



BUDGET NEWSLETTER

FY 2018 BUDGET HIGHLIGHTS



The City Council will hold a **public hearing** on the Fiscal Year (FY) 2018 Tentative Budget (July 1, 2017 – June 30, 2018) on **Tuesday, June 6, 2017**, during the regular City Council meeting that begins at 7:00 p.m. at City Hall. The City

Manager’s Budget Message, which provides a summary of the Tentative Budget, can be found on the City’s website: www.centervilleut.net. The entire Tentative Budget can also be reviewed on the website or at City Hall. This Budget Newsletter, however, provides a few highlights.

As required by state law, the City Council has adopted a “Tentative Budget” to initiate a public comment period. During that period, the City Council will continue discussing the Tentative Budget’s content and may revise it before adopting a Final Budget, after receiving public comment on June 6.

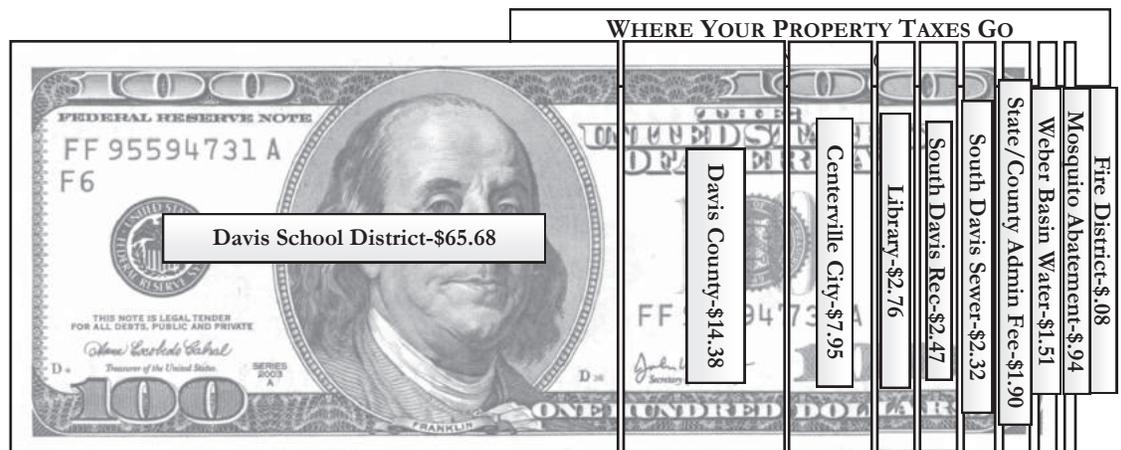
PUBLIC HEARING
For the FY 2018 Budget
June 6, 2017 at 7:00 p.m.
Centerville City Hall

City Council Considering Property Tax Increase

The General Fund revenue stream is not sufficient to maintain current service levels over the long term. General Fund reserves have been drawn down in recent years to balance the budget. Equipment replacement in General Fund departments is being deferred to fund other operational costs. In addition, despite some additional revenue from the gasoline tax and Transportation Sales Tax, the City’s investment in street maintenance continues to fall short of what is needed, and a 2016 study of sidewalk conditions throughout the City revealed the need for many sidewalk repairs. Without additional revenue for General Fund operations and maintenance, service levels will soon have to be reduced to maintain a balanced budget.

The Tentative Budget currently assumes no property tax increase. However, in response to the conditions mentioned above, **the City Council is discussing the possibility of increasing the City’s property tax 25 to 50%**. City property tax provides only 6% of the City’s total revenues, or 12% of the General Fund revenues. State law limits the City to receiving the same dollar amount in property taxes as it received the prior year—except for taxes from new development—unless the City Council goes through the “Truth-in-Taxation” process. Therefore, as property values go up, the “Certified Tax Rate” goes down. Centerville has not raised the City property tax rate through a Truth-in-Taxation process for more than 20 years. Consequently, the property tax rate levied by the City decreased from 0.002677 in 1990 to 0.000983 in 2016, a 63% reduction in tax rate. As a result, the City’s property tax revenue has not kept up with inflation. Your personal tax bill may have gone up during that period, but it was not because of changes in the City’s tax rate. Centerville City’s portion of a property tax bill for a Centerville homeowner was 16% in 1990 but only 8% in 2016, as illustrated below. On a \$300,000 home, this about \$162 per year.

If the City Council decides to propose a City property tax increase, public notice will announce the details of the proposed increase and the date of another public hearing specifically for this purpose—to be held in August—before a Final Budget is adopted.



Budget Summary

The City’s Tentative Budget for FY 2018 is \$15,813,420. This figure includes the General Fund, RAP Tax Fund, several enterprise funds, debt service funds and capital improvement funds. The pie chart on the following page shows the breakdown of the Budget for specific services and purposes.

FY 2018 Tentative Budget Expenditures by Service Area

The pie chart to the right illustrates the allocation of the City's Tentative Budget of \$15,813,420 among the various service areas, regardless of the source and type of funds.

The Centerville Redevelopment Agency (RDA) is a separate governmental entity with a Tentative Budget of \$1,577,224 for FY 2018.

Enterprise Services and Funding

The City provides drainage utility, solid waste collection and culinary water services using the enterprise approach--i.e. fully funded with user fees. The Tentative Budget includes one user fee increase in FY 2018—for culinary water.

The most recent update of the culinary water system capital plan focuses on the replacement of water mains. The older area of the City has many miles of cast iron water mains that are coming to the end of their expected life. Breaks in these pipes cause costly damage to roads and interrupt water service to customers. We coordinate these water main replacements with street repaving/reconstruction plans so that, as much as practical, cast iron pipes are replaced at the same time as the street work is done, thereby reducing overall project costs as well as the road damage caused by breaks in cast iron pipes.

In 2016 the City Council approved a three-step increase consisting of three annual increases of 10% each to fund the water capital plan and keep up with the impact of inflation on water system O&M costs. The second step takes effect in July 2017. Monthly user fees to maintain the City's drainage system are known as "drainage utility" and "subsurface drain" fees. The increases adopted in 2015 are providing more than \$600,000 per year to fund an ambitious capital improvement program, mostly for replacement of existing drainage infrastructure. Storm drain replacements are also being coordinated with street projects. In addition, we work with other utility providers (irrigation, natural gas, etc.) to persuade them to replace their facilities, if needed, at the same time road work is done.

The City's contract with ACE Disposal for curbside pickup of household garbage, recyclables and green waste continues until June 30, 2018. No increase in user fees for any of these services is anticipated in FY 2018.

Personnel Costs

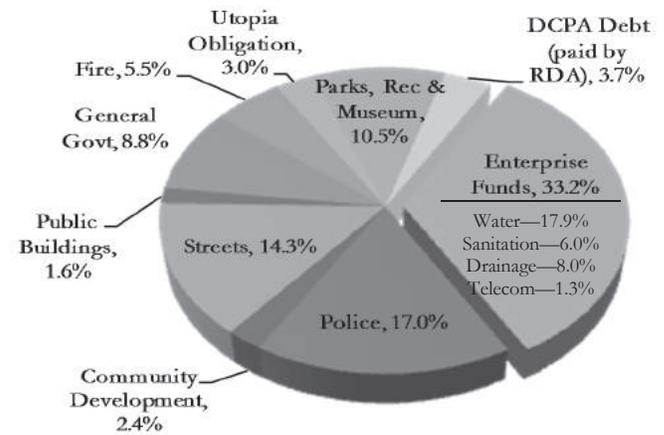
There are no new positions funded in the Tentative Budget. It includes some funding for employee pay raises; however, compensation guidelines are still under review by the City Council and will be presented at the beginning of the public hearing on June 6.

Other Financial Issues

The City Council wants residents to be aware of two financial issues that have come to light in the aftermath of the 2016 audit. These relate to the Cemetery Perpetual Care Fund and the Redevelopment Agency Fund. The discovery of these issues has caused the City, with the approval of the City Council, to contract with the CPA firm of Keddington & Christensen to help address these issues and provide on-going assistance with accounting matters.

Cemetery Perpetual Care Fund – We determined the Cemetery Perpetual Care Fund had not been created as a separate fund as required by City ordinance in 2002. Perpetual Care Fees were deposited instead into the General Fund and, in effect, have been spent for cemetery maintenance year by year. With this discovery, the Council and City Manager have caused creation of the Perpetual Care Fund. Any future Perpetual Care Fees will be deposited into this Fund and spent for cemetery maintenance as approved by the City Council. The Perpetual Care Fees deposited into the General Fund in the past have generally been insufficient to cover the entire cost of cemetery maintenance. Furthermore, interest earnings from any level of Perpetual Care Fund in the future will be insufficient to maintain the cemetery. Therefore, cemetery maintenance will continue to be an obligation of the General Fund's annual budget in the long term.

Redevelopment Agency Fund – The Centerville Redevelopment Agency (RDA) owns the Davis Center for the Performing Arts and leases this facility to CenterPoint Legacy Theatre (CPT). According to the operating lease, CPT makes monthly rental payments to the RDA, which are to go into a restricted account in the RDA Fund—to be used for major repairs of the facility. These revenues, however, have not been accounted for separately from other RDA revenue. This condition has been corrected by establishing in the RDA Fund a restricted account for rental payments and transferring into that account all rental payments due to that account since CPT began paying rent in 2011. Additionally, several other improperly classified expenses have been corrected and reassigned, as appropriate, to establish the proper balances in the restricted and unrestricted portions of the RDA Fund.



ALL MOVIES
WILL BE AT
FOUNDERS
PARK
300 North
100 East

Centerville City Parks & Recreation Committee

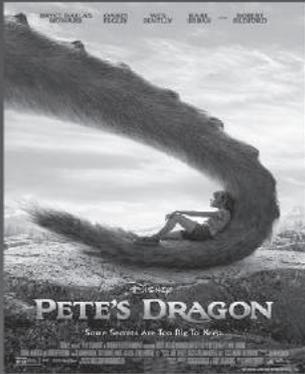
Is Pleased to Announce:

MOVIES

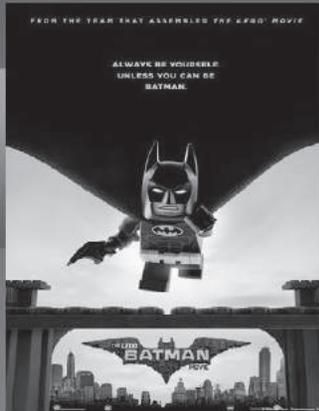
IN THE

PARK

**FRIDAY
NIGHTS!**
Starts at Dusk
(9:00-9:30PM)



**JUNE 16
PETE'S DRAGON**

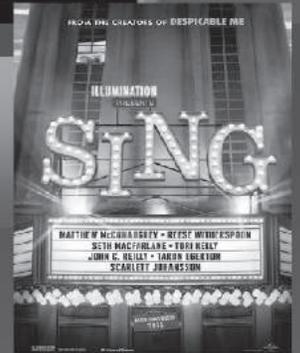


**JUNE 23
LEGO BATMAN**



**JUNE 30
CROODS**

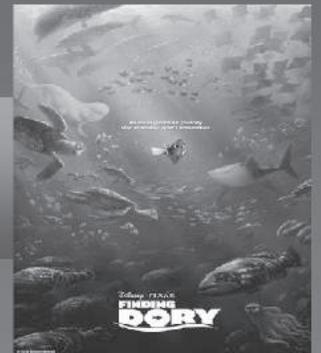
**JULY 14
SING**



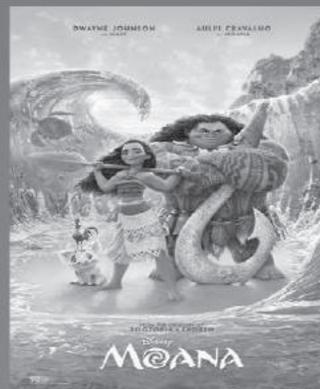
**JULY 21
ROGUE ONE**



**JULY 28
FINDING DORY**



**AUGUST 4
MOANA**





LAND THAT I LOVE

The 4th of July Celebration
will be held

July 1st, 3rd and 4th.

Check the City's website for
the full schedule of events.

**NEW PARADE DIRECTION ON MAIN STREET
SOUTH TO NORTH—NOTE THE CHANGE**



Parrish Canyon, June 3, 2017 at 8:00 a.m.

Meet at the Parrish Canyon
Trailhead (700 E 400 N).
Questions? Contact Matt Johnson
at johnson.mattc@gmail.com

FREE
Trail Run - 5K
or 10K Easy to
Moderate Run

Take a Hike!
Run

CENTERVILLE TRAILS COMMITTEE



**MUNICIPAL ELECTION 2017
Candidate Filing June 1-7**

UP FOR ELECTION:
MAYOR AND TWO CITY COUNCIL MEMBERS

The Declaration of Candidacy form or Nomination Petition
need to be filed in person with the City Recorder at 250
North Main Street, Centerville UT during regular business
hours.

Voting this year will be by mail. There will be one polling
location at Centerville Elementary on Election Day.
Candidate packets and other election information can be
found on the City's website:

centervilleut.net/recorder/elections/

**CEMETERY CLEANUP
REMINDER**

Memorial Day cleanup begins
the Monday following Memorial
Day when all decorations that
have not been retrieved will be
discarded. It usually takes two to
five days to finish the cleanup
depending on the number of
decorations.



"KEEPING OUR STORIES ALIVE"
presents
'Centerville Shenanigans'
Adventures Told By Those Who Lived Them

Tuesday
June 13
7pm

Come and share
the memories

Presenters: Paul (Whitey) Tingey and
Rose Tingey Uffens

sponsored by
THE WHITAKER
Centerville's Heritage Museum
event location
Centerville City Hall
250 No. Main Street



The Whitaker - Centerville's Heritage Museum, tells Centerville's story, teaches traditional values,

CENTERVILLEUT.NET