



INTEROFFICE MEMORANDUM

TO: TAYLORSVILLE CITY COUNCIL MEMBERS
FROM: MAYOR RUSS WALL, JOHN INCH MORGAN AND SCOTT HARRINGTON
SUBJECT: 2012-2013 FISCAL YEAR MID-YEAR BUDGET RECOMMENDATIONS
DATE: 11/20/2012
CC: DEPARTMENT DIRECTORS, BUDGET COMMITTEE

As part of the November 14, 2012 City Council meeting, the proposed Mid-Year Budget was discussed and tentatively modified, subject to further Council and Administration discussion, and public input. This tentative budget will be published on the City web site and made available to the general public in anticipation of the Mid-Year Budget Public Hearing scheduled for December 5, 2012 where public comment regarding the proposed budget amendments will be received. Of significant importance is the need to identify an additional \$1,933,378 in funding sources to pay for the remaining six months (January 1, through June 30, 2012) of the City's fire and emergency medical services contract.

The narrative format is structured to identify proposed changes to the adopted budget line account numbers. A brief narrative for each recommendation informs the reader of the purpose for the recommended amendment.

The budget spreadsheet format is similar to those presented to the Council in previous budget deliberations. Column 1 presents the Adopted Budget amounts for each budget line; Column 2 presents the Year-to-Date amounts collected or expended in each respective budget lines; Column 3 shows the recommended adjustments to the adopted budget lines, and Column 4 represents the new budgeted amounts should the Council approve the recommendations.

This narrative is presented in three sections. The first section identifies the proposed sources of funding needed to contract for Fire and Emergency Medical services for the second six months of the current fiscal year. The second section identifies the Resolutions previously adopted by the City Council accepting additional revenue from grants; and revenue from other sources. This section presents the sources of funding by account number and the

corresponding expenditure lines in the budget. The final section is a summary of the proposed amendments and includes a brief description of each proposed budget amendment.

**SECTION I.
ADJUSTMENT RELATED TO THE UNIFIED FIRE CONTRACT**

Sources of Funds

General Sales Tax Revenue 10-31-30000.....	\$300,000
Reduction of Transfer to Capital Fund, Infrastructure, Bike Paths	\$100,000
Reduction of Transfer to Capital Fund, Infrastructure, Prairie View Drive.....	\$199,414
Budget line reductions from Council Action	\$47,498
Use of Beginning Fund Balance	<u>\$1,286,466</u>
Mid-Year Budget Line Item Change related to the Fire Contract	\$1,933,378

Use of Funds

Adopted Budget	\$1,943,262
Contract Adjustment.....	<u>\$1,933,378</u>

Mid-Year Budget Line Item Total\$3,876,640

In as much as the adopted budget allocated funding for this service for the first six months of the fiscal year in anticipation of the City joining the fire district January 1, 2012, it is now necessary to identify and allocate funds to pay for these services during the remaining six months of the contract fiscal year.

**SECTION II.
TECHNICAL ADJUSTMENTS, CITY COUNCIL RESOLUTIONS, GRANTS AND
ASSET FORFEITURE**

Contributions and Transfers Revenue

Miscellaneous Grants

Revenue Account: 10-38-70530

Resolution 12-33 - Utah Department of Public Safety

Resolution 11-28 – Utah Department of Public Safety

Resolution 12-37 – Salt Lake County ZAP

Resolution 12-38 – Utah Forestry and State Lands

Resolution 12-33 EMPG	\$15,000
Resolution 11-28 EMPG	\$10,000
Resolution 12-37 Historical Education	\$3,499
Resolution 12-38 Tree Inventory	\$8,000
Asset Forfeiture funds	\$6,066

Non-Departmental (use)

Expenditure Account: 10-4150-550, Emergency Preparedness

Resolution 12-33 EMPG	\$15,000
Resolution 11-28 EMPG	\$10,000

Citizen Committees Expenditure Account: 10-4193-665,

Historic Preservation Committee (Use)

Resolution 12-37 Historic Education	\$3,499
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Parks

Expenditure Account: 10-4510-730, Parks Maintenance and Repair (Use)

Resolution 12-38 Tree Inventory	\$8,000
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Use of Beginning Fund Balance (Source)

Revenue Account: 10-38-91000

Reallocation of Law Enforcement Grant from a previous period	\$8,002
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Miscellaneous Revenue (Source)

Revenue Account: 10-36-90000

Seizure Funds Received	\$46,700
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Intergovernmental Revenue

Law Enforcement Grants (Source)

Revenue Account: 10-33-57500

USDOJ Grant.....	\$34,266
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Public Safety

Police Services Contract (Use)

Expenditure Account: 10-4200-342

Reallocation of Law Enforcement Grant from a previous period	\$8,002
Seizure Funds Receives.....	\$46,700
USDOJ Grant Adjustment.....	\$34,266

SECTION III.

REVENUE AND EXPENDITURE SUMMARY

General Fund

Tax Revenue

General Sales Tax (Source)

Revenue Account: 10-31-30000

Adopted Budget	\$7,180,000
Mid-Year Adjustment.....	<u>\$300,000</u>
Mid-Year Budget Line Item Total.....	\$7,480,000

While the increased collection of sale tax receipts is noted above as a source of funding for the UFA contract, it is also included in this section to identify the sales tax beginning balance, the amendment and the new total amount anticipated to be received and adopted in the Mid-Year amendment. The sales tax receipts over the past several months have exhibited a very positive trend, resulting in an average increase for this fiscal year of approximately 8 percent. Sales tax collections are one of the leading indicators of the health of our local economy.

Intergovernmental Revenue

Law Enforcement Grants (Source)

Revenue Account: 10-33-57500

Adopted Budget	\$0
Grant Adjustment.....	<u>\$34,266</u>
Mid-Year Budget Line Item Total.....	\$34,266

These changes reflect the adoption of Resolution 12-33 from the U.S. Department of Justice (Byrne Memorial Grant). This grant is provided to the City for law enforcement activities and / or equipment. The Administration has included a corresponding use of these funds for additional traffic overtime.

Miscellaneous Revenue

Miscellaneous Revenue (Source)

Revenue Account: 10-36-90000

Adopted Budget	\$10,000
Seizure Funds Received	<u>\$46,700</u>
Mid-Year Budget Line Item Total	\$56,700

This adjustment represents the expenditure side of Resolution 12-33, the U.S. Department of Justice grant for police activities and equipment and a reallocation of grant monies awarded to the City in a previous period. Upon approval of the budget, the Administration will negotiate an addendum to the Police Services Contract with the Unified Police Department to reflect the change in contract amount and the expected level of services.

Contributions and Transfers

Miscellaneous Revenue (Source)

Revenue Account: 10-38-70640

Adopted Budget	\$0
Veterans Memorial Donation	<u>\$10,800</u>

Mid-Year Budget Line Item Total **\$10,800**

This adjustment recognizes a donation from a private party to the Veteran’s Memorial at City Hall. The corresponding expenditure for additional work and maintenance will be found in Government Buildings, expenditure account 10-4160-730.

Contributions and Transfers Revenue

Miscellaneous Grants

Revenue Account: 10-38-70530

Resolution 12-33 - Utah Department of Public Safety (Source)

Resolution 11-28 – Utah Department of Public Safety (Source)

Resolution 12-37 – Salt Lake County ZAP (Source)

Resolution 12-38 – Utah Forestry and State Lands (Source)

Adopted Budget.....	\$0
Resolution 12-33 EMPG	\$15,000
Resolution 11-28 EMPG	\$10,000
Resolution 12-37 Historical Education	\$3,499
Resolution 12-38 Tree Inventory	\$8,000
Asset Forfeiture funds	<u>\$6,066</u>

Mid-Year Budget Line Item Total **\$42,565**

The Emergency Preparedness Grant (EMPG) in the amount of \$15,000 is to be used for emergency preparedness and to enhance our emergency response capabilities.

The second EMPG was awarded and accepted by the City Council in the previous fiscal year, however, the funds were not fully expended. This amendment allows the funds to be reallocated and expended in the current fiscal year period (see Non-Departmental, 10-4150-550).

The ZAP Grant to the Heritage Center provides funds designated to be used to facilitate historical educational opportunities for school aged children (see Citizen Committees, 10-4193-665).

The Utah Forestry funds are provided to assist the City in performing a tree inventory and tree management plan.

The Asset Forfeiture revenue is derived from police activities and on a case by case basis, available to law enforcement jurisdictions following adjudication of the respective case.

Contributions and Transfers

Use of Beginning Fund Balance (Source)

Revenue Account: 10-38-91000

Adopted Budget	\$0
UFA Contract.....	\$1,268,464
Law Suit Settlement.....	\$50,000
Technical Adjustments (see description below).....	\$18,002

Mid-Year Budget Line Item Total\$1,336,466

The recommendation following the first budget discussion in City Council meeting is that \$1,268,464 of the General Fund balance be allocated as a source for funding the identified obligations of the City for the remainder of the fiscal year 2013. The most prominent obligation is funding the final six months of the Fire and Emergency Medical Services contract with the Unified Fire Authority in the amount of \$1,933,378.

The lawsuit settlement compensates a developer for expenses incurred in the failed attempt to develop part of the City Center property.

The technical adjustments:

- 1) The reallocation of police grant funds awarded to the City, but not fully expended in the previous accounting period.
- 2) Allocation of funding for the transfer of the Bailiff's to Protective Services for Court Security and Bailiff Services, of the accrued leave time liability to the Sheriff's Office (see expenditure 10-4121-111, Bailiff); and
- 3) Code Enforcement postage and office supplies (see Public Safety, Code Enforcement 10-4200-346).
- 4) Law Enforcement asset seizure (see Public Safety, Police 10-33-57500).

City Council

Expenditure Account: 10-4110-360, Studies (Use)

Adopted Budget	\$40,000
Council Adjustment.....	(\$10,000)

Mid-Year Budget Line Item Total\$30,000

A majority of the City Council members directed this reduction on 14 Nov. 2012 during the City Council Meeting budget discussion.

Court

Expenditure Account: 10-4121-111, Bailiff (Use)

Adopted Budget	\$161,040
Contract Reconciliation, leave time accrued liability.....	<u>\$9,600</u>

Mid-Year Budget Line Item Total\$170,640

This is a technical adjustment resulting from the contracting for court security services (see revenue, Use of Beginning Fund Balance 10-38-91000).

Non-Departmental

Expenditure Account: 10-4150-510, Insurance (Use)

Adopted Budget	\$244,700
Settlement Adjustment.....	<u>\$50,000</u>

Mid-Year Budget Line Item Total\$294,700

The lawsuit settlement compensates a developer for expenses incurred in an attempt to develop part of the City Center property (see Use of Fund Balance 10-38-91000).

Expenditure Account: 10-4150-550, Emergency Preparedness (Use)

Adopted Budget	\$25,0000
Resolution 12-33 EMPG	\$15,000
Resolution 11-28 EMPG	<u>\$10,000</u>

Mid-Year Budget Line Item Total \$50,000

This adjustment represents the expenditure side of Emergency Management Performance Grants recognized by Resolutions 11-28 (\$10,000) and 12-33 (\$15,000) for emergency preparedness, response and mitigation activities and equipment (see Miscellaneous Grants 10-38-70530).

The Emergency Preparedness Grant (EMPG) in the amount of \$15,000 is to be used for emergency preparedness and to enhance our emergency response capabilities.

The second EMPG was awarded and accepted by the City Council in the previous fiscal year, however, the funds were not fully expended. This amendment allows the funds to be reallocated and expended in the current fiscal year period

Government Buildings

Expenditure Account: 10-4160-730, Building Repair and Improvements (Use)

Adopted Budget	\$100,000
Contract Adjustment.....	<u>\$10,800</u>

Mid-Year Budget Line Item Total\$110,800

Corresponds to revenue account 10-38-70640 where a private donation was made to support the Veteran’s Memorial at City Hall.

Citizen Committees Expenditure Account: 10-4193-665,

Historic Preservation Committee (Use)

Adopted Budget	\$6,000
Resolution 12-37 Historic Education	<u>\$3,499</u>

Mid-Year Budget Line Item Total\$9,499

Resolutions 12-37, provides educational opportunities and transportation of school-aged children to the Taylorsville Bennion Heritage Center (see Miscellaneous Grants 10-38-70530).

Public Safety

Expenditure Account: 10-4200-343, Fire Protection Contract (Use)

Adopted Budget	\$1,943,262
Contract Adjustment.....	<u>\$1,933,378</u>

Mid-Year Budget Line Item Total\$3,876,640

Allocation of funds to pay the contract costs for Fire and Emergency Medical services during the remaining six months of the contract fiscal year (see Use of Beginning Fund Balance 10-38-91000).

Public Safety

Police Services Contract (Use)

Expenditure Account: 10-4200-343

Adopted Budget.....	\$7,531,062
Prior Year Adjustment.....	\$8,002
Seizure Funds Received	\$52,766
USDOJ Grant Adjustment.....	<u>\$34,266</u>

Mid-Year Budget Line Item Total\$7,626,096

This adjustment represents the expenditure side of Resolution 12-33, the U.S. Department of Justice grant for police activities and equipment and a reallocation of grant monies awarded to the City in a previous period. In as much as these funds can only be used for police expenditures, the Administration will negotiate an addendum to the Police Services Contract with the Unified Police Department to reflect the change in contract amount and the expected level of services (see Law Enforcement Grants 10-33-57500).

The reallocation of \$8,002 represents grant funds awarded to the City but were not spent in the previous accounting period, and the funding dropped to the fund balance (see revenue account 10-38-91000).

Public Safety

Expenditure Account: 10-4200-346, Code Enforcement (Use)

Adopted Budget	\$163,703
Postage and Office Supplies.....	<u>\$8,400</u>

Mid-Year Budget Line Item Total\$172,103

This is a technical adjustment for postage and office supplies.

Parks

Expenditure Account: 10-4510-730, Parks Maintenance and Repair (Use)

Adopted Budget	\$78,000
Resolution 12-38 Tree Inventory	<u>\$8,000</u>

Mid-Year Budget Line Item Total\$86,000

This adjustment represents the expenditure side of State of Utah Forestry, Fire and State Land Division Grant recognized by Resolutions 12-38 to conduct an inventory of City owned trees, and management plans for these valuable assets.

Community Development

Expenditure Account: 10-4610-260, Vehicle Fuel and Maintenance (Use)

Adopted Budget	\$29,800
Adjustment.....	<u>\$4,500</u>
Mid-Year Budget Line Item Total	\$34,300

The majority of City owned vehicles has historically been accounted for in the police budget until this year. With the UPD now providing police services, the majority of City vehicles are managed through the Community Development Department where all vehicle maintenance costs are being booked. Our Code Enforcement vehicle expenses are now being booked to this line and require an adjustment of \$4,500 in order to continue operations through the second half of the fiscal year.

General Fund Transfers

General Fund Expenditure Account: 10-4810-922, Transfer to Capital - Infrastructure (Use)

Capital Fund - Infrastructure Revenue Account: 45-30-90000

Capital Fund – Infrastructure Expenditure Account: 45-4000-703

Capital Fund – Infrastructure Expenditure Account: 45-4000-707

Adopted Budget	\$1,045,267
Prairie View Drive Adjustment	(\$199,414)
Bike Trails Adjustment	<u>(\$100,000)</u>
Mid-Year Budget Line Item Total	\$745,853

This recommendation transfers funds from the Capital Improvement Projects back to the General Fund. Upon approval of the budget in June, and the adoption of the certified tax rate in August, two life-safety projects were awarded and contracts executed. The two projects are wall projects on 4100 South, and the alternate access road for the residents of 6020 S through Labrum Park.

The amount being transferred back to the General Fund represents the postponement of the Bike Trails/Path, and a reduction of the Prairie View Drive funding for this project from \$259,414 to \$60,000. The reduced amount is part of the fund that will reverse the transfer from the General Fund to the Capital Fund to provide a source of funding for the Fire Contract. The remaining \$60,000 in the Prairie View project budget will be used for design and engineering for this priority project.

General Fund Transfers

General Fund Expenditure Account: 10-4810-924, Transfer to Cemetery (Use)

Cemetery Fund Revenue Account: 26-30-90000, Transfer from General Fund (Source)

Cemetery Fund Expenditure Account: 26-4510-745, (Use)

Adopted Budget	\$10,000
Storage Building Adjustment	<u>\$10,000</u>
Mid-Year Budget Line Item Total	\$20,000

The adopted budget included \$10,000 for the construction of an equipment storage structure at the Taylorsville Cemetery. Incident to the adoption, construction bids were solicited and all bids exceeded the estimated budget amount. This allocation will allow the project to be re-bid and constructed.

Capital Projects - Building (Fund 40)

Revenue Account: 40-30-91000, Use of Beginning Fund Balance (Sources)

Expenditure Account: 40-4000-210, Park Projects (Use)

Adopted Budget	\$0
Use of Park Impact Fees	\$100,000
Increase in Fund Balance.....	<u>\$20,000</u>

Mid-Year Budget Line Item Total\$120,000

An inventory of park and playground equipment identified priority improvements to City parks including: removal of dilapidated playground equipment and surrounding structures at Azure Meadows Park; upgrading drainage, and hillside improvements at Bennion Park; repair of pavilion and playground equipment at Taylorsville Park, and rehabilitate equipment at Vista Park. In addition, most of our parks are in need of refreshing the “soft-fall” materials.

The Park Impact Fees are collected on new construction and restricted for use in park construction and maintenance projects.

Capital Projects - Infrastructure (Fund 45)

Revenue Account: 45-30-98000, Intergovernmental Revenue (Sources)

Expenditure Account: 45-4000-710, Redwood Road Improvements (Use)

Adopted Department Budget	\$1,156,267
HB 242 Reallocation of unspent funds for Redwood Road and 6200 S	\$600,000
Use of Beginning Fund Balance	\$50,000
Transfer to General Fund (described above).....	<u>(\$299,414)</u>

Mid-Year Budget Department Total\$1,506,853

House Bill 242 provides funding for projects related to the impact of 6200 S and Redwood Road improvements. These funds will be used to modify and protect the right turn movement for those approaching Redwood Road from the east, and turning north onto Redwood Road; and provides for safe ingress and egress for the residents of 6020 South with the new road through Labrum Park. The \$50,000 infrastructure expenditure is anticipated to fund engineering costs for a footbridge at 4500 South and the Jordan River. The cost of construction is estimated to be \$400,000 with Murray City committed to paying \$100,000, and the UDOT committed to pay \$200,000 in the next fiscal year. The City of Taylorsville total share is \$100,000, requiring \$50,000 to be budgeted in the 2013-2014 FY budget.

Community Development Block Grant Fund – Revenues and Expenditures (Fund 21)

Revenue Account: 21-30-11000, Federal Grant Revenue (Sources)

Expenditure Account: 21-4000-658

EECDB grant exp. 21-4000-752 Senior center Improvements (Use)

Adopted Budget	\$390,378
Prior Year CDBG Grant Allocation	\$150,000
EECDBG Grant Allocation	<u>\$180,000</u>

Mid-Year Budget Line Item Total\$720,378

These changes represent the reallocation of prior year funds that were underspent on certain projects and due also to projects crossing budget years. This adjustment reallocates funding for prioritized CDBG eligible projects. The EECDBG is funding for energy efficient projects within the City and has been used to upgrade energy projects at the museum, the fire station, city hall, and our street lights.