



Springville City

FY 2022 Tentative Budget

Redevelopment Agency (RDA)

▶ Revenues:

- ▶ \$475k - Property Tax
- ▶ \$15k - Sales Tax transfer from G.F. for contracted incentives

▶ Expenses:

- ▶ \$400k - Contracted incentive payments
- ▶ Currently no project expenses planned or budgeted

Municipal Building Authority (MBA)

- ▶ **Revenue:**

- ▶ Lease payment from General Fund - \$404k

- ▶ **Expenses**

- ▶ Debt service on the 2008 MBA bonds - \$404k

UGFOA Spring Conference - Phil Dean, Chief Economist, U. of U. Kem C. Gardner Policy Institute

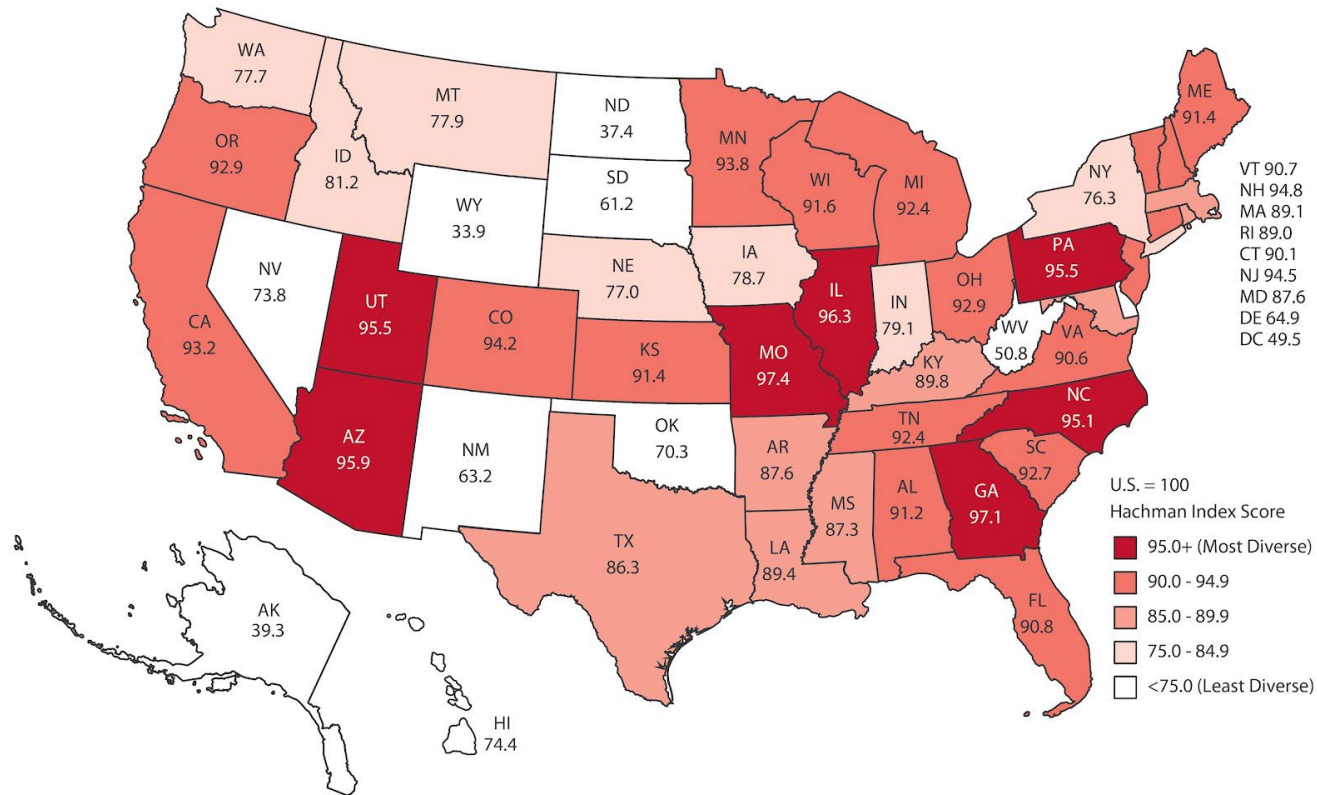
▶ Five Observations

- ▶ Economic disruptions continue constraining goods supply
- ▶ Massive fiscal and monetary policy responses continue supporting strong demand
- ▶ Accelerating inflation spurring interest rate increases
- ▶ With wages below equilibrium, labor shortages continue (and will continue until wages increase)
- ▶ Utah's underlying economic fundamentals remain quite strong, despite some challenges

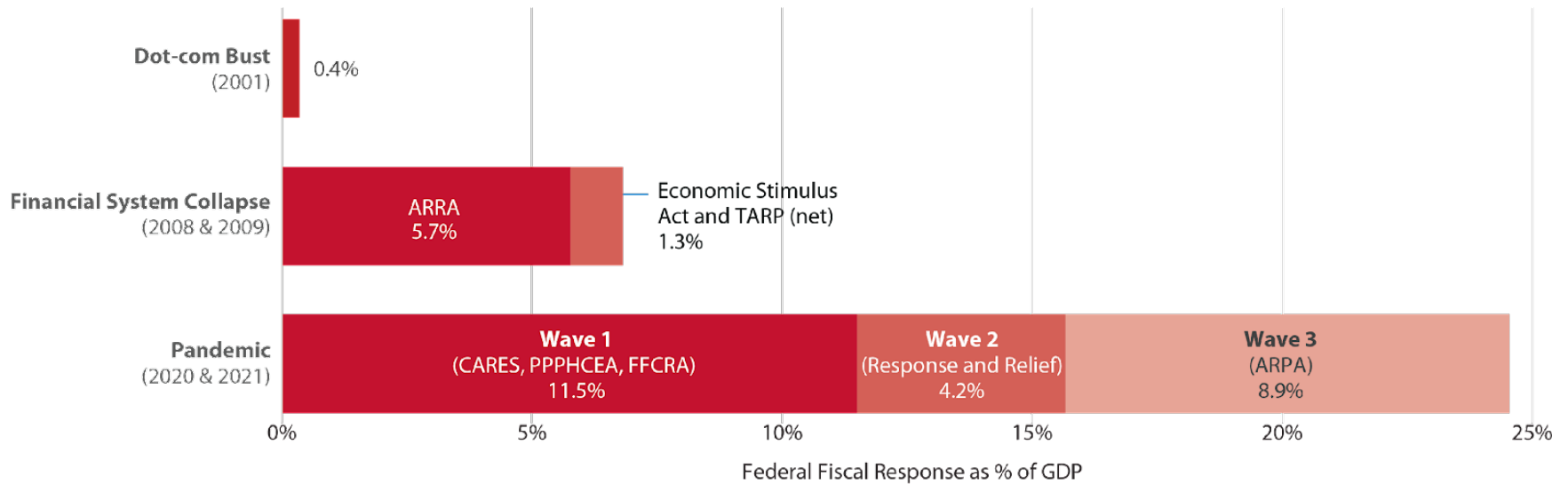


Utah's Diverse Economy

*Hachman Index 2020,
100 - Most Diverse*



“Unprecedented” Federal Fiscal Support



Budget Brief

- Both **skilled and unskilled labor increasingly hard to find**
- A portion of labor shortage influenced by **permanent demographic changes** (Baby Boomer retirements)
- Other portions can be impacted by **real wage increases**

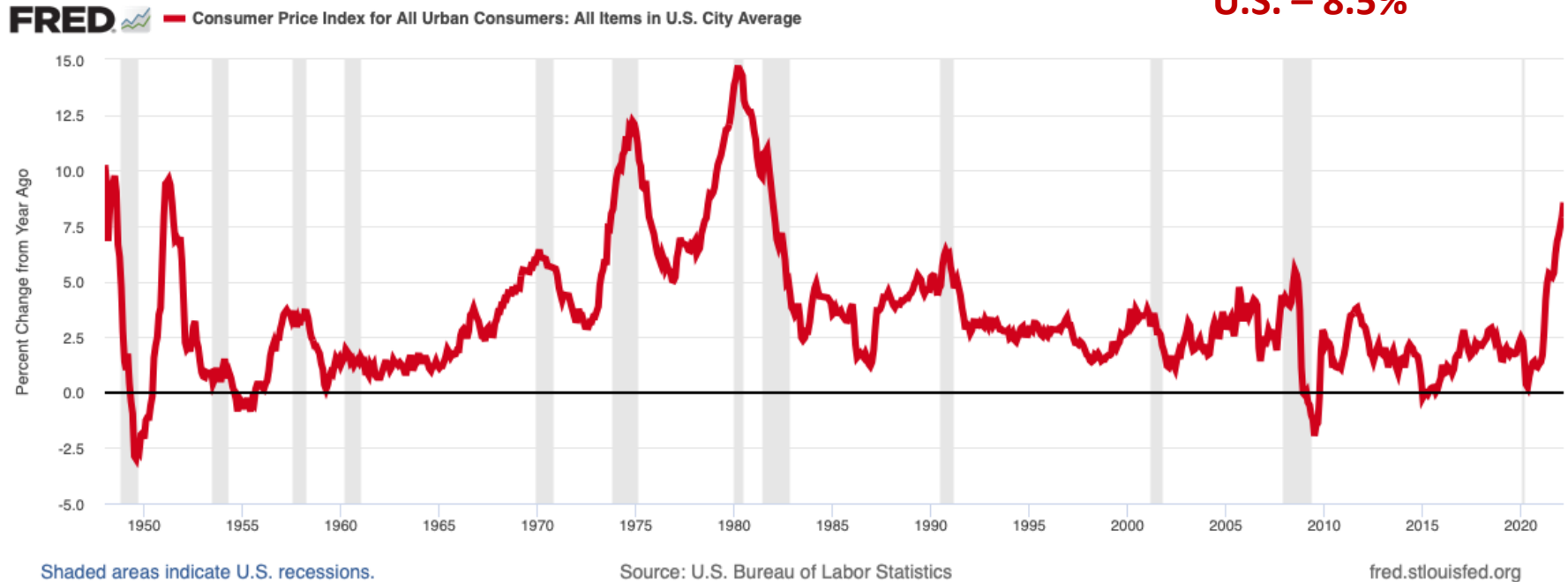
TAKEAWAYS

- 1.Focus on keeping your productive employees (it's probably much easier than finding new ones)
- 2.Help your elected officials understand that the dramatic sales increases are partially illusory and need to be reserved for increased costs

Accelerating Inflation

Year-Over Change in Consumer Price Index

As of March 2022:
Mountain – 10.4%
U.S. – 8.5%



Budget Brief

- Current strong **revenues fueled by massive federal fiscal stimulus and inflation**
- Inflation impacts both revenue side and spending side of budget **(don't forget your increased costs for materials and labor)**

TAKEAWAYS

- 1.Very few have budgeted through high inflation
- 2.Help your elected officials and the public understand that the dramatic revenue increases are partially illusory and a sizable portion of revenues need to be reserved for increased costs

General Fund

▶ Revenues

- ▶ G.F. approaching \$36M
- ▶ Approx. 7% increase in “real” growth
- ▶ Revenue associated with 500 new dwelling units or equivalents budgeted.
- ▶ \$5.9M in operating and administrative transfers from enterprise funds
- ▶ \$475k in fund balance programmed—effectively “carry-over” budget from FY2022 and C-Road reserves.

Wages and Benefits

- ▶ Wage pressure from tight labor market continues; 3% merit increase budgeted on heels of historic increases from last year.
 - ▶ Market analysis will be completed and grade adjustments will be made accordingly
- ▶ **Benefits maintained**
 - ▶ Health insurance premiums held steady
 - ▶ Other benefits increased at most 0.5%

Line Item Highlights - Personnel

- ▶ **Departmental new personnel summary**
 - ▶ Administration - additional 0.5 FTE
 - ▶ Cemetery - grant-funded intern (500 hrs.)
 - ▶ Court - additional 300 PT hrs.
 - ▶ Dispatch - convert 1 PT to 1 FT position; add 1,000 PT hrs
 - ▶ Facilities - additional 0.5 FTE maintenance tech. (CRC)
 - ▶ Legal - additional 260 hrs. for Victim Advocate; additional 0.5 FTE Office Assistant
 - ▶ Library - additional 0.5 FTE Lead Asst. Librarian; convert contracted position to in-house (500 PT hrs.)
 - ▶ Museum - additional 890 PT hrs. (Lead and Rental Host); additional 0.5 FTE Outreach Educator

Line Item Highlights - Personnel (cont.)

▶ Departmental new personnel summary

- ▶ Police - additional 1 FT Police Officer; additional 0.5 FTE Office Assistant
- ▶ Treasury - convert a PT Customer Service Clerk position to a FT position
- ▶ Combine Parks/Buildings & Grounds with Recreation to form new Parks & Recreation Department; convert former Director position to and Asst. Director position
- ▶ Wastewater - additional 260 PT hrs. Office Assistant
- ▶ Water - additional FT Water Supervisor

Capital Projects

- ▶ **General capital projects: \$7.7M**
 - ▶ \$40k - Office Expansion
 - ▶ \$607k - Hobble Creek/Mapleton Lateral Trailhead (MAG)
 - ▶ \$1M - Flood Protection Program (Fed. - NRCS)
 - ▶ \$58k - New Officer vehicle & equipment
 - ▶ \$85k - Public Safety equipment
 - ▶ \$4.8M - New road construction, existing road maintenance
 - ▶ \$810k - Park improvement projects
 - ▶ \$115k - Recreation equipment
 - ▶ \$75k - Public Art
 - ▶ \$22k - Library equipment

Capital Projects

- ▶ Impact fee projects:
 - ▶ \$1.1M Streets
 - ▶ \$250k Public Safety
 - ▶ \$564 Parks and Trails
- ▶ \$2.78M Vehicles & Equipment scheduled replacements
- ▶ \$287k Facility renewal and replacement
- ▶ PAR Tax - revenue being banked pending input from newly formed PAR Committee

General Fund Transfers

Fund	Admin. Fee	Op. Transfer	Utilities	Total
Water	\$ 685,766	\$ 420,947	\$ 82,049	\$ 1,188,761
Sewer	\$ 550,510	\$ 375,908	\$ 79,533	\$ 1,005,952
Electric	\$ 760,707	\$ 2,145,657	\$ 540,351	\$ 3,446,714
Storm Water	\$ 734,199	\$ 110,653	\$ 20,990	\$ 865,843
Solid Waste	\$ 270,362	\$ 113,001		\$ 383,363
Golf	\$ 79,205			\$ 79,205
	\$ 3,080,749	\$ 3,166,166	\$ 722,923	\$ 6,969,838

Enterprise Funds

▶ Utilities

▶ Rate increases:

- ▶ Water - 10% all customer classes
- ▶ Sewer - 7% all customer classes
- ▶ Power - 4% residential only
- ▶ Storm Water - 7%
- ▶ Solid Waste - 7% MSW and recycling
- ▶ Rate increases equate to approximately \$10.50 per month impact on average residential customer; utility rates continue to be among the lowest in the County

▶ Capital projects funded

- ▶ Water and P.I. - \$5.5M
- ▶ Sewer - \$2.7M
- ▶ Power - \$8.3M
- ▶ Storm Water - \$353k
- ▶ Solid Waste - \$800k
- ▶ Golf - \$236

Enterprise Funds

▶ Utilities

- ▶ Most budgets required utilization of reserves to balance
- ▶ 5% operating transfer to G. F. included
- ▶ Operating reserves intact in all enterprise funds

▶ Golf

- ▶ Golf will shoulder \$1M debt for irrigation project currently under construction with one-time transfer from General Fund covering the balance

Tentative Budget Changes since Retreat

- ▶ Reflected changes to the Parks & Recreation Department structure
- ▶ Added a FT Dispatch position
- ▶ Programmed \$630k in one-time projects as directed by Council
- ▶ Reflected ARPA funding and programming
- ▶ Corrected data entry error related to debt service payment in the Sewer Fund