



# BUDGET NEWSLETTER

## FY 2016 BUDGET HIGHLIGHTS



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The City Council will hold a **public hearing** on the Fiscal Year (FY) 2016 Tentative Budget (July 1, 2015 – June 30, 2016) on **Tuesday, June 9, 2015, at 6:00 p.m.** at City Hall. Citizens may also meet with the City Manager and Department Heads on the same date from 5:00 to 6:00 p.m.—prior to the public hearing—to ask questions about any details within the Tentative Budget. 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](http://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.

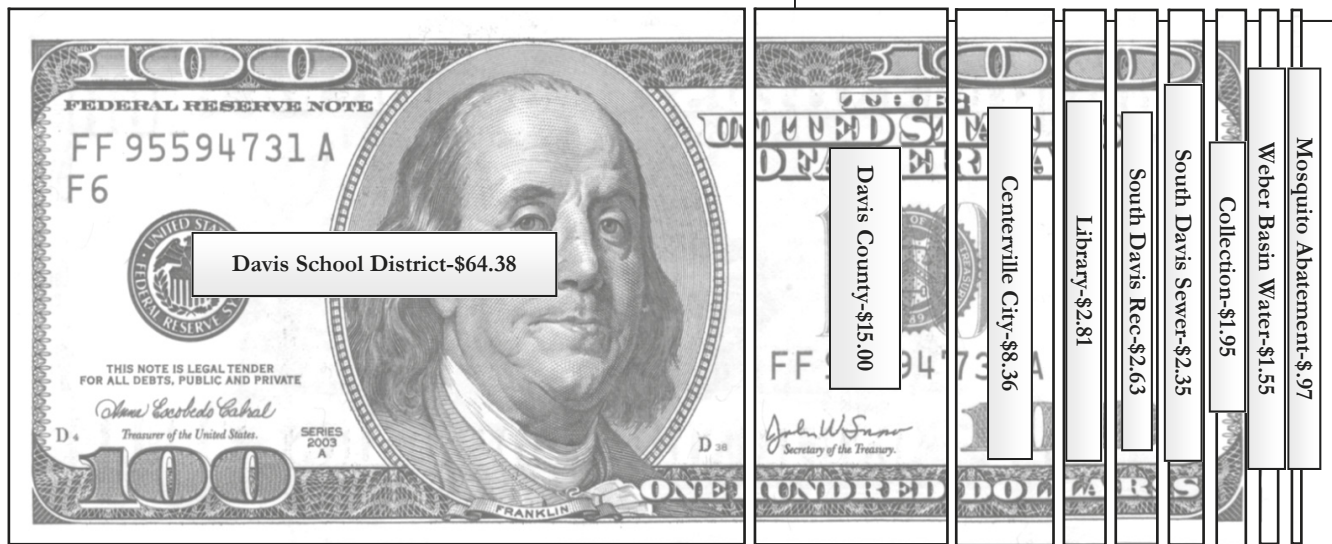
**PUBLIC HEARING**  
**For the FY 2016 Budget**  
**June 9, 2015 at 6:00 p.m.**  
**Centerville City Hall**

The City Council is required by state law to adopt 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 on June 16, after receiving public comment on June 9.

The Tentative Budget maintains current operational service levels, without increasing staffing. However, it falls short of what is needed to keep roads and parks infrastructure in good condition. There are potential revenue sources that can increase funding for those needs, if approved by the voters—the RAP Tax and Transportation Sales Tax. The RAP Tax (1/10<sup>th</sup> of one percent sales tax for “recreation, arts and parks” purposes) will likely be on the ballot in November for renewal. This would be a funding source for parks improvements. A transportation sales tax (1/4<sup>th</sup> of one percent) became an option via HB 362 in the 2015 Legislative Session. Elected officials of Davis County and its cities are currently discussing whether to put this question on the November ballot. If approved by voters county-wide, it would provide additional funding for road maintenance in Centerville. The Budget Message on the City’s website further explains these needs and potential funding sources. It also explains Centerville’s participation in funding fire and emergency medical services as a member of the South Davis Metro Fire Agency and the long-term capital needs of that entity.

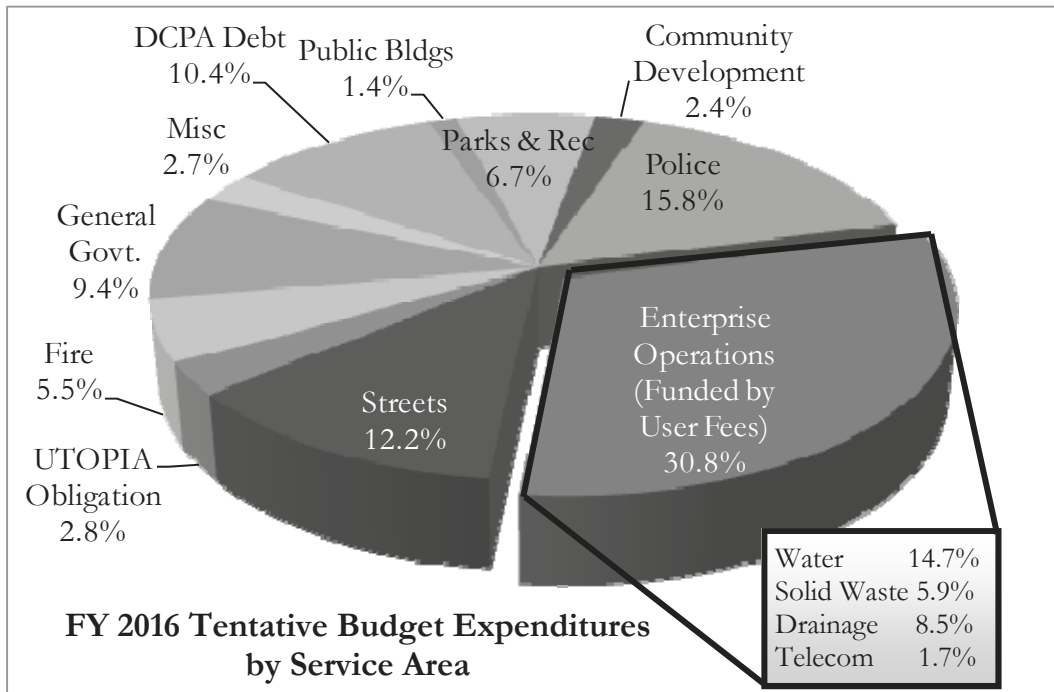
### WHERE YOUR PROPERTY TAXES GO

Tax Year 2015



The Tentative Budget assumes **no property tax increase**. The property tax rate levied by the City decreased from 0.002582 in 1994 to 0.001072 in 2014. The City’s property tax levy represents only 7.2 % of the total property tax paid by property owners, illustrated above. On a \$250,000 home, this is about \$147 per year.

The City's Tentative Budget for FY 2016 is \$15,987,463. This figure includes the General Fund, several enterprise funds, debt service funds and capital improvement funds. The pie graph below shows the breakdown of the Budget for specific services and purposes.



The pie chart to the left illustrates the allocation of the City's Tentative Budget of \$15,987,463 among the various service areas, regardless of the source and type of funds. The Centerville Redevelopment Agency (RDA) is a separate governmental entity and its budget is not included in the pie chart, other than the RDA's debt service contribution (approximately \$675,000) for the Davis Center for the Performing Arts. The RDA's Tentative Budget for FY 2016 is \$1,456,000.

### Enterprise Operations

Drinking water, solid waste, drainage facilities and telecom (i.e. home connections to UTOPIA fiber network) are funded with user fees. There will be no increase in fees for solid waste services—garbage collection, recycling and green waste pickup. The Tentative Budget proposes a 5% increase in drinking water rates to offset the impact of inflation on O&M costs since the last rate increase two years ago.

Earlier this year, the City Council approved a 112% increase in drainage utility fees that will first appear on the utility bills at the end of July. The Council made this difficult decision after a lengthy study process and proactive effort to inform and engage the public about the need to fund an ambitious capital improvement/replacement program. Ultimately the Council decided to rely entirely on a “pay-as-you-go” approach rather than issue any new debt, thereby requiring a rate increase of this magnitude. More than \$6 million in drainage projects—mostly replacement of existing drainage infrastructure—will be completed over the next 10 years. The first year of this capital plan is funded in the FY 2016 Tentative Budget. Extensive information on this topic, including public education materials sent to all property owners earlier this year, the drainage capital improvement plan, and the analyses of various funding scenarios, can be found on the City's website: [www.centervilleut.net/publicworks.drainagefees.html](http://www.centervilleut.net/publicworks.drainagefees.html). Questions about this matter can also be sent to City officials by using this email address: [drainagefees@centervilleut.com](mailto:drainagefees@centervilleut.com).

### Long-Term Debt

The Tentative Budget includes payments on the following long-term obligations:

- Water Revenue Bond – Debt service of \$492,063 for FY 2016. Bonding is for water system projects and prior drainage improvements.
- UTOPIA – Telecommunications service over this fiber optic network is available to Centerville residents and businesses. The City's FY 2016 payment for this long-term obligation is \$453,876. For more explanation of UTOPIA funding, see the Budget Message on City's website.
- Davis Center for Performing Arts – The DCPA debt is being repaid with RAP taxes (approved in 2007 by Centerville and Bountiful voters), Redevelopment Agency revenues, Davis County tourism taxes and private donations. These are not traditional sources of funding for the City's operating budget. The DCPA debt service in FY 2016 is \$1,654,588 decreasing to \$590,512 in FY 2017.