



CITY BUDGET UNDERTAKINGS

WHY DO A BUDGET?

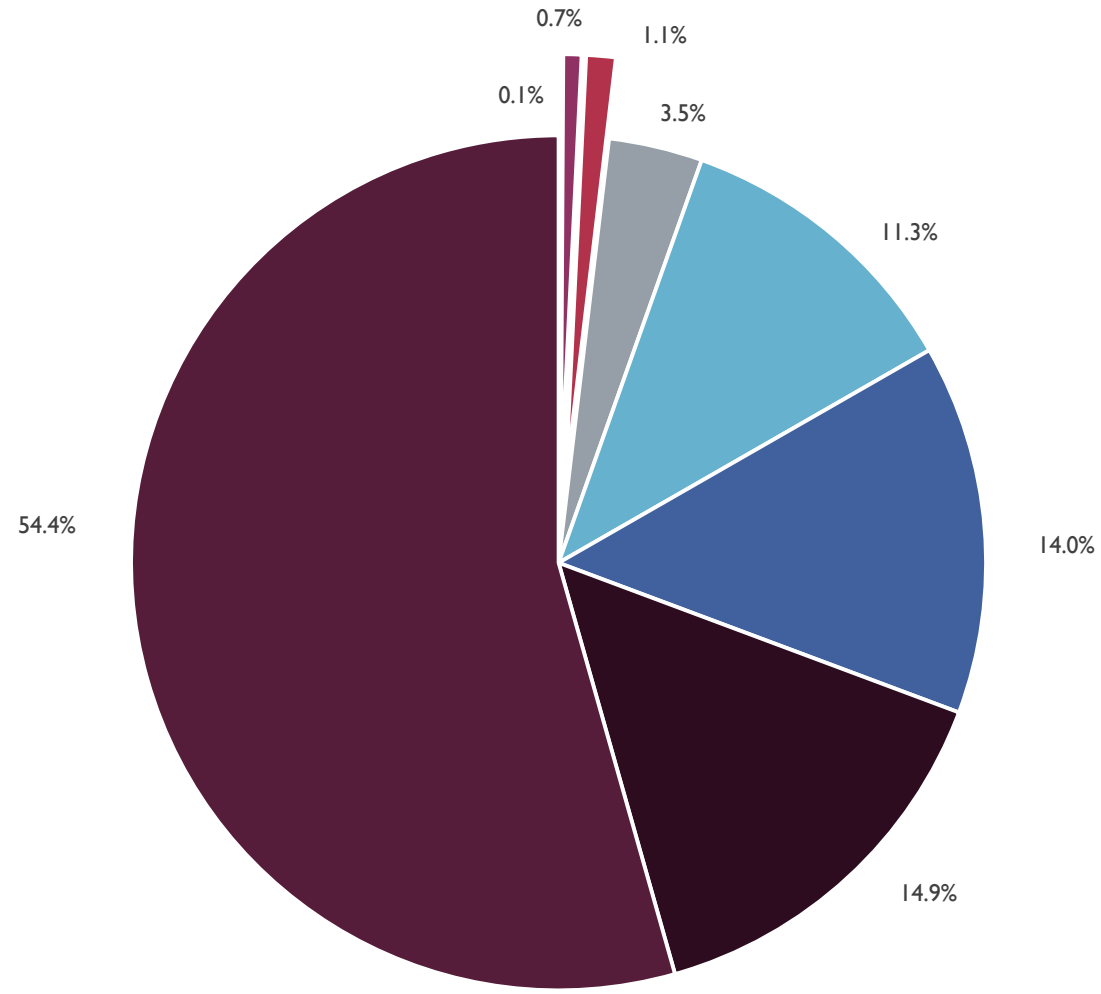
- Required by State Code
- Exercise plan and control
- Establish budget priorities
- Engage management, department heads
- Ensure financial health of the City
- Consider budget alternatives in the event of an economic downturn
- To obtain financing

HOW TO DO A BUDGET?

- Traditional
 - Incremental spending changes for each line item
 - Programs and services are continued year to year with little scrutiny
- Bottom up, performance, zero based
 - Start with the outcome first, then estimates of how to provide that service
 - Much more time consuming
 - Most do a hybrid
 - Transition over time rather than all at once.

HOW DO WE BUDGET?

- Mayor is responsible for the budget
- Scrutinize all major costs and build from the bottom up
- Look at alternatives to doing in house versus contract out
- Review all fees, taxes and other charges versus services delivered
- Long term plans for major asset categories
- Tell the “story behind the numbers” narrative budget package



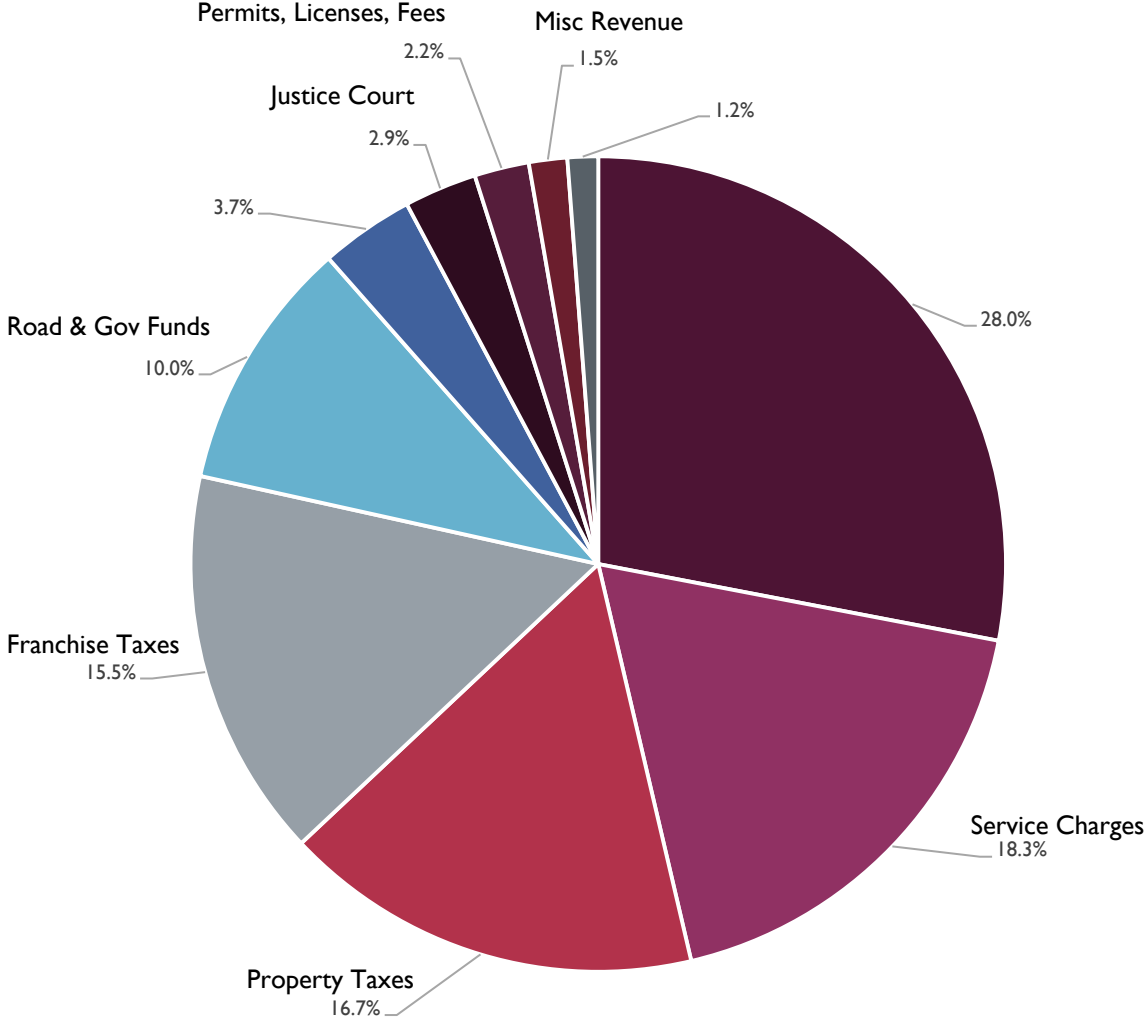
PROVIDENCE CITY, 2018

Breakdown of Average Residential Property Tax Bill

			% of Tax Bill	Average Tax Bill
CACHE CO SCHOOL DISTRICT			54.4%	921.66
CACHE CO GENERAL FUND			14.9%	252.76
CACHE - STWDE SCHOOL LEVY			14.0%	236.92
PROVIDENCE CITY			11.3%	191.09
CACHE CO A & C			3.5%	60.11
CACHE CO HEALTH FUND			1.1%	18.81
CACHE MOSQUITO ABATE. DISTRICT			0.7%	11.60
MULTI-CO A & C			0.1%	1.56
CACHE VALLEY TRANSIT DISTRICT			0.0%	0.00
			100.0%	1,694.52

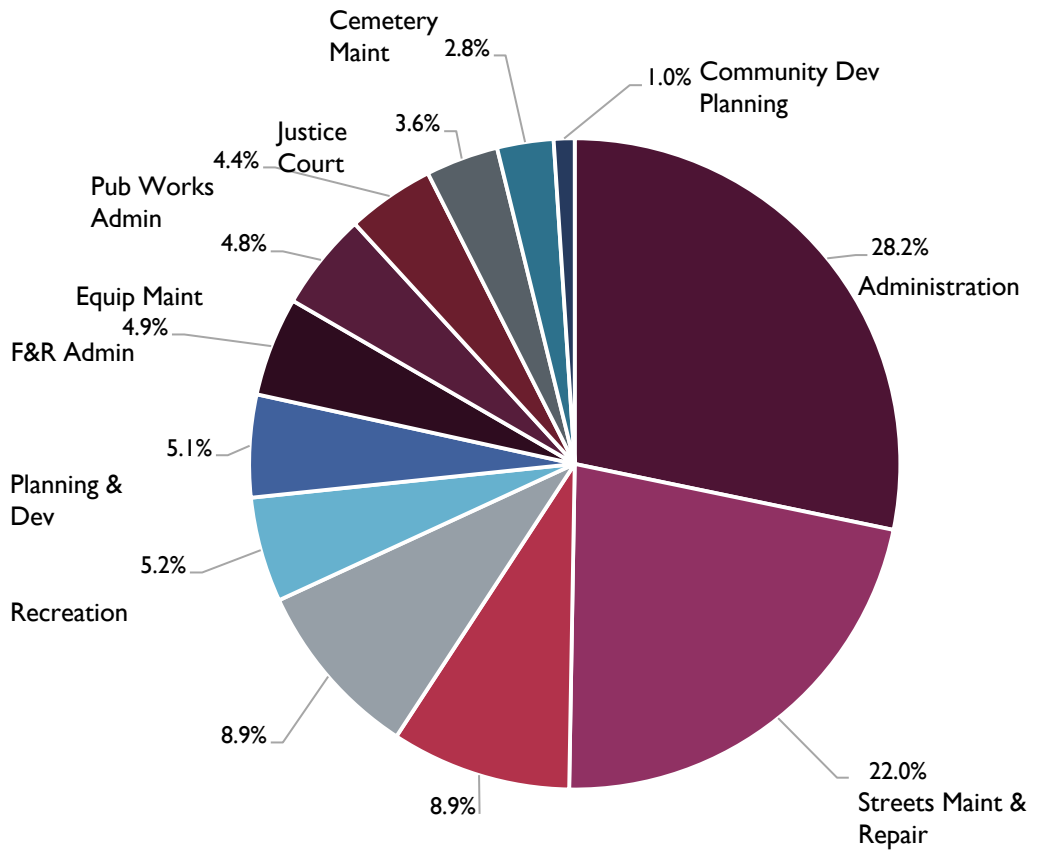
General Fund Revenues

2018 Budget



Budgeted Expenditures

Fiscal Year 2018



CHALLENGES IN 2019 BUDGET

- Sales tax revenue
- Property tax revenue increase
- Fire contract with Logan City
- Streets maintenance budget
- Culinary water reservoir
- Alternatives to delivering city services
- Permits, fees and other charges for services

IMPACT OF NEW FIRE CONTRACT ON RESIDENTIAL PROPERTY OWNER

Additional Tax Revenue Needed to Cover Fire Contract Increase	400,000
Percent of Commercial business of total	19%
Commercial share of additional tax	75,294
Residential share of additional tax	324,706
Average residential property tax increase per year	\$145
Average residential property tax current year	\$191
Percent of increase to residential property owner	76%

CITY FACTS

- 42 miles of City streets, 330 blocks
- 840 acres
- 140 commercial businesses
- 70 plus home – based businesses
- 9 parks, 35 acres, 2 under construction
- The County library is in Providence

CITY SERVICES PROVIDED

City Administration	Public Works	Recreation
Business & dog licenses	Culinary water	Baseball, softball, volleyball
Utility billing & collections	Sewer	Tennis, pickleball, kickball
Land use, zoning, subdivisions	Stormwater	Soccer
Cemetery records, sexton	Parks	Fun in the sun
Building permits, plan reviews	Irrigation water	

CITY STAFF

	<i>Full Time</i>	<i>Part Time</i>
Office (business and dog licenses, HR, city recorder, elections, minutes, notary, accounting, utility billing, payables, receivables, treasury, justice court, land use, planning, zoning, subdivisions, purchasing, crossing guards, city council, planning commission, historic preservation)	6	3
Public Works (PW admin, culinary water, sewer, streets, stormwater, irrigation water, parks, building maintenance, blue stakes)	8	
Cemetery (sexton, grounds maintenance, cemetery records)	1	
Recreation (baseball, softball, soccer, pickleball, tennis, football, kickball, disc golf)	1	
	16	3

CONTRACTED SERVICES

Fire suppression	Logan City Fire
Emergency Medical Response	Cache County Emergency Medical Services (CCEMS)
Fire inspection & prevention	Logan City Fire
New residential & commercial building inspection	Cache County
Animal control	Cache County Sheriff
Police services	Cache County Sheriff
Chip seal	Cache County Roads
City engineer	CRS

ITS NOT THE CITY'S MONEY

- The City doesn't have any money, its taxpayer money.
- Cities don't build roads, bridges, crossings, curbs, gutter, sidewalk, water and sewer lines; developers do.
- If cities built roads, bridges, etc., we would be subsidizing future growth, development.
- Should we be funding development with taxpayer money?
- Developers should fund development; otherwise, current residents (taxpayers) would be subsidizing developers.
- Cities maintain, repair, eventually replace decades later.