

The City of Taylorsville
Fiscal Year 2007 Mid-Year Budget Adjustments

February 7, 2007

As in past years, the Fiscal Year 2007 Mid-Year Budget recommendations contained in this packet have been prepared by the Mayor, City Administrator, and Department Directors to include technical adjustments to the adopted budget. These adjustments are generated from 1) Resolutions passed in previous City Council meetings directing staff to include budget adjustments at a Mid-Year Budget hearing, 2) adjustments dictated by unanticipated events, circumstances and opportunities not known to the Administration or Council at the time the annual budget was passed, and 3) transfer of approved budget amounts to new line items to more clearly track and account for revenue and expenditures.

Below is a list of the recommended changes to the FY 2007 Budget, along with a brief description of the changes. Following the narrative is a spreadsheet that summarizes these same changes.

I am recommending that the City Council recognize the adjusted revenue and corresponding expenditure allocations detailed below by adopting Ordinance 07-06 and the attached Amended 2007 Mid-Year Budget on February 21, 2007 following discussion, adjustments and consideration of public input by way of the scheduled public hearing on that date.

General Fund Revenue

Taxes

10-31-11000 Real Property Taxes

Adopted Budget	\$4,018,100
Recommended Adjustment:	+\$23,551
Recommended Budget:	\$4,041,651

Current activity in this line indicates that revenue receipts will exceed estimated budget collections. The year-to-date number is calculated using the year-end projection and an extrapolation of actual receipts and historical trends.

10-31-30000 General Sales Tax

Adopted Budget	\$7,231,681
Recommended Adjustment:	+\$328,319
Recommended Budget:	\$7,560,000

This revenue source has varied significantly over recent years, and is the most sensitive to economic conditions and Economic Development activities both within Taylorsville and along the Wasatch Front. The economy is strong and the Taylorsville sales tax revenue collected to this date is continuing to trend upward. Economic projections for the remainder of the fiscal year are for a strong and robust retail activity. The trend analysis for this fiscal year, combined with month-to-month seasonal activity justifies the recommended increase in sales tax revenue.

10-31-40500 Utility Franchise Tax

Adopted Budget	\$2,007,304
Recommended Adjustment:	-\$1,003,652
Recommended Budget:	\$1,003,652

As you will recall, when this revenue source was established, we acknowledged the fact that collection of the fee would not be immediately available. The budget reflected a full year of collection to recognize the capacity of this tax, and the Storm Drain Utility Fee revenue streams for funding Capital Projects. The Utility Franchise Tax was implemented and the funds started to be collected in January 2007.

At the time the budget was adopted, the Council and the Administration conceded that a Mid-year Budget adjustment would be necessary once the prerequisites for establishing the fees had been met, and the fees were in place. Further, the mid-year adjustments would be required, not only for revenues, but for Capital Projects based on priority and the encumbrance of bond proceeds for designated Capital Projects.

10-31-50000 Storm Drain Utility Fee

Adopted Budget	\$1,148,189
Recommended Adjustment:	-\$1,148,189
Recommended Budget:	\$0

Please refer to the narrative for Utility Franchise Tax above. The prerequisites for this revenue stream are much more complex than the Utility Franchise Tax, and require studies, community group participation and additional public input meetings. The earliest the fee can be in effect is July 2007 for inclusion in the next year's fiscal budget.

10-33-58000 State Liquor Allotment

Adopted Budget	\$42,400
Recommended Adjustment:	+\$6,305
Recommended Budget:	\$48,705

Year-to-date collection of fees associated with this budget line have already exceeded the \$42,000 amount budgeted. The recommended adjustment is in line with current and anticipated activity:

10-33-59000 Justice Technology and Security

Adopted Budget	\$46,400
Recommended Adjustment:	-\$14,400
Recommended Budget:	\$32,000

The amount granted to Taylorsville from the Administrative Office of the Court was less than anticipated. This adjustment and a corresponding adjustment to the Court's expenditure budget line reflect the actual grant award.

10-34-18000 Engineering Review & Inspection

Adopted budget	\$56,890
Recommended Adjustment:	+\$54,310
Recommended Budget:	\$111,200

Year-to-date collection of revenue related to this budget line exceeds the anticipated budgeted amounts.

10-35-10000 Fines and Forfeitures

Adopted Budget	\$1,888,500
Recommended Adjustment:	+\$199,500
Recommended Budget:	\$2,088,000

This revenue line has already collected more than half of the budgeted amount. The adjusted amount anticipates a higher level of activity than the first half of the fiscal year with the addition of Judge Thomas and the continued traffic safety enforcement.

10-35-12000 Traffic School

Adopted Budget	\$42,000
Recommended Adjustment:	+\$15,000
Recommended Budget:	\$57,000

Traffic School enrollment has increased by approximately 35% over last year. Contractor Ben Pender has added classes to the schedule as well as increased attendance in each class.

10-35-15000 Small Claims Filing Fees

Adopted Budget	\$6,000
Recommended Adjustment:	+\$6,000
Recommended Budget:	\$12,000

Small Claims filing fees received have already exceeded the budgeted amount.

10-36-21000 Ad Bench Fees

Adopted Budget	\$5,810
Recommended Adjustment:	+\$6,190
Recommended Budget:	\$12,000

Ad Bench fees received has already exceeded the budgeted amount.

10-36-30000 Interest Income

Adopted Budget	\$110,000
Recommended Adjustment:	-\$20,000
Recommended Budget:	\$90,000

Use of funds on current and accelerated construction projects has reduced the corpus of invested funds.

10-36-30500 Electronic Payment Services

Adopted Budget	\$15,000
Recommended Adjustment:	-\$7,500
Recommended Budget:	\$7,500

Implementation of the On-line payment options has been slower than anticipated due to contract negotiations and testing of the interface with JPMorgan Chase, the City's payment processing clearing house.

10-36-40000 Sale of Fixed Assets

Adopted Budget	\$500,000
Recommended Adjustment:	-\$485,000
Recommended Budget:	\$15,000

The anticipated sale of City Center property did not happen and will reduce the anticipated revenue as shown above.

10-36-61000 Seizures & Forfeitures

Adopted Budget	\$10,000
Recommended Adjustment:	+\$8,000
Recommended Budget:	\$18,000

The year-to-date revenue has exceeded the original estimate.

10-36-62000 Police Revenue

Adopted Budget	\$12,000
Recommended Adjustment:	+\$5,000
Recommended Budget:	\$17,000

Requests for records and other documents have increased beyond last year's activities resulting in increased year-to-date revenue.

10-38-70544 Donation Historic Preservation

Adopted Budget	\$200
Recommended Adjustment:	+\$800
Recommended Budget:	\$1,000

Donations for the Museum and Historic Site have exceeded the budgeted amount.

General Fund Expenditures

City Council

10-4110-230 Travel & Training

Adopted Budget	\$3,300
Recommended Adjustment:	+\$4,750
Recommended Budget:	\$8,050

This change restores funding for the Utah League of Cities and Towns Spring Conference. The Administration is recommending that membership dues, and participation in ULCT activities be restored to take full advantage of lobbying efforts and valuable information that benefits the City.

10-4110-360 Studies

Adopted Budget	\$390,000
Recommended Adjustment:	-\$110,000
Recommended Budget:	\$280,000

As directed by the following City Council Resolutions, \$110,000 has been reallocated from the City Council Studies budget line to the Economic Development Studies line.

- Resolution 06-22 appropriating \$40,000 for a Economic Development Related Marketing Plan;
- Resolution 06-23 appropriating \$30,000 for Redevelopment and Economic Development Project Area Designation Study and Services; and
- Resolution 06-40 appropriating \$40,000 to hire a consultant and to pay for legal council for the purpose of establishing an Economic Development Project Area.

Mayor's Office

10-4115-230 Travel & Training

Adopted Budget	\$4,500
Recommended Adjustment:	+\$950
Recommended Budget:	\$5,450

This change restores funding for the Utah League of Cities and Towns Spring Conference. The Administration is recommending that membership dues, and participation in ULCT activities be restored to take full advantage of lobbying efforts and valuable information that benefits the City

10-4115-630 Hospitality & Promotion

Adopted Budget	\$1,000
Recommended Adjustment:	+\$1,000
Recommended Budget:	\$2,000

The initial budget recommendation and subsequent adoption by the Council was an error on the part of the City Administrator. This line is used by the Mayor to conduct the business of the City with other government officials, host in turn committee meetings including but not limited to the Council of Mayor's, lobbying effort and other good and worthy purposes.

Justice Court

10-4121-740 Capital Outlay

Adopted Budget	\$47,400
Recommended Adjustment:	-\$14,400
Recommended Budget:	\$33,000

Per the comment for Justice Technology, the grant is less than anticipated, reflecting a deduction in expenditures.

Administrative Services

10-4131-220 Public Notice

Adopted Budget	\$5,000
Recommended Adjustment:	+\$4,000
Recommended Budget:	\$9,000

Both the cost of Public Notifications in major newspapers and the number of notifications has increased.

10-4131-221 Employee Recruitment

Adopted Budget	\$1,500
Recommended Adjustment:	+\$5,500
Recommended Budget:	\$7,000

Advertising costs to fill vacant employee positions to date are \$3,544. Approval of this adjustment will move allocated funds from various Administrative lines to meet the demand for employee recruitment.

10-4131-225 Codification of Ordinances

Adopted Budget	\$1,500
Recommended Adjustment:	+5,500
Recommended Budget:	\$7,000

The activity related to this line is dependent of the number and size of ordinances adopted in a given period. Year-to-date activity is \$4,598.

10-4131-295 Network Maintenance

Adopted Budget	\$15,000
Recommended Adjustment:	+\$5,000
Recommended Budget:	\$20,000

Over the first six months of this budget year, the network and computer hardware system experienced several extraordinary failures that required repair or replacement. Among these events was the failure and destruction of the City's UPS due to power failures and the replacement of servers.

10-4131-300 Elections

Adopted Budget	\$25,000
Recommended Adjustment:	-\$24,000
Recommended Budget:	\$1,000

Since the adoption of the 2006-2007 Budget, Salt Lake County Election Services has clarified the costs in the current budget year to be less than \$1,000, however, the cost for election services utilizing the new voting technology is anticipated to increase by approximately three to four times

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the cost of previous election events. This increased amount should be included in the 2007-2008 Budget if the City decides to continue contracting with the County Election Services (County Clerk).

Non-Departmental

10-4150-210 Books, Subscriptions & Memberships

Adopted Budget	\$260
Recommended Adjustment:	+\$23,680
Recommended Budget:	\$23,940

This recommendation restores the annual dues for the Utah League of Cities and Towns.

10-4150-630 Hospitality & Promotion

Adopted Budget	\$3,000
Recommended Adjustment:	+\$5,000
Recommended Budget:	\$8,000

The Administration is requesting an increase to this budget line in response to costs incurred and anticipated costs for the City Christmas Providers Lunch, Employees Christmas Dinner, General Staff Meetings and efforts in business development and intergovernmental relations.

Government Building

10-4160-270 Janitorial

Adopted Budget	\$10,000
Recommended Adjustment:	+\$12,000
Recommended Budget:	\$22,000

The City was not able to immediately terminate the \$46,500 annual contract for Janitorial Services at the beginning of the budget year which would have yielded the savings anticipated with the adopted line.

10-4160-735 Grounds Maintenance

Adopted Budget	\$11,000
Recommended Adjustment:	+\$16,000
Recommended Budget:	\$27,000

The City was not able to immediately terminate the \$22,000 annual contract for Grounds Maintenance at the beginning of the budget year. Additionally, we experienced a series of unanticipated maintenance issues such as broken irrigation pipes and valves, and the replacement of the sump pump piping.

Public Safety Contracts

10-4200-343 Fire Protection (UFA)

Adopted Budget	\$3,056,367
Recommended Adjustment:	+\$89,346
Recommended Budget:	\$3,145,713

This adjustment that is consistent with Council Ordinance 07-03, authorizing additional personnel to Fire and Paramedic crews in Taylorsville Fire Stations.

Police Department

10-4210-440 Uniforms

Adopted Budget	\$43,000
Recommended Adjustment:	+\$9,000
Recommended Budget:	\$52,000

This adjustment reflects the needs to outfit additional new officers (additional to the new approved allocations to traffic and investigations) to replace officers Taylor, Schroeder, Burta and Nielson; and to begin purchasing ID coats and Class-A covers for officers on official formal assignments.

10-4210-460 Firearms, Ammunition & SWAT Equipment

Adopted Budget	\$79,900
Recommended Adjustment:	-\$9,000
Recommended Budget:	\$70,900

This adjustment reflects the needs to outfit additional new officers (additional to the new approved allocations to traffic and investigations) to replace officers Taylor, Schroeder, Burta and Nielson; and to begin purchasing ID coats and Class-A covers for officers on official formal assignments.

10-4210-740 Capital Equipment

Adopted Budget	\$145,834
Recommended Adjustment:	+\$25,000
Recommended Budget:	\$170,834

This increased expenditure reflects the cost of unanticipated vehicle repair. A new budget line, 10-4210-741 Insurance Proceed on Vehicles is recommended to recognize monies received from insurance claims through the Trust and from private insurance companies where their insured have been found responsible for crashes with City vehicles.

10-4210-741 Insurance Proceeds on Vehicles

Adopted Budget	\$0
Recommended Adjustment:	-\$25,000
Recommended Budget:	\$25,000

As noted above, the City has received year-to-date \$20,796 from insurance proceeds related to crashes with City vehicles. The establishment of this line recognized receipt of funds as an offset to the expenditures for vehicle repair.

Public Works

10-4410-280 Street Light & Power

Adopted Budget	\$283,500
Recommended Adjustment:	+\$26,500
Recommended Budget:	\$310,000

The cost of lighting City streets took a significant jump over our historical trends. In part, the total cost has increased with the additional lighting along Redwood Road.

Parks & Land

10-4510-280 Utilities

Adopted Budget	\$49,613
Recommended Adjustment:	+\$22,387

Recommended Budget: \$72,000

The cost of City property utilities for the first half of the budget year has been approximately 64% of the amount budgeted. The most significant cost deviation from our historical trends has been water.

Community Development

10-4610-260 Vehicle Fuel & Maintenance

Adopted Budget \$7,420
Recommended Adjustment: +\$5,580
Recommended Budget: \$13,000

The City agreed to share the commuting cost of the newly hired Building Official (Logan to Taylorsville) for a limited time, while he established his household in Taylorsville.

10-4610-316 Professional Fees

Adopted Budget \$75,000
Recommended Adjustment: -\$15,000
Recommended Budget: \$60,000

The suggestion to modify this line is an attempt to mitigate changes to other lines below without considerable changes to the overall department budget.

10-4610-351 Nuisance Abatements

Adopted Budget \$15,000
Recommended Adjustment: +\$10,000
Recommended Budget: \$25,000

The Community Development employees were very active in abating nuisances through the first half of the budget year. Much of the work started in late summer and fall will continue in the spring. Because nuisance abatement is a high priority, we are recommending increasing this budget line as shown.

10-4610-740 Capital Equipment

Adopted Budget \$62,450
Recommended Adjustment: +\$36,000
Recommended Budget: \$98,450

During the budget discussions, the following Capital Equipment items were discussed and approved:

10-4610-740	CAPITAL OUTLAY – EQUIPMENT		98,450
	LAPTOP	2,000	
	DESKTOP COMPUTERS	9,000	
	MUNICIPAL SOFTWARE	50,000	
	DOCUMENT SCANNER	350	
	SMAL OFFICE PRINTER	800	
	FAX MACHINE	300	
	VEHICLES (2)	36,000	

The last item was inadvertently not included in the final budget documents.

Economic Development

10-4650-360 Studies

Adopted budget	\$3,600
Recommended Adjustment:	+\$110,000
Recommended Budget:	\$113,000

This adjustment corresponds to the City Council Studies adjust under the direction of Resolutions 06-22, 06-23 and 06-40.

Capital Fund

Capital Property Revenue

40-30-40000 Grants – ZAP Funding

Adopted budget	\$4,300,000
Recommended Adjustment:	-\$4,300,000
Recommended Budget:	\$0

Salt Lake County Recreation will be the primary agency on this project and will issue the design and construction RFPs, and will pay all obligations up to the \$4.3 million. By interlocal agreement scheduled for consideration and approval by the City Council on February 21, 2007, the City will participate in the RFP selection process and all community input processes and oversight of the construction.

Capital Property Expenditure

40-4000-645 Project Planning & Design (Baseball Complex)

Adopted Budget	\$4,300,000
Recommended Adjustment:	-\$4,280,000
Recommended Budget:	\$20,000

Please see budget revenue line 40-30-40000. The interlocal agreement places certain expenditure requirements on the City such as environmental testing on the land owned by the City.

Capital Infrastructure Revenue

45-38-25100 UDOT I-215 Enhancement Grant

Adopted Budget	\$540,000
Recommended Adjustment:	-\$531,303
Recommended Budget:	\$8,697

UDOT will manage and pay the contractor for this project, eliminating this as a source of revenue. The City's financial obligations, which are reflected on line 45-4000-742, will be greatly reduced with the commitment from UDOT to provide \$1.545 million in State and Federal funds...

45-30-25200 CMAQ 1300 West Trail Grant

Adopted Budget	\$450,000
Recommended Adjustment:	-\$450,000
Recommended Budget:	\$0

UDOT will manage and pay the contractor for this project, eliminating this as a source of revenue. The City will have financial obligations which are reflected on line 45-4000-645.

Capital Infrastructure Expenditures

45-4000-645 CMAQ 1300 West Trail Grant

Adopted Budget	\$500,000
Recommended Adjustment:	-\$450,000
Recommended Budget:	\$50,000

UDOT will manage and pay the contractor for this project, eliminating most of the cost of this project as a City budget expenditure.

45-4000-665 Infrastructure Improvements

Adopted Budget	\$9,093,401
Recommended Adjustment:	-\$3,848,401
Recommended Budget:	\$5,245,000

This recommendation balances expenditures against available revenues based on scheduled priorities determined by the Administration and the City Engineer.

Capital Storm Water System Revenue

46-30-20000 Impact Fees

Adopted Budget	\$45,000
Recommended Adjustment:	+\$55,000
Recommended Budget:	\$100,000

Collections to date are \$83,949.

45-30-30000 Interest Income

Adopted Budget	\$22,000
Recommended Adjustment:	+\$10,000
Recommended Budget:	\$32,000

Year to date interest earned exceeds the budgeted amount.