

AMERICAN FORK CITY COUNCIL
APRIL 19, 2022
WORK SESSION AGENDA

Notice of Electronic Meeting

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

The American Fork City Council will meet in a work session on Tuesday, April 19, 2022, in the City hall, located at **31 North Church Street**, commencing at 4:00 p.m. The agenda shall be as follows:

WORK SESSION

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

1. Discussion on the Fiscal Year 2023 General Fund and Fleet Fund.
2. Adjourn.

Dated this 14th day of April 2022.



Terilyn Lurker
City Recorder

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

CITY COUNCIL STUDY ITEM

City of American Fork
COUNCIL WORK SESSION
APRIL 19, 2022

Department Recorder

Department Terilyn Lurken

STUDY ITEM Discussion on the Fiscal Year 2023 General Fund and Fleet Fund.

BACKGROUND

Anna Montoya will present the proposed FY 2023 General Fund and Fleet Fund.

SUPPORTING DOCUMENTS

WS 04.19.22-General Fund.Fleet (PDF)

General Fund Fleet Funds

Fiscal Year 2023

Budget Work Session April 19, 2022

Budget Introduction

Budget Process

- Budget requests based on department needs in line with Council's strategic goals
- Finance compiles department requests
- Administration meets with department heads to determine recommendations for tentative budget
- Priorities are set based on Council goals with limited resources
- Work sessions to discuss recommendations and invoke discussion
- Tentative budget compiles all recommendations in line with goals and resources for a balanced budget

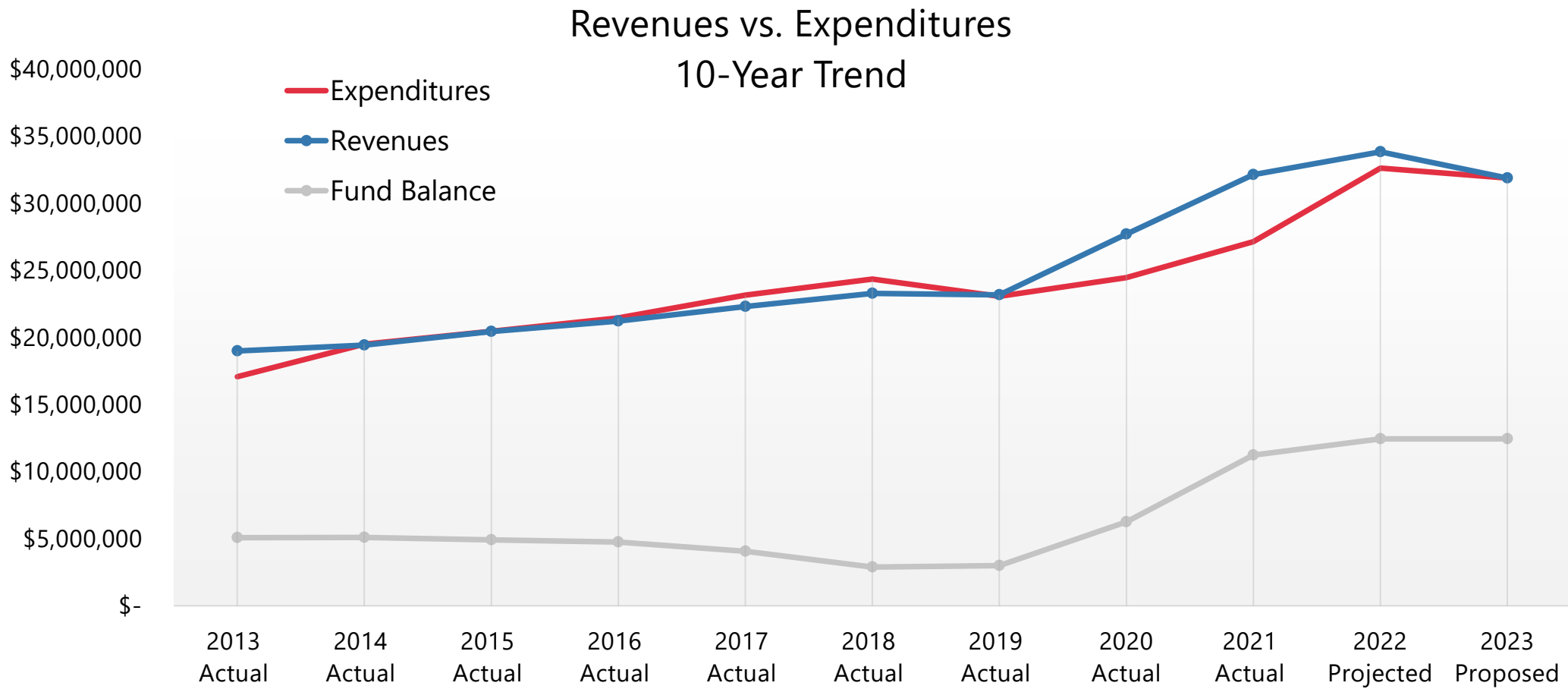
Budget Timeline

- February – Budget Workshop
- March - April – Work Sessions
- May – Tentative Budget adopted
- June – Final Budget adopted

General Fund

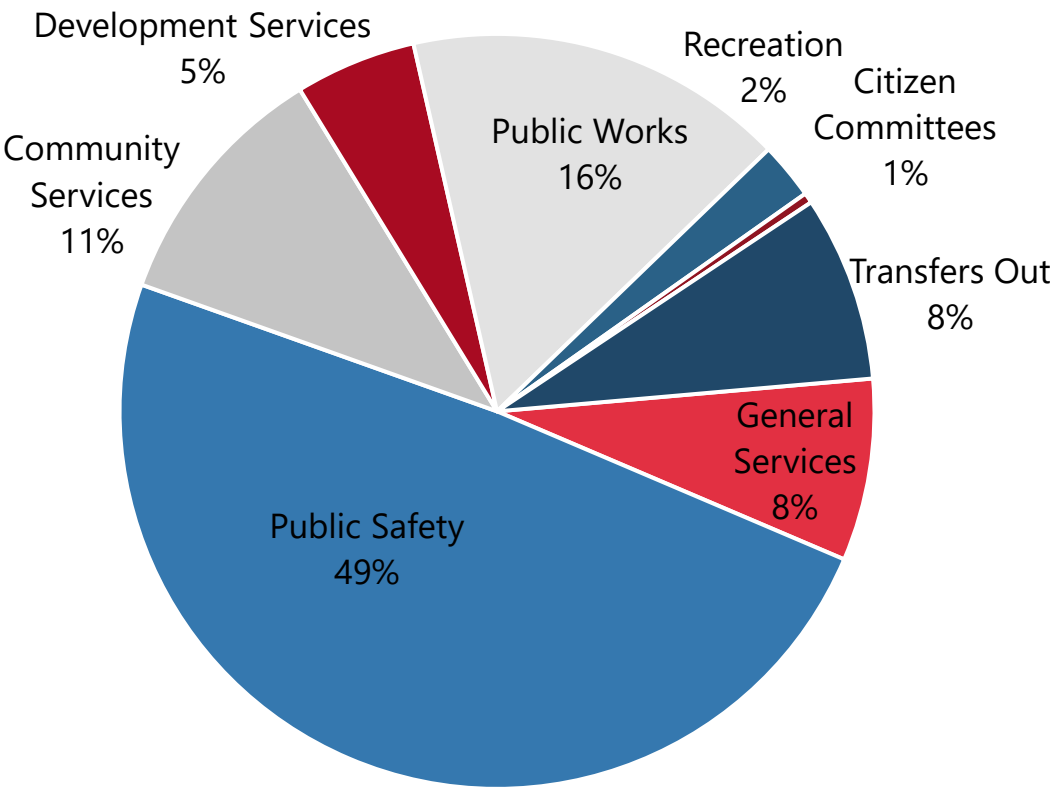


General Fund-Revenues vs. Expenditures

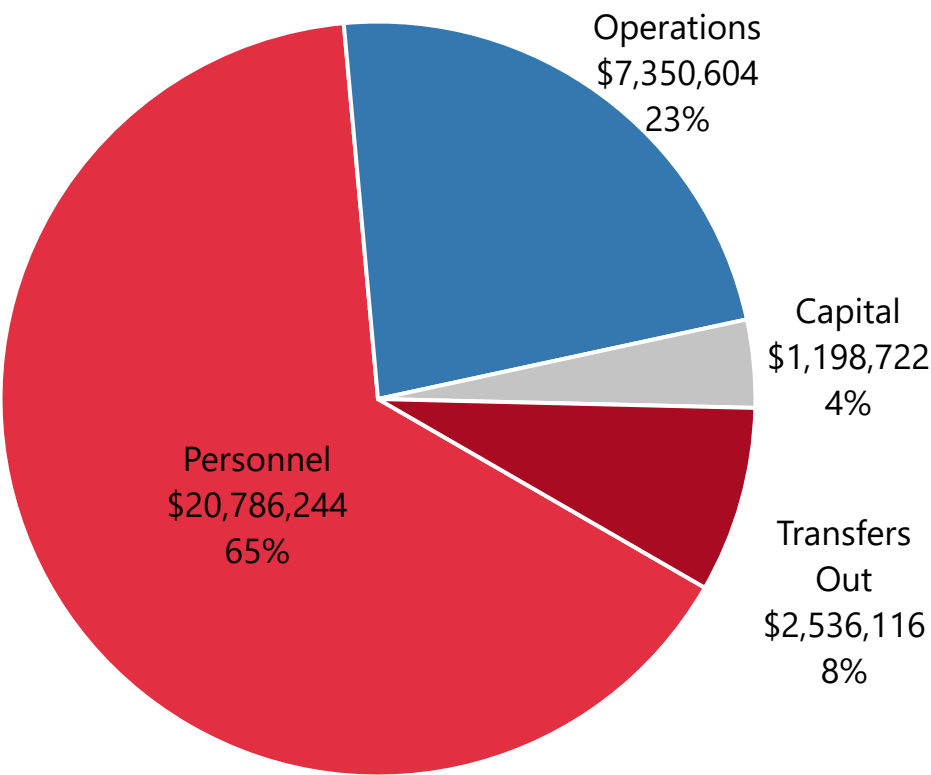


General Fund Expenditures

Expenditures by Function



Expenditures by Type



General Fund Expenditures – by type

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Personnel	\$16,354,396	\$19,058,912	\$20,786,244	\$1,727,332	9.1%
Operations	6,361,538	6,110,330	7,350,604	1,240,274	20.3%
Capital	1,036,739	1,072,289	1,198,722	126,433	11.8%
Transfers	3,389,732	1,886,644	2,536,116	649,472	34.4%
Total General Fund Expenditures	\$27,142,406	\$28,128,175	\$31,871,686	\$3,743,511	13.3%

Economic impacts:

1. Inflation driving up prices for goods and services
2. Unemployment low – seeing more competitive labor market, higher wages
3. City is growing – providing more services, need qualified people

General Fund Expenditures – by department

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
General Government	\$2,368,876	\$2,266,444	\$2,487,192	\$220,748	9.7%
Community Services	2,880,042	3,009,451	3,442,133	432,682	14.4%
Police	6,454,350	7,851,945	8,685,310	833,365	10.6%
Fire	5,708,235	6,455,166	6,942,946	487,780	7.6%
Public Works	4,183,572	4,456,909	5,208,484	751,575	16.9%
Recreation	693,868	703,954	774,347	70,393	10.0%
Development Services	1,323,461	1,407,879	1,654,723	246,844	17.5%
Citizen Committees	140,270	89,783	140,436	50,653	56.4%
Total Expenditures	\$23,752,674	\$26,241,531	\$29,335,570	\$3,094,039	11.8%
Transfers Out	3,389,732	1,886,644	2,536,116	649,472	34.4%
Total General Fund Expenditures	\$27,142,406	\$28,128,175	\$31,871,686	\$3,743,511	13.3%

Expenditures – General Government

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
General Government	\$2,368,876	\$2,266,444	\$2,487,192	\$220,748	9.7%

- Personnel – increase \$240,536 or 20.5%
 - Add FT Assistant City Administrator
 - Change PT Customer Service Rep to FT
- Operations – decrease \$19,788 or 1.8%
 - No election in FY2023

Expenditures – Community Services

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Community Services	\$2,880,042	\$3,009,451	\$3,442,133	\$432,682	14.4%

- Personnel – increase \$162,473 or 7.4%
 - Add more PT Communications hours
 - Add FT Forester for ½ year (Tree Management)
 - Add PT Spanish Outreach Liaison (Library)
- Operations – increase \$212,809 or 26.7%
 - Add Tree Management Division operations of \$155,720
 - Inflationary increases in Library & Parks division
- Capital – increase \$57,400 or 350%
 - Forester vehicle, equipment & outfitting

Expenditures – Police

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Police	\$6,454,350	\$7,851,945	\$8,685,310	\$833,365	10.6%

- Personnel – increase \$600,543 or 9.6%
 - Add 3 Officers
 - Add 2 PT Records Specialists (GRAMA)
- Operations – increase \$144,507 or 13.3%
 - Dispatch fees increase
 - Fleet fuel inflationary increases
 - Increase in training appropriation
- Capital – increase \$88,315 or 18%
 - CY – 5 replacements, 3 additional & 2 unmarked
 - PY – 8 vehicles

Expenditures – Fire

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Fire	\$5,708,235	\$6,455,166	\$6,942,946	\$487,780	7.6%

- Personnel – increase \$388,496 or 7.4%
 - Add 1 Firefighter/Paramedic
- Operations – increase \$130,066 or 17.0%
 - Fleet fuel inflationary increases
 - Increase in medical supplies & ambulance assessments (offset by Ambulance revenue)
- Capital – decrease \$30,782 or 6.6%
 - Prior year battalion chief truck, none this year

Expenditures – Public Works

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Public Works	\$4,183,572	\$4,456,909	\$5,208,484	\$751,575	16.9%

- Personnel – increase \$213,545 or 8.7%
 - PT Admin Assistant changed to FT
 - Add FT Streets Public Works Technician
- Operations – increase \$541,530 or 27.3%
 - Inflationary increases for Building Maintenance
 - Development inspections & reviews increase for Engineering
 - Increase for road maintenance
 - Increase for sidewalk repair

Expenditures – Development Services

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Development Services	\$1,323,461	\$1,407,879	\$1,654,723	\$246,844	17.5%

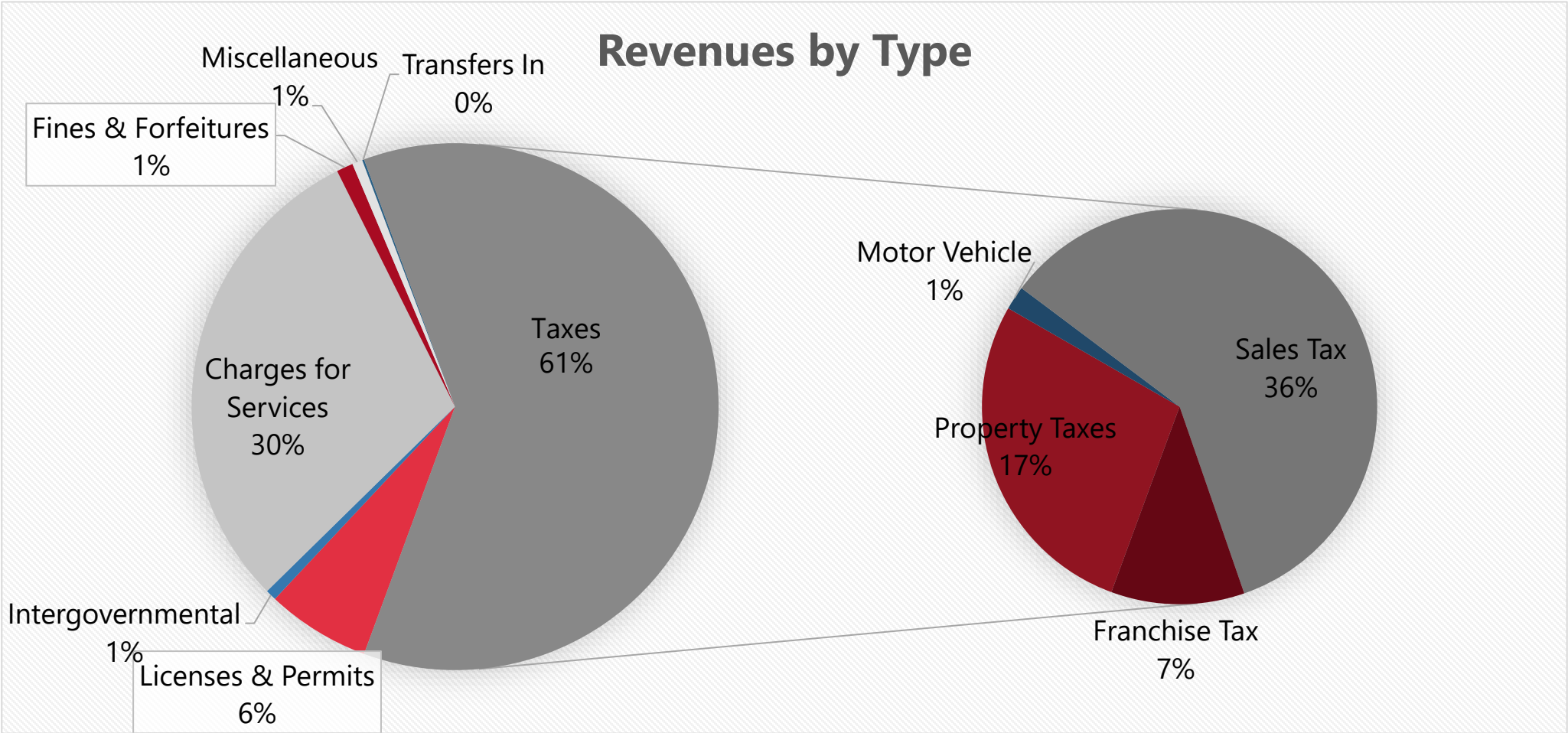
- Reorganized department to include planning and building inspection
- Personnel – increase \$58,964 or 5.0%
 - PT Admin Assistant changed to FT
- Operations – increase \$182,880 or 126.7%
 - Increase to plan check fees & inspections to meet demand
 - Increase to professional services (State required low/mod income housing plan)

Expenditures – Other

Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Recreation	\$693,868	\$703,954	\$774,347	\$70,393	10.0%
Citizen Committees	140,270	89,783	140,436	50,653	56.4%

- Recreation – increase \$70,393 or 10%
 - Increase for department programs
 - Increase to PT program staffing
- Senior Center – increase \$50,403 or 64.8%
 - Increase in PT admin & senior programming

General Fund Revenues by Type



General Fund Revenues

Revenues	FY 2021 Actual	FY 2022 Budgeted	FY 2023 Recommended	Difference	% Difference
Taxes	\$18,987,325	\$18,245,520	\$19,512,195	1,266,675	6.9%
Licenses and Permits	2,004,823	1,386,572	2,030,000	643,428	46.4%
Intergovernmental*	1,486,817	133,000*	214,000	81,000	3.9%
Charges for Services	5,364,294	4,793,790	6,478,974	1,685,184	35.2%
Other Fees	3,167,587	2,982,890	3,071,400	88,510	3.0%
Fines & Forfeitures	391,977	315,000	325,000	10,000	3.2%
Interest & Miscellaneous	720,953	222,075	202,500	(19,575)	-8.8%
Total Revenues	\$32,123,776	\$28,078,847	\$31,834,069	\$3,755,221	12.5%
Transfers In	3,492	53,828	37,617	(16,211)	-30.1%
Total General Fund Revenues	\$32,127,268	\$28,132,675	31,871,686	\$3,739,010	12.4%

*Requires a budget adjustment for American Recovery Act Plan (ARPA) funds to irrigation capital projects

Property Tax Rate Scenario

Option	Impact
Current General Tax Rate 2021	.001448
Proposed General Tax Rate 2022	.001948
Difference	.005000
General Fund Revenue Base Increase	\$1,705,353
% Increase to General Fund Property Tax	38.57%
Annual Impact to Residents	\$169
Monthly Impact to Residents	\$14
Impact	Proposed Use
Public Safety (General Fund)	\$497,195
Road Maintenance (General Fund)	\$235,000
Road Improvements (Capital Projects)	\$967,805
Total Increase	\$1,700,000

DRAFT NOTICE OF PROPOSED PROPERTY TAX INCREASE AMERICAN FORK CITY

The AMERICAN FORK CITY is proposing to increase its property tax revenue.

- The AMERICAN FORK CITY tax on a \$550,000 residence would increase from \$438.00 to \$607.00, which is \$169.00 per year.
- The AMERICAN FORK CITY tax on a \$550,000 business would increase from \$796.00 to \$1,071.00, which is \$275.00 per year.
- If the proposed budget is approved, AMERICAN FORK CITY would increase its property tax budgeted revenue by 38.56% above last year's property tax budgeted revenue excluding eligible new growth.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING
 Date/Time: TBD
 Location: City Hall
 31 Church Street
 American Fork, UT 84003

General Fund Revenues-Taxes

Revenues	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Property Taxes-Growth	\$4,447,793	\$4,460,000	\$4,670,000	210,000	5.0%
Property Taxes-Increase	0	0	732,195	732,195	16.4%
Motor Vehicle	377,800	380,000	380,000	0	0%
Sales Tax	11,957,251	11,210,520	11,600,000	389,480	3.4%
Franchise Tax	2,204,482	2,195,000	2,130,000	(65,000)	-3.0%
Total General Fund Tax Revenues	\$18,987,325	\$18,245,520	\$19,512,195	\$1,266,675	6.9%

- Property taxes
 - ❖ 5% growth from FY 2022
 - ❖ \$497,195 increase for public safety
 - ❖ \$235,000 increase for road maintenance
 - ❖ \$967,805 increase for road improvements (in capital projects fund)
 - Sales Tax – moderate increase to budget conservatively, dependent upon economic conditions
 - Franchise Tax – decrease in municipal telecommunications tax since 2012
- } Total property tax increase \$1.7 million

General Fund Revenues

- Licenses/Permits – increase \$643,428 or 46.4%
 - ❖ Due to building permit revenue
 - ❖ Higher home values, increased development
- Intergovernmental – increase \$81,000 or 3.9%
 - ❖ Several police and fire grants not budgeted in 2021
- Charges for services – increase \$1,685,184 or 35.2%
 - ❖ Ambulance fees increased by \$714,200 due to more calls for service (reflects 2022 estimated)
 - ❖ Development inspections increased by \$880,000 due to high density development
- Other Fees increase \$88,510 or 3.0%
 - ❖ Plan check fees increased \$80,000
- Fines/Forfeitures increased \$10,000 or 3.2% to reflect actuals
- Miscellaneous decreased \$19,575 or 8.8%
 - ❖ Interest revenue to reflect actuals
 - ❖ Utility application processing fees less than expected

Fleet Fund



Fleet Fund

Revenues	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Fleet Charges to Other Funds	\$1,678,809	\$1,342,912	\$1,656,355	\$313,443	23.3%
Lease Proceeds	0	285,000	0	(285,000)	-100%
Sale of Capital Assets	38,419	20,000	0	(20,000)	-100%
Interest Revenue	304	0	0	0	0%
Total Revenues	\$1,717,532	\$1,647,912	\$1,656,355	8,443	.5%
Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Recommended	Difference	% Difference
Capital	1,050,288	1,143,000	1,168,122	25,122	2.2%
Debt Service	590,042	591,912	488,233	(103,679)	-17.5%
Total Expenditures	\$1,640,330	1,734,912	1,656,355	(78,557)	-4.5%

Fleet Fund

Fiscal Year 2022 approved \$1,734,912

- 8 Police vehicles \$432,000
- 1 Ambulance \$285,000
- 1 Fire vehicle \$49,000
- 2 Building Inspection vehicles \$80,000
- 3 Culinary Water vehicles \$130,000
- 1 Boom Truck \$147,000
- 4 Refurbished vehicles \$20,000
- Debt service - leases \$591,912

Fiscal Year 2023 proposed \$1,656,355

- 10 Police vehicles \$558,122
- 1 Ambulance \$350,000
- 1 Fire vehicle \$45,000
- 2 Building Inspection vehicles \$90,000
- 1 Parkstrip vehicle \$55,000
- 1 Storm Water vehicle \$45,000
- 5 Refurbished vehicles \$25,000
- Debt service - leases \$488,233

Questions & Discussion

