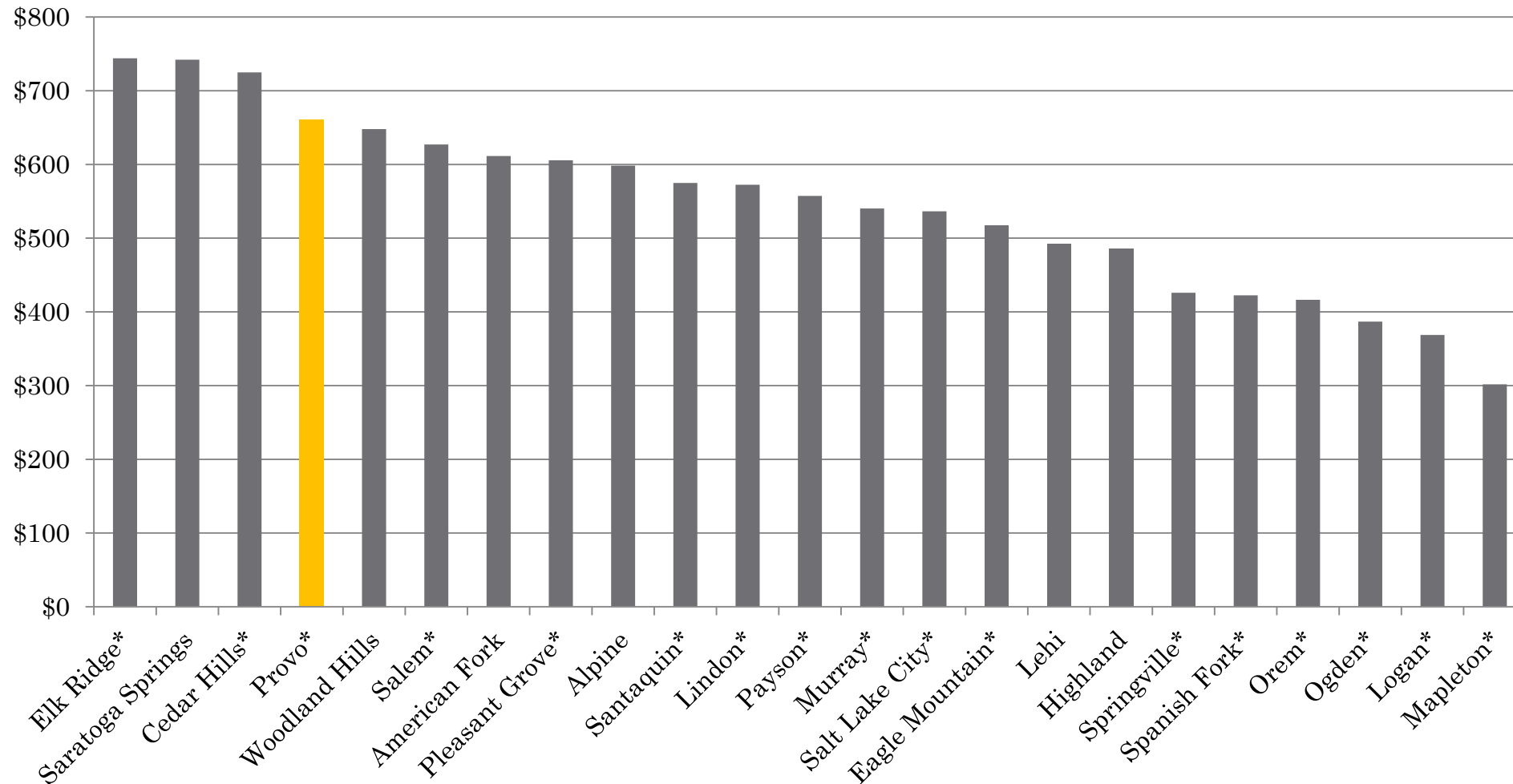
Proposed FY20 Provo rate vs other cities' current rates

FY19 Average Annual Water Cost



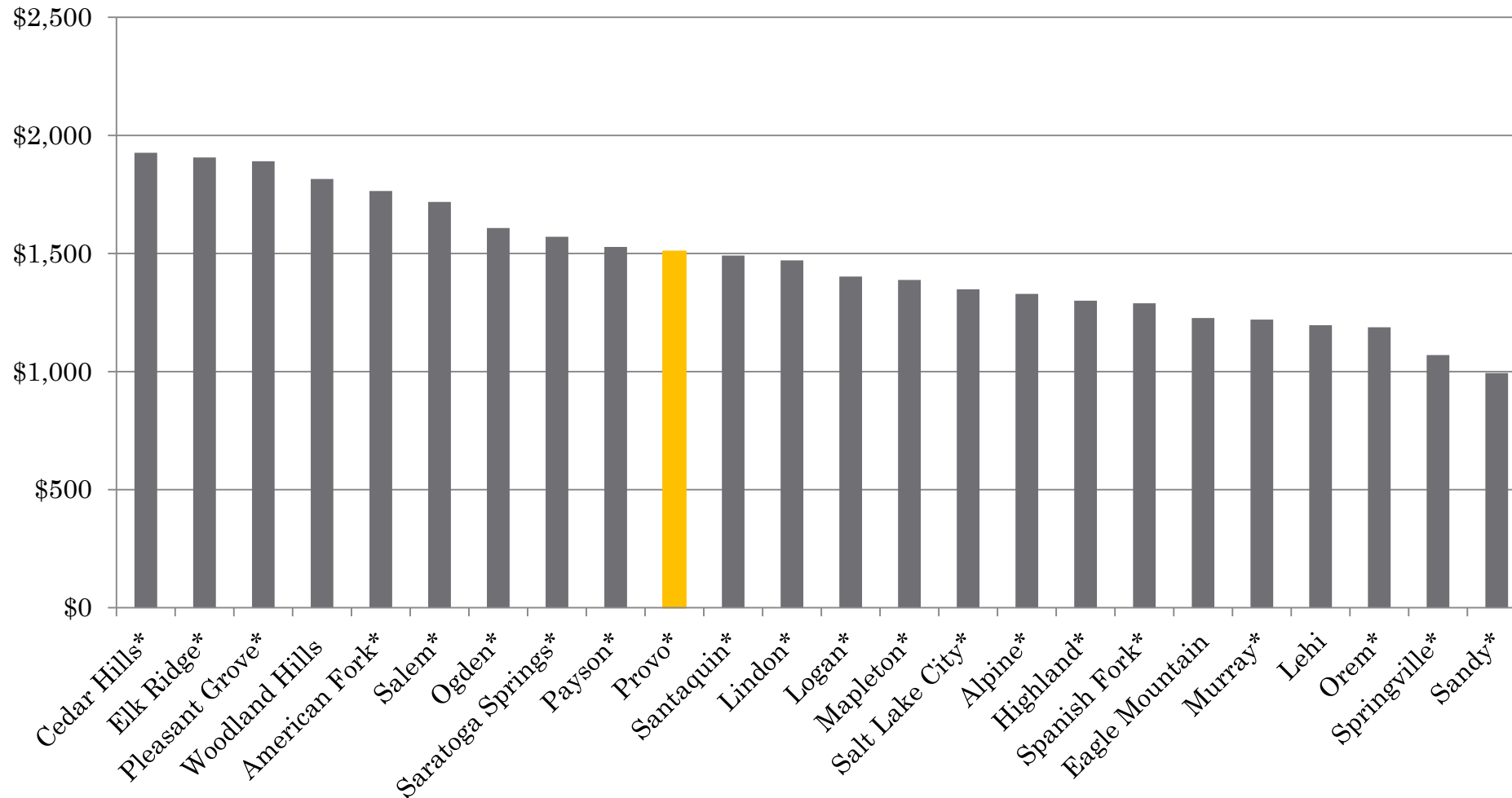
Proposed FY20 Provo rate vs other cities' current rates

FY19 Average Annual Sewer Cost



Proposed FY20 Provo rate vs other cities' current rates

FY19 Average Annual Utilities Cost



Proposed FY20 Provo rate vs other cities' current rates

FY20 Supplemental Budget Requests

- Streets/Storm Assistant Manager
- Water Sources Part-Time to Full-Time
- Airport Position Changes
- Airport Overtime
- Fleet Mechanic
- Reclamation Positions for Succession Planning
- Water Resources Engineer I

Provo Regional Airport
Provo, Utah

TERMINAL BUILDING, COMMERCIAL APRON, AND ACCESS ROAD AND PARKING LOT

1 - Commercial Apron and Terminal 60% Design (FAA Funding)

Design (Entitlements)

Commercial Apron	\$	497,007
Terminal Building 60% (MHTN)	\$	483,270
Terminal Building 60% (Jviation)	\$	148,332

Construction Administration (Entitlements)

Commercial Apron	\$	771,663
------------------	----	---------

Construction (Entitlements + Discretionary)

Commercial Apron	\$	7,399,728
------------------	----	-----------

TOTAL \$9,300,000

Represents the total programmed FAA funds

**FAA funding
requires a 9.37%
Provo match of
\$871,410**

2 - Terminal Parking and Loop Road (Local Funding)

Design

Terminal Parking and Loop Road	\$	350,526
--------------------------------	----	---------

Construction Administration

Terminal Parking and Loop Road	\$	-
--------------------------------	----	---

Construction

Terminal Parking	\$	2,800,000	Based on the most recent estimates
Loop Road	\$	1,700,000	Based on the most recent estimates

TOTAL \$4,850,526

3 - Terminal Building 100% Design (Local Funding)

Design

Terminal Building (MHTN)	\$	340,400
Terminal Building (Jviation)	\$	98,888
CMGC	\$	200,000

Construction Administration

Terminal Building	\$	600,198
-------------------	----	---------

Construction

Terminal Building	\$	14,500,000
-------------------	----	------------

TOTAL \$15,739,486

4 - Sewer

Construction	TOTAL \$	4,386,825
--------------	----------	-----------

5 - Water

Construction	TOTAL \$	2,301,745
--------------	----------	-----------

GRAND TOTAL \$36,578,582