

**FARMINGTON CITY BUDGET MESSAGE
FOR FISCAL YEAR 2009-2010
By Max Forbush, City Manager**

General economic trends:

The general economy of the Nation and the State of Utah has also had a profound affect on the upcoming municipal budget. The purpose of this budget message is to outline some of the more salient parts of the City's budget in narrative form. The City's budget is really a financial plan of expenditures from available revenues. Unlike the Federal Government, Utah's State and Local governments are not allowed to spend more than what they take in. The FY 08-09 fiscal year revenues ended up about 9 percent less than planned, therefore expenditures were cut proportionately. The upcoming year's revenues and expenditures will be 5.5 per less than the FY 08-09 budget. So what does all that mean to the common citizen? It means that many capital projects that were planned are being delayed. It means that there is a hiring freeze and in fact some reduction of forces through attrition. As cost saving measures, the City had reduced the number of seasonal park workers. This may have an effect on maintenance levels of service in City parks or along City trails.

No Tax increases, but Water Rates are going up/Impact Fees

Business Licensing fees will be evaluated:

There will be no increase in the property tax rate or in other tax rates of the City. **It is anticipated that the culinary water rates will be going on an average of \$5.75 per household per month affective July 1, 2009.** Customers will notice the increase for the first time on the August City utility billing. Why is the City increasing the rate this much?

It is because, the City's water infrastructure is aging and parts of it need to be replaced. Current culinary water rates will not fund these improvements. There are a number of areas in the City where the water lines are at a point they need replacing. Moreover, one of the City's culinary water reservoirs needs replacing. The City's cash balances to pay for replacement is depleted. The City Council has tentatively agreed to increase rates in order to keep the City's water system in good condition.

Next year's budget also includes costs for evaluating the City impact fees. These fees only affect the cost of new growth and are not imposed on existing residents. There is significant pressure being placed on municipalities to keep the fees current, accurate and fair.

The City is revamping its business licensing ordinances. That work will be ongoing for the next few months. At this point it is unclear, how much license fees will change if any.

Capital Projects for FY 2009-010:

A. City Hall Construction. The major project for the upcoming fiscal year is construction of a City Hall. This is being financed by a number of sources

including but not limited to the following: (1) proceeds from the sale of the existing City Hall; (2) General Obligation bond proceeds previously approved by the Farmington electorate (3) Savings from General Fund. Total budget for the project that may occur over 3 fiscal years is about \$4.8 million. This budget includes acquisition of property, construction of building with site improvements and furnishings for the building.

B. Fire Station Remodel. The fire station remodel amounting to about \$250,000 will be paid by the ambulance fund and reimbursed over time with fire capital facility impact fees. This project will create living space for firefighters, thus allowing full coverage (24/7) over time.

C. Street Resurfacing Projects. Several Streets are scheduled for resurfacing this summer. The total budget for street resurfacing is about \$290,000. Those streets scheduled for resurfacing include:

- 10 West Street from 397 South to 580 South
- 35 East from 1396 South to 1470 South
- 350 East from State Street to 200 South
- 100 East from State Street to Cherry Lane
- 100 South from 100 East to SR 106
- 500 North from 100 East to 251 East
- Lakeview Way from 500 South to Spencer Way
- Swinton Lane in Oakridge area
- Walker Lane in Oakridge area
- 200 South from 200 West to Main Street