



CITY OF OREM
CITY COUNCIL MEETING
56 North State Street, Orem, Utah
December 13, 2022

*This meeting may be held electronically
to allow a Councilmember to participate.*

1. 3:00 P.M. WORK SESSION- CITY COUNCIL CONFERENCE ROOM

1.1 MOTION - CLOSED MEETING - Meeting to be held in Room #107 of the Orem City Center

City Council adjourn to a closed meeting for discussion of the character and professional competence of an individual, and/or to discuss pending or reasonably imminent litigation pursuant to Utah Code Section 52-4-205(1)(a)and(c)
Following the closed door meeting the city council will reconvene in the city council conference room for the remaining work session items.

1.2 DISCUSSION - Dispatch Relationship with Provo City (20 Min)

Presenter: Mike Paraskeeva & Mark Sorenson

1.3 DISCUSSION - Moderate Income Housing Strategies Update (30 min)

Presenter: Grant Allen, Senior Planner

2. AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

The City Council will review the items on the agenda.

3. CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

This is an opportunity for members of the City Council to raise issues of information or concern.

6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

4. CALL TO ORDER

5. INVOCATION/INSPIRATIONAL THOUGHT: Tom Macdonald

6. PLEDGE OF ALLEGIANCE: Tom Macdonald

7. MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL

7.1 ANNUAL REPORT - Arts Council

Presenter: Chair , Nathan Christiansen

8. PERSONAL APPEARANCES – 15 MINUTES

Time has been set aside for the public to express their ideas, concerns, and comments on items not scheduled as public hearings on the Agenda. Those wishing to speak are encouraged to show respect for those who serve the city. Comments should focus on issues concerning the city. Those wishing to speak should have signed in before the beginning of the meeting. (Please limit your

comments to 3 minutes or less.)

9. CONSENT ITEMS

9.1 MOTION - Mayor Pro Tem- January through July 2023

The Mayor and Council will appoint Member Jeff Lambson as Mayor Pro Tem to serve from January through July 2023.

9.2 MOTION - Approval of the 2023 City Council Meeting Schedule

9.3 RESOLUTION - Campus Drive Parking Permit District

9.4 APPROVAL OF MEETING MINUTES

Minutes of the City Council Meeting June 28, 2022

Minutes of the City Council Meeting August 23, 2022

Minutes of the City Council Meeting September 13, 2022

Minutes of the City Council Meeting October 25, 2022

Minutes of the General Election Canvas November 22, 2022

10. SCHEDULED ITEMS

10.1 APPOINTMENT TO BOARDS AND COMMISSIONS - Natural Resource Committee

- Darren Hawkins, Reappointment

Presenter: Mayor Young & Council Members

**10.2 APPOINTMENT TO BOARDS AND COMMISSIONS - Planning Commission
- Helena Kleinlein and Mike Carpenter**

Presenter: Mayor Young & Council Members

10.3 APPOINTMENT TO BOARDS AND COMMISSIONS - Historic Preservation Advisory Commission

Lon Bowen, Devin Peirce, Amber Laursen, Olivia Johnson, Britni Laidler

Presenter: Mayor Young & Council Members

10.4 RESOLUTION - Fiscal Year 2021-2022 Audit Report

The City Manager recommends the City Council, by resolution, accept the Fiscal Year 2021-2022 Audit as presented.

Presenter: Brandon C Nelson, Finance Director & Jon Haderlie CPA's and PC

10.5 PUBLIC HEARING – Amending Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes.

Presenter: Matthew Taylor - Senior Planner

10.6 PUBLIC HEARING/RESOLUTION- Water Conservation Plan

Resolution by The Orem City Council Adopting the 2022 Water Conservation Plan Mandated by the Utah State Code 73-10-32

Presenter: Reed Price

10.7 ITEM - Discussion and vote on a personnel matter

11. COMMUNICATION ITEMS

12. CITY MANAGER INFORMATION ITEMS

This is an opportunity for the City Manager to provide information to the City Council. These items are for information and do not require action by the City Council.

13. ADJOURN

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL CITY COUNCIL MEETINGS.
If you need a special accommodation to participate in the City Council Meetings and Study Sessions, please call the City Recorder's Office at least 3 working days prior to the meeting.
(Voice 801-229-7000)

This agenda is also available on the City's webpage at orem.org

Provo-Orem Dispatch Services Agreement



Review of Objectives

- Reduction of Operational Costs
- Significantly Improve Reliability of Dispatch Services
- Accomplish the Goals of the Utah State Legislature for Improved Communication Services Statewide
- Improving 911 Response Along the Large Common Boundaries Shared by Provo and Orem
- Provide Emergency Communication Specialists with an improved work/life balance



Service Agreement Timeline:

- Drafts have been circulating with discussion and editing.
- Legal team from both Provo and Orem have been heavily involved in the drafting of this agreement with input of city management, police, and fire administrations
- Final draft will be ready for City Council adoption the first meeting in January.
- Provo is preparing a six-month budget for the expanded operation of
- the dispatch center and is working with Orem officials on the implementation of the initial cost sharing arrangement for the balance of FY 2023.



Major Points of Service Agreement:

- The agreement contemplates a 2-3 year term while the two cities finalize a longer term interlocal cooperation agreement.
- Orem dispatchers will become employees of Provo beginning December 25, 2022. The date is the start of a Provo pay period and allows the new Provo employees to be able to start on Provo City insurance benefits on January 1, 2023
- It establishes an advisory board composed of the chief administrators and fire and police chiefs of both cities to make recommendations on budget, policies, operations, and staffing.



Major Points of Service Agreement:

- The agreement addresses the difference between leave and other benefits policies as Orem employees transition to Provo employment and defines how vacation and sick leave balances will be handled with the new employees.
- It defines Orem's contribution to the cost of Provo City facilities and Orem's responsibility to provide consoles, electronic equipment and other related costs.
- It defines the method for cost sharing of the operations budget of the combined dispatch center during the term of the agreement, with 50% of the formula based on the service level population of the two cities and 50% based on 911 center calls for service from the two jurisdictions. Capital expenditures for the combined service will be shared based on service area population only.



Major Points of Service Agreement:

- The agreement pledges Provo's support to Orem's efforts to maintain their public safety answering point (PSAP) license for the duration of the current contract.
- It defines the process for considering any other jurisdiction asking to similarly contract with Provo for dispatch services.



From an operations standpoint, things are going great. We miss the personal interaction we have previously enjoyed with our dispatchers on a day to day basis and look forward to maintaining a great relationship with them.





**CITY OF OREM
CITY COUNCIL
MEETING
DECEMBER 13, 2022**

REQUEST:	MOTION - Mayor Pro Tem- January through July 2023
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:



Jody Bates <jbates@orem.org>

Mayor Pro Tem Information

Dave Young <dave@paragonwealth.com>
To: Jody Bates <jbates@orem.org>

Tue, Jan 18, 2022 at 3:47 PM

Hi Jody,

Just to make this simple lets go with these council members in this order for 6 months each and changing them the week after December 31st and June 30th:

1. ~~Terry Peterson~~ Jan-June
2. ~~Lance Millett~~ July - January 2022
3. Jeff Lambson January -June 2023
4. Dave Spencer July - January 2023
5. Tom McDonald July - January 2023
6. ~~Debbie Lauret~~

Thanks,

Dave Young



Phone: 801-375-2500
Toll Free: 1-800-748-4451
Fax: 801-370-1111

www.paragonwealth.com
www.moneymanagerslive.com

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On Jan 14, 2022, at 12:38 PM, Jody Bates <jbates@orem.org> wrote:

Sorry about that, I should have sent it with my original email.

Here you go

Thanks

Jody



Jody Bates, MMC | City Recorder
56 North State Street | Orem, Utah 84057
jbates@orem.org | (801) 229-7298



On Fri, Jan 14, 2022 at 12:20 PM Dave Young <dave@paragonwealth.com> wrote:

Jody,

Could you send me a copy of the list of those who acted as Mayor Pro Term previously. I would pull it up but it is in my City office right now so I don't have access to it at the moment.

Thanks.

Dave

<signature logo.png>

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On Jan 14, 2022, at 11:50 AM, Jody Bates <jbates@orem.org> wrote:

Mayor,

With the Holiday on Monday I thought I would try and get with you early.

I need the name of the Council Member you would like as Mayor Pro Tem no later than Wednesday in order to get the Agenda done, approved and published by the end of next week.

If you could get that to me I would appreciate it.

Thank you

Jody



Jody Bates, MMC | City Recorder
56 North State Street | Orem, Utah 84057
jbates@orem.org | (801) 229-7298



<2010-Current -- MAYOR PRO TEM.pdf>

MAYOR PRO TEM

Year	January-June	July-December
2010	Margaret Black	Karen McCandless
2011	Brent Sumner	Carl Hernandez
2012	Mary Street	Mark Seastrand
2013	Karen McCandless	Margaret Black
2014	Brent Sumner	Hans Andersen
2015	Tom Macdonald	David Spencer
2016	Mark Seastrand	Brent Sumner
2017	Debby Lauret	Sam Lentz
2018	Tom Macdonald	Mark Seastrand
2019	David Spencer	Brent Sumner
2020	Debby Lauret	Terry Peterson
2021	Jeff Lambson	David Spencer
2022	Terry Peterson	LaNae Millett
2023	Jeff Lambson	Dave Spencer
2024	Tom Macdonald	Debby Lauret



**CITY OF OREM
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MEETING
DECEMBER 13, 2022**

REQUEST:	MOTION - Approval of the 2023 City Council Meeting Schedule
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

City Council Meetings for 2023:

City Council Meetings are typically held the 2nd and 4th Tuesday of each month
(February, July, November and December only host one meeting due to the holidays)

Proposed Date:

January 10, 2023

January 24, 2023

February 28, 2023

March 14, 2023

March 28, 2023

April 11, 2023

April 25, 2023

May 9, 2023

May 23, 2023

June 13, 2023

June 27, 2023

July 11, 2023

August 1, 2023

August 22, 2023

September 12, 2023

September 26, 2023

October 10, 2023

October 24, 2023

November 14, 2022

November 21, 2023

December 12, 2023

Other activities and conferences

April 3rd -7th: ASD Spring Break

April 17th – 21st: ULCT Mid-Year Conference

June 5th – 10th: Summerfest

August 8th: Primary Election
(Election Canvass)

September 30th – October 4th: IMCA Conference
ULCT Fall Conference?

October 19th – 23rd: ASD Fall Break

November 7th – General Election Day

Special Meeting – Canvass of Election



**CITY OF OREM
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DECEMBER 13, 2022**

REQUEST:	RESOLUTION - Campus Drive Parking Permit District
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

RESOLUTION NO. _____

A RESOLUTION REPEALING A RESIDENTIAL PARKING
PERMIT AREA ON CAMPUS DRIVE AND INGLEWOOD
DRIVE NEAR OREM HIGH SCHOOL

WHEREAS the City Council is concerned for the health, safety and welfare of all neighborhoods within the City; and

WHEREAS pursuant to Orem City Code 19-5, the City Council created a residential permit parking area called the Campus Drive Parking District in Resolution R-05-0038; and

WHEREAS construction around Orem High School has affected access, and as a result the residents living in the Campus Drive Parking District have petitioned the Orem City Police Department to repeal the residential parking permit area; and

WHEREAS the City of Orem Police Department has conducted a traffic study and concluded that the Campus Drive Parking District is not needed to prevent nonresidents from inundating the area; and

WHEREAS the City Council has determined that the Campus Drive Parking District no longer serves its purpose; and

WHEREAS a large number of the residents residing in this area are supportive of repealing the Campus Drive Parking District; and

WHEREAS the City Council finds that repealing the designation of this area as a residential parking permit area will be a benefit to the health, safety, peace, morals, comfort, and general welfare of the neighborhood residents residing within this residential parking permit area and meets all other requirements set forth in Orem City Code Article 19-5; and

WHEREAS Orem City Code § 19-5-8 allows the City Council to modify residential parking permit areas after they have been created; and

WHEREAS the City Council has determined that the red-marked streets of the attached City map, which map is incorporated herein and referred to as Exhibit “A”, shall cease to be a residential parking permit area.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH, AS FOLLOWS:

1. The City Council finds that the petitions of the residents in the Campus Drive Parking District and the Orem City Police Department will benefit the City by reducing restrictions on parking where such restrictions are unnecessary and will not negatively affect the health, safety, and general welfare of the City.

2. The City Council hereby repeals the entire residential parking permit area that was created by Resolution R-05-0038, including the red-marked portions of Exhibit “A”.
3. The City Council hereby directs that the signs prohibiting parking in the area be taken down.
4. All acts, orders, resolutions, and ordinances, and parts thereof that are in conflict with this Resolution are hereby rescinded.

PASSED AND APPROVED this ____ day of _____ 2022.

David A. Young, Mayor

ATTEST:

Jody Bates, City Recorder

COUNCILMEMBER	AYE	NAY	ABSTAIN
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Mayor David A. Young	☐	☐	☐
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Jeff Lambson	☐	☐	☐
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Debby Lauret	☐	☐	☐
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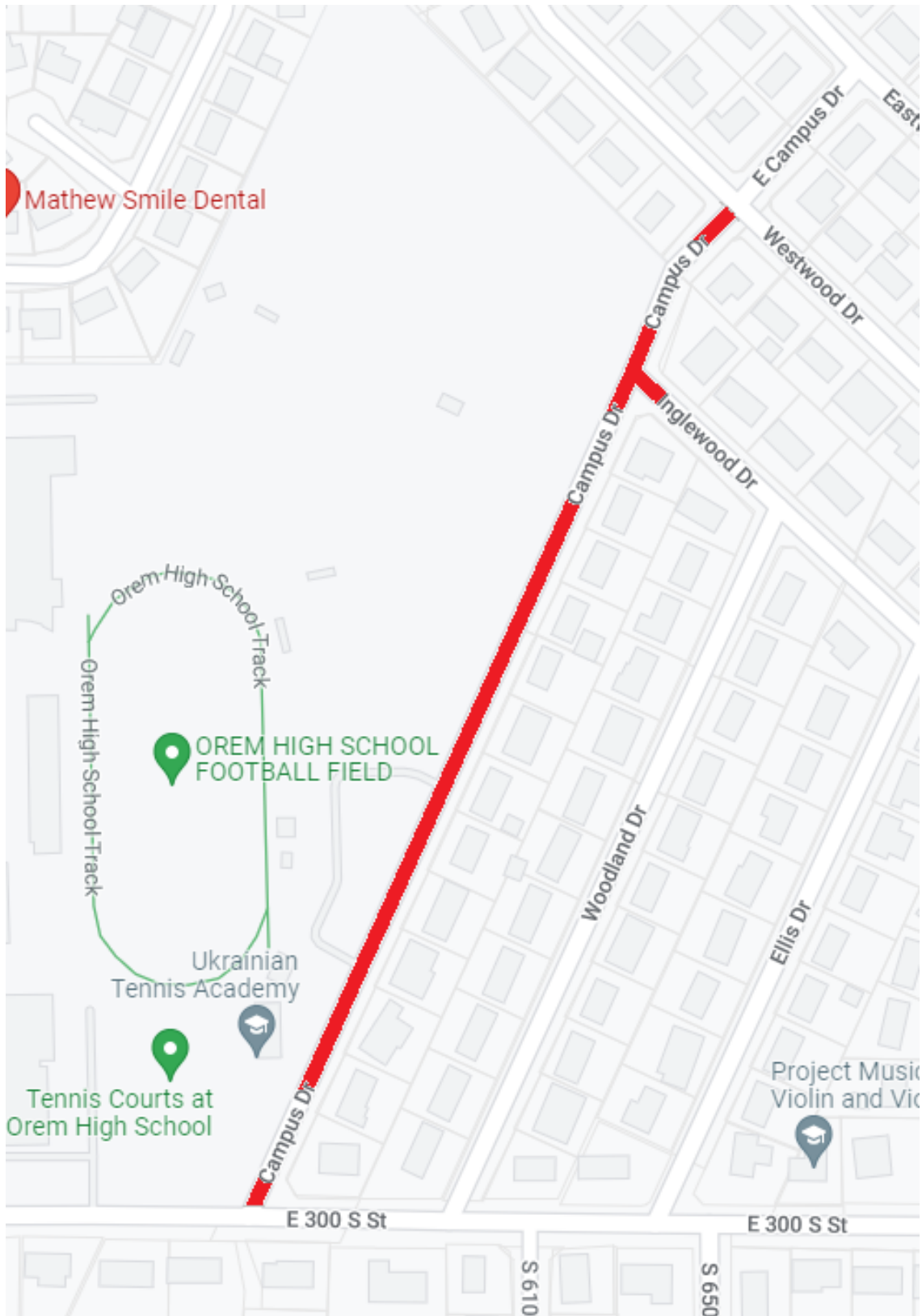
Tom Macdonald	☐	☐	☐
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LaNae Millett	☐	☐	☐
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Terry Peterson	☐	☐	☐
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David Spencer	☐	☐	☐
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EXHIBIT “A”





**CITY OF OREM
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REQUEST:	APPROVAL OF MEETING MINUTES Minutes of the City Council Meeting June 28, 2022 Minutes of the City Council Meeting August 23, 2022 Minutes of the City Council Meeting September 13, 2022 Minutes of the City Council Meeting October 25, 2022 Minutes of the General Election Canvas November 22, 2022
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

DRAFT

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
June 28, 2022

3:30 P.M. WORK SESSION – CITY COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, Tom Macdonald and Debby Lauret.

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and JoD'Ann Bates, City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

DISCUSSION – Economic Development Strategic Plan

Mr. Prescott stated the city’s current Economic Development Strategic Plan was created in 2014 and has guided a lot of what has been done over the last few years. The city has contracted with consultants from Thomas P. Miller and Associates to create a new Economic Development Strategic Plan that will guide the city over the next five to seven years. Mr. Prescott introduced the consultants Thomas P. Miller, Brett Wiler and Aaron Finlay.

Mr. Wiler stated their goal is to give the council an overview of their process and methodology and touch briefly on some of the key themes or key findings and strategic recommendations for the city.

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Aaron Finley reviewed the Scope of Service which includes the following:

- Project launch
 - Visioning Session
 - One-on-One Interviews
- Discovery
 - Document Review
 - Site Visits
 - Quantitative Data Analysis
- SWOT Analysis
 - Priority Stakeholder Engagement Session
- Stakeholder Focus Group
 - Review
 - SWOT
 - First Draft
 - Focus Areas
 - Goals
 - Strategies
 - Tactics
- Final Plan and Presentation

Mr. Finley stated they started out with a quantitative data collection analysis from a variety of sources. They received information from some local sources, they talked to the Utah State Tax Commission, and they also used information from the U.S. Census Bureau, the American Community Survey and a variety of third-party sources. They reviewed over two dozen documents including city budgets, master plans, a variety of studies and agreements many of which were specific to Orem. As mentioned earlier they also did a lot of stakeholder engagement and they had a half dozen focus group site visits

Mr. Wiler stated in those site visits mentioned were members of local business community regional and local stakeholders and several elected and appointed officials as well. They also had multiple sessions seeking feedback on the strategies they are going to review with the council. They have interacted with over 75 individuals connected to Orem.

Mr. Finley presented their High Level Findings which included information regarding population, occupations and residential development.

Mr. Wilder indicated they feel they have concluded a comprehensive discovery phase and revolved their study around the following 4 frameworks: 1) Business Retention and Expansion 2) Business Attraction 3) Entrepreneurship and Innovation 4) Quality of Life. He continued to discuss in depth the areas of focus for each item.

DRAFT

1 Mr. Macdonald inquired who does the work and how does the city get funding for what they
2 have presented. Mr. Wilder indicated they have tried to indicate a champion for each area of
3 focus, but in general the majority would be the city's Economic Development department in
4 conjunction with local, county and state programs. Mr. Prescott indicated there are grants
5 available for organizations, the revolving loan funds and county and state programs along with
6 investors, it's just a matter of getting people in touch with the right opportunity.

8 Mr. Davidson stated one of the other resources is the Federal Economic Development
9 Administration (EDA), they've been very helpful in the past. The City of Orem applied and
10 received federal money for a program called the "Business Resource Center". Although under
11 the umbrella of UVU, the city worked with EDA in cooperation with UVU and then got the
12 Business Resource Center up and running. They continue to have conversations on how we
13 make it better or make it different to meet the needs of today. The City has also created their
14 own Business Alliance. This is a homegrown organization that Mrs. Lewis and Mr. Prescott
15 created in order to connect with local businesses and to provide local businesses with a venue or
16 opportunity to connect on a monthly basis.

18 Mr. Prescott stated he feels through the Orem Business Alliance they have built a strong channel
19 delivering important information to local businesses. He continued to state for example during
20 covid they started sending out information about grant programs and the usage rate of businesses
21 in Orem using those grants was a lot higher than other cities of similar size.

23 Mrs. Lauret inquired if there were specific recommendations as to types of businesses better for
24 Orem or are they more general. Mr. Finley responded that lodging did not appear negative in
25 the leakage report but there are no specifics regarding that industry. They worked more on
26 general approach to retention, attraction, expansion and things of that nature.

28 Mrs. Millett inquired if they found strong relationships with Orem and UVU and the graduating
29 students. Mr. Prescott responded they believe there are a lot of great minds that are graduating
30 UVU and it is always a thought of how they keep them local and how they get them to start their
31 business in Orem. That is something they continue to brainstorm about regarding how they
32 make that connection.

34 Mayor Young stated he feels there seems to be a disconnect between companies and college
35 internship programs. As far as the plan he questioned with the presentation and its framework,
36 and the two people in our Development Department, how do we get prepared? He feels it has to
37 be broken down in terms of priorities and focus on what they have to work with. Mr. Wiler
38 responded in their discovery they spent time really going line item by line item with the team and
39 recognize they were very successful at implementing the 2014 Economic Development Strategic
40 Plan so they have confidence that will occur again. He indicated they have provided an

DRAFT

1 implementation matrix in the plan that will allow some direction in making this plan successful.
2 They believe Orem is doing the right thing and just needs some more ideas.

3
4 Mr. Peterson indicated the city has lost some large business and asked if they took into
5 consideration the change in the current master plan and if any council members were involved.
6 Mr. Prescott indicated they were all invited and updated with various meetings. Mr. Spencer and
7 Mrs. Millett attending the stakeholder's workshop. Many of the Planning Commissioners also
8 attended some of the meetings.

9
10 Mrs. Millett indicated what has been presented is huge and they have got to figure out how to
11 implement this now because they have this new zoning and they want to help these
12 entrepreneurs. The city wants them to know they may have old buildings on State Street and
13 they would love to work with them on how to renovate and help revitalize the area and bring in
14 more jobs. She indicated she has seen the luncheons and they are doing a great job but she is
15 really hoping this plan will give the city additional ideas for the employees to implement. She
16 feels the study can serve as a great foundation for the discussions they need to have as to what
17 they want and how they can implement those changes.

18
19 General discussion ensued regarding various aspects of the study and how they can implement
20 those results with the industry, growth, education, development and build upon those strengths
21 that are already in place and look for those emerging industries in the City of Orem.

22
23 Mr. Davidson stated he feels the study serves as a great tool to refine the path they want to take
24 with the new State Street Master Plan changes.

25
26 Mayor Young commented he likes the plan and would like to see it focused with State Street and
27 identify the inventory and proactively going out and bringing in new business to Orem.

DISCUSSION – Fraud Risk Assessment

28
29
30
31
32 Mr. Nelson stated this is a requirement of the State Auditor's office that is required to be brought
33 before the council each year. He reviewed each area and identified where in either policies,
34 procedures or ordinances that the city has something already in place and is followed in relation
35 to each one of those items and any areas that the city needs to work on. He indicated there were
36 three areas they can address that can result in a lower rating which is their ultimate goal. He
37 continued to discuss those items which are as follows:

38
39 1) *Have all governing body members' complete entity specific online training at*
40 *training.auditor.utah.gov within four years of term appointment/election day.* Mr. Nelson

DRAFT

1 indicated they will provide the council with the link and the council will need to take that
2 training and provide the certificate of completion to the City.

3
4 2) *All employees and elected officials required to annually commit in writing to abide by a*
5 *statement of ethical behavior?* Mr. Nelson indicated he felt this was something they could
6 definitely do and over the next fiscal year be looking at ways to have that in place.

7
8 3) *Does the entity have a formal internal audit function?* Mr. Nelson stated this requires the city
9 to have a certain employee whose only responsibility is to in essence continually audit the
10 functions of the city and they report directly to city management and or to in our case would be
11 either the audit committee or the whole council. He stated he does not feel this is a necessary
12 element and will find that in most cities this is not done. The City usually hires an independent
13 audit firm to come in and do one of these internal audits on a regular basis.

14
15 General discussion ensued regarding the need for some of the regulations and if some of them
16 are really necessary and would make that big of a difference. Clarification as to other companies
17 and the city that does training on a regular basis and if nothing else it makes you think about
18 things a little more. Further discussion continued regarding the definition of a formal audit
19 function versus the audit functions of the city finance department.

20
21 Mr. Nelson stated this assessment started with small Special Service Districts and smaller towns
22 and cities because they didn't have any idea what made up a good internal control structure. The
23 State Auditor's office as they worked with those entities created this and it grew from there. He
24 feels it is a good idea for any board or elected body to at least have an understanding and have
25 the people who are in charge of finance express to them "yes we are meeting those requirements"
26 and send the information to the State Auditor's Office. This is just to make them aware of where
27 the city is and their intent in the future to address some of these issues.

28 29 30 DISCUSSION – Utah State Retirement Contributions Amendment

31
32 Mrs. Rugg stated there are 2 tiers in the Utah State Retirement System. Most new employees are
33 tier 2; those hired before July 1, 2011 are in tier 1. With USR making changes to enhance the
34 tier 2 specifically for Public Safety and Fire, it required employees to pick up a portion of the
35 contribution which was 2.27%. At the time the city had built that difference into the budget in
36 order for the city to cover those costs instead of the employee. In 2022 the increase to the
37 employee piece went up to 2.59%. What the city is proposing is that they also pick up that
38 additional percent and the retirement systems require this be done by Resolution. This addition
39 has already been placed in the upcoming budget so this is just formalizing that addition.

DRAFT

DISCUSSION – Public Outreach Consideration for the School District Study

Mayor Young indicated he had asked this item be of discussion regarding how the council would like to proceed with public outreach regarding the school district study. He indicated the study will be released and presented to the City Council on July 12th, and there will be no draft prior to that presentation. He stated the consultants will make a formal presentation during the July 12th City Council meeting.

Mr. Davidson stated he feels the interest in the plan will be more than what the Council Chambers can accommodate and feels that it may be appropriate to hold the meeting in the Library Hall.

Mayor Young indicated there has been some discussions regarding the need for further outreach after the initial presentation. It had been discussed to hold meetings over the next 3 weeks following the July 12th City Council meeting in order for the consultants to present the plan and answer any question residents have that are not answered at the City Council meeting. Due to notification deadlines on getting information to the County for the ballot and other notification the City Council will meet on August 2nd in order to vote to put the item on the ballot or not.

General discussion continued regarding the various notifications that are required by law in order to move this item forward on the ballot and resident notification. Further discussion continued regarding the time frame of the meetings, an outline of the public meetings, possible ways to receive, review and submit questions and even possible space for the consultants to address the public with it being more of an open house setting. Having the meetings recorded for later easy access. Possibly setting up some feedback portals either at the meetings or online. Making all comments available to the public and how the meeting would proceed with a moderator.

There was a general consensus to hold 3 outreach public meetings on July 13th, 19th and 28th located at the Library City Hall from 7-9 pm.

DISCUSSION – Development Review Committee Process Revisions

Mr. Bench stated this is to update the council on the process the Development Services has made to improve and ensure applications are complete prior to acceptance. He then reviewed the changes made to the following applications and committees:

- DRC (Design Review Committee) Application
- Technical Design Review Committee Meeting, now Technical Coordination Meeting

DRAFT

- Policy Design Review Committee meeting now Monday Coordination Meeting
- Design Review Committee Meeting – applications are not deemed complete until it is DRC approved. These are legally noticed as a public meeting.

Mrs. Millett inquired if this is the vesting point. Mr. Earl responded that basically an application is complete when they have submitted all of the elements that are required by ordinance for an application and feels this is something that may need to be discussed further.

Mr. Clark responded indicating that there may be an item on the checklist that staff deems is not necessary due to the type of application the formal motion at the Develop Design Review Committee meeting is when the city basically says we don't need that item at this time, and it would be deemed complete at that point.

Mr. Peterson stated that due to the current situations with pending litigation he feels the council should table this discussion until a later date.

Mr. Clark apologized, it was his understanding that the issue was taken care of and they were moving forward as directed. Mr. Earl responded that he understood where they were going with the discussion and felt they were discussing mostly technical details that are handled internally.

Mr. Davidson inquired if an applicant came to the Design Review Committee but they may still have outstanding red lines and they may have questions tied to let's say a traffic stop, do all red lines need to be resolved and all issues including issues associated with traffic strength need to be resolved before it can come to Design Review Committee for final approval.

Mr. Bench responded that 99% would but there might be a minor exception. The Technical and Policy Design Review Committee meetings are where they work out all the issues so that when it does go to DRC it is complete, if not they would need to come back the following week and revisit with DRC.

Mr. Davidson suggested at this time to follow the suggestion of Mr. Peterson and continue the discussion offline.

DISCUSSION – Parking Proximity Ordinance

Mr. Earl stated he was approached by Council members Millett and Lauret regarding a new ordinance requiring a parking or residential developments which are developed with attached residential unit's not single-family homes. The idea was to consider a policy that requires parking stalls within a certain distance of the unit that they serve as well as requiring an assignment of parking stalls for the exclusive use of individual residential units. He felt the

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1 concern was trying to enhance safety for residents of dwellings, with the idea that the less
2 distance they had to walk particularly late at night the safer they're likely to feel and making it a
3 little bit easier for those people with mobility issues. They have come up with a draft language
4 to be included in the city's general parking ordinance that created two additional proposed
5 subsections. The first one requires an assignment of essentially two parking stalls for each
6 residential unit. This would be for their exclusive use and would have some official designation.
7 The second part is the proximity aspect of it requiring that parking be located within 175 feet of
8 the unit that it serves. This is merely to get the discussion moving and see if this is something
9 the council would like to address or not.

10
11 Mr. Clark responded that he has some concerns due to a lot of developments that will center a
12 green space around the buildings or a clubhouse. He feels that one of the consequences is this
13 may force developers to surround the buildings with parking lots on all four sides so then you're
14 going to have your green spaces away from the buildings. He feels you would not be creating an
15 enjoyable development. They are going to be isolated or they are going to have to cross parking
16 lots to get to the play areas. Another potential unintended consequence is it takes away a little
17 bit of flexibility from an apartment manager. An apartment manager that's rented out to one
18 person you only have one vehicle and if you're requiring two stalls to be assigned to that unit
19 you're effectively wasting a stall that nobody else can use. An apartment manager could have
20 flexibility to assign the use of these stalls out on a needed basis depending on the tenants. He
21 concluded he feels it would work with townhomes but stacked apartments make it more difficult.
22 There are definitely some pros to it yet there are also some cons.

23
24 Mr. Millett stated it was their intent to create security and safety and equal treatment for
25 apartment dwellers, the same as single family dwellings.

26
27 Mr. Macdonald asked if any other communities have something like this. Mr. Earl indicated they
28 have not looked into other cities regulations regarding this issue.

29
30 General discussion ensued regarding possible unintended circumstances, promoting better
31 planning from developers, nicer looking landscapes and what possibly can and cannot work.

32
33 Mr. Spencer suggested the city look into the issue a little further to see if there are unintended
34 circumstances and keep safety in mind.

AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

35
36
37
38 The City Council reviewed the evening's agenda and discussion ensued regarding the scheduled
39 items that would be considered.

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CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

Mrs. Lauret inquired regarding the status of the utility boxes and the artist's coverings. Mrs. Crozier responded that Mr. Prescott has published a website where art submissions from local artists can be collected. The Arts council will then review them and work with a local contractor to apply them to the boxes. The City does not own the art piece the artist can still sell and reproduce their art. She concluded by stating the city can do about 30 boxes.

Mr. Davidson reported the following to the City Council:

- The City has a new electronic timekeeping system for all city employees. They are greatly appreciative of IT staff for the time they took to make this possible.
- Congressman Curtis has included a three million dollar appropriation into the Environmental Protection Agency budget for water reuse. The city is really appreciative of him due to the fact that in the last month the city had an 18 million dollar project and only about 9 million to do the project. Within the last month and thanks to the efforts of many we are very excited about having 10 million dollars for that 18 million dollar project. It still has to go through a reconciliation process but they are on the right track.
- The drilling has begun and he will keep the council updated as to what they find.
- There is an issue regarding residents that have an interest in a street not being a through street but instead doing two cul-de-sacs. It is the preference of the city to have the street go through due to utility services, public safety access and based on the city code. The cul-de-sac would take more square footage and funds on the resident's part in order to do so. He will keep the council updated on the progress.

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6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, Terry Peterson, LaNae Millett, Jeff Lambson, Debby Lauret, and Tom Macdonald

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and JoD'Ann Bates, City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT – Jim Lauret

PLEDGE OF ALLEGIANCE – Blaine Blad

MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL

The Mayor had no reports at this time.

PERSONAL APPEARANCES

John Barrick, Orem resident, stated he was grateful for the City Council taking up the Orem feasibility study with the Alpine School District (ASD). He stated he would like to talk about property taxes within the ASD that Orem residents pay. He shared some slides which included an example from page 169 of the current year ASD budget that indicated property values constant at \$370 thousand dollars. They actually show that over a five-year period that taxes went down \$77 dollars. The second slide shows the actual impact on an Orem taxpayer. What he did was take Zillow and took the average Orem home over that period \$291k, in 2018, \$322k in 2019, \$336k in 2020, \$337k in 2021 and \$494k at the beginning of 2022 property values have gone up. He did the same math that the ASD did in their example and this shows a property tax change in the same time period which is a 24.7% tax increase. He feels it's a little bit of sleight

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1 of hand due to the consistent tax increases. This is the reason the Utah State Legislature passed a
2 law called Truth and Taxation. The proposed bond will increase another \$105. He continued to
3 review his information that represents Orem residents have paid \$570 million dollars in property
4 taxes since 2009. Indicating that not all of those property taxes would have gone to build schools
5 because 55% of those property taxes go to the general fund, but it would allow them to pay
6 teachers more and decrease class sizes in the Orem School District. ASD in their budget on page
7 185 shows that they are raising class sizes in fourth, fifth and sixth grades to 31 and it says next
8 to that actual class sizes may be higher because they count all teachers not just teachers who are
9 teaching in their calculations. He concluded by thanking the council for the courage to take the
10 feasibility study and he is looking forward to seeing it.

11
12 Ben Wheeler, Orem resident, stated that based on Mr. Barrick information you can see that Eagle
13 Mountain is the only city that has a windfall. He feels Lehi and Orem are paying more in taxes
14 than they are receiving back in services. He commented that an online group is being very
15 active in regards to talking about teacher benefits, teacher pay and special education that will not
16 be better in an Orem School District and he challenged them to think that the people in this
17 building will do a much better job than what's happening today in the ASD. He continued to
18 state he is very proud of what the City Council is doing by standing up for what he believes,
19 which is control of our schools and our destiny. He continued to thank the City Council and the
20 Orem Library for taking the opportunity to move the pride exhibit out of the children's section
21 and put it into the adult section.

22
23 Kade Kidd, Orem resident, asked his friends and neighbors to stand so the council may see who
24 he represents. He continued to state he stands with his friends and neighbors because they found
25 out this week that a home in their neighborhood had been purchased by a company called
26 Heritage Behavioral Health Incorporated. They were all surprised to find out that this is a
27 business that has purchased other homes and uses them as transitional homes. They were not
28 aware that this was something that could happen. They are concerned with the unknown of who
29 the tenants are that would be allowed to reside in the home. They are parents and grandparents
30 of children in this neighborhood, many of which live in very close proximity to the home in
31 question and are concerned for the safety of their neighborhood. They recognize that facilities
32 are necessary to treat those that are in need and support that effort but struggle to see why it
33 should be done in a residential area. They are aware that federal law permits the use of this
34 home as a group home however, they would like to understand the permit process. He stated
35 their hope is to raise their concerns and let the council know that they would like to work with
36 the City Council in an effort to find out more information on the intended use of this home and
37 the impacts on its community. He concluded to state that most of, but not all of the council
38 included in their election campaigns the need to preserve Orem neighborhoods. He stated it was
39 their hope that the council would do all they can to help preserve this neighborhood in this
40 current troubling situation.

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1 Jill Barrick, Orem resident, stated she lives in the Northridge Elementary school boundaries and
2 would like to speak out about the educational concerns at Northridge Elementary. She indicated
3 that Northridge is exposing its students to unbelievable noises namely that of a jack hammer.
4 During school hours the aroma was strong and the noise was loud throughout the entire school
5 and into the parking lot outside. There were no perimeter barriers to prevent injury with children
6 wrapping coats around their heads to muffle the noise. The water was turned off all day in
7 January and February with the encouragement to students to “hold your potty”. ASD refused to
8 send a team of nurses to check the children's hearing afterwards. Northridge was once ranked
9 46 in the state in 2011. By 2017 they took a sharp nose dive to 335th. Northridge only has a part-
10 time PE, and lacks in music, art, stem, dance, drama and other creative needs. This fall
11 Northridge will host class sizes in the mid 30’s. She concluded that ASD owns this mess and a
12 local school district would mean accountability which ASD is refusing to give parents and
13 students. She thanked the council for commissioning a feasibility study that gives parents hope
14 that they can be heard and their money can stay local.

15
16 Cissy Rasmussen Orem resident stated her kids have been going to public schools for 17 years
17 and they will be in them for the next 10 years. She indicated she is very invested in the future of
18 the schools and is experienced in the past realities of Orem schools. She extended an invitation
19 to the City Council and to Orem residents to a Facebook group that she and her friends started.
20 They have been trying to understand the feasibility study information and trying to spread
21 awareness about this issue. This Facebook page is a body of parents and other interested
22 members of the Orem community committed to a thoughtful and honest appraisal of Orem’s only
23 school district. They believe that Orem schools student’s teachers and residents are best served
24 by staying with ASD. She understands that some disagree with that assessment but she has been
25 in those meetings and even seen a vote taken and the overwhelming majority of the people in
26 PTA and School Community Council meetings do not support an Orem school district. She feels
27 teachers and parents have serious concerns. She stated these are their constituents too and hope
28 they will take a moment and read their comments. She continued stating that there are other
29 sources of income which make up the vast majority of the budget for Orem schools. They have
30 based that on data that is publicly available through ASD. She concluded stating she wanted to
31 appear and invite all to be a part of the conversation and ask the council to listen to all their
32 constituents.

33
34 Heidi Clark Orem resident indicated that one of the things she always valued about the
35 community is that the police department has always seemed invested in keeping the community
36 safe and informed. They use social media to keep the community informed of things that are of
37 particular interest and they take measures like crosswalk stings to keep us safe. This is why she
38 was surprised and saddened by the radio silence after an armed police officer hit a pedestrian
39 who was in the crosswalk, crossing with the signal at 11:29am on the morning of June 16th. The
40 officer was making a left turn onto Center Street from Garden Park. This is the intersection at

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the corner of Wendy's and the post office in front of Target. She stated the intersection had its protected left turns removed a few years ago. The officer was the lead car of the traffic light followed by a white Tesla followed by herself. She indicated she could clearly see the older woman waiting to cross. As she waited she wondered if she would have to wait for an extra cycle. The light turned green and the woman got the signal that it was safe to cross. After all of the pedestrian stings covering exactly this issue, the officer just went. The woman was in the second lane when she was hit. It has been crickets from the Orem Police Department. She stated she would like the city's police force to be more transparent than this. She would also like the city to reconsider the protected left turns at that intersection.

Shauna Mecham, Orem resident, stated that about six months ago the council created the position of Director of Legislative Council for a 6 month period. She believes that term is up soon and by nature of the position this attorney isn't in direct contact with staff nor citizens and she believes this has led to some poor advice in three specific instances. 1) *The State Street Master Plan*. Good advice would have been people have concerns, let's peg down exactly what they're worried about and see if we can work together to alter what you chose to do. Instead it was to remove the plan entirely which has led to some consternation in your partner agencies, with staff and with anyone who was involved in the five years and five hundred thousand dollars it took to create that plan. 2) *Planning Commission*. She indicated this is a little personal but apparently the council was worried the Planning Commission might somehow abort the State Street Master Plan change. Good advice would have been we don't see any evidence that the Planning Commission's going to do that and if they do something wrong, request their removal. The council does not have to take their advice anyway. What you chose to do instead was remove power from the City Manager and switch out those who had any support for the State Street Master Plan with those who thought the way you did which has eroded trust between your past present and potential citizen volunteers that they won't be similarly dismissed if they disagree with you. 3) *Alpine School District*. Good advice, yes the district does look big. Let's get together with ASD, let's have some public meetings to get everyone answering questions together. Perhaps we can even do a joint study and get a target date so our citizens are working for the date to split from ASD. Instead the council chose to go it alone which has led to some awkward grammar requests that she feels could have been avoided if entities were working more closely together. She concluded that she feels the Director of Legislative Council has moved the council down roads that have created unnecessary discord. It's not too late to seek better advice and it's not too late to rebuild some of that trust.

CONSENT ITEMS

- RESOLUTION – Authorize the City of Orem's Participation in the Utah Valley HOME Consortium

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- 1 • MOTION – Mayor Pro Tem - July through December 2022
2 The Mayor and Council will appoint Council Member LaNae Millett as Mayor Pro Tem
3 to serve from July through December 2022
- 4 • RESOLUTION - Utah State Retirement Contribution Amendment

5
6 **Mr. Macdonald moved** to approve the Consent Items as listed. **Mr. Lambson seconded** the
7 motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff
8 Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

9 10 11 SCHEDULED ITEMS

12 13 ORDINANCE - Amending Chapter 23 of the Orem City Code for Storm Water Utility

14
15 Mr. Price indicated Chapter 23 of the Code of Ordinances, which addresses the Storm Water
16 Utility has been updated to clarify language, address deficiencies and to come into compliance
17 with new regulations. Basic changes include clarification of some definitions, fixing basic
18 grammatical errors, adding and updating hyperlinks, removing references to gender as it applies
19 to titles, changing employee titles, reformatting some areas to consolidate space, and delete some
20 sections that were unnecessarily repetitive. More extensive changes include adding a new \$1,000
21 bond to ensure property owners continue to comply with storm water regulations after
22 construction is completed and before landscaping is installed. Requirements were also added to
23 the Long Term Storm Water Management Plan section to require the developer to complete a
24 questionnaire during the planning process to assist in the review of plans, and to provide a map
25 as part of final approval showing locations of site improvements designed to control and treat
26 storm water. Finally, a retrofitting plan will require redeveloped properties larger than one acre
27 as well as established properties that adversely impact storm water quality, to come into
28 compliance with measures to manage and protect storm water.

29
30 **Mrs. Lauret moved** to approve the Ordinance Amending Chapter 23 of the Orem City Code
31 for Storm Water Utility. **Mrs. Millett seconded** the motion. Those voting aye: David A. Young,
32 David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae
33 Millett. The motion **passed**.

34 35 36 ORDINANCE / PUBLIC HEARING – Amending Fiscal Year 2021-2022 Budget

37
38 Mr. Nelson stated the Fiscal Year 2021-2022 City of Orem budget has many adjustments that
39 occur throughout the fiscal year. These adjustments include grants received from federal, state,
40 and other governmental or private entities or organizations; appropriating reserves in the General

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1 Fund and transferring them to the Capital Projects Fund in order to meet state legal compliance
2 requirements regarding maximum General Fund balance as well as providing various project
3 funding; and Senior Citizen Fund partially funding a new bus due to price increases.

4
5 Mayor Young opened the public hearing at 6:44 pm.

6 Hearing no comments, the Mayor closed the public hearing and brought the item back to the
7 Council for further discussion.

8
9 **Mrs. Millett moved** to approve the Ordinance Amending Fiscal Year 2021-2022 Budget as
10 proposed. **Mr. Macdonald seconded** the motion. Those voting aye: David A. Young, David
11 Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The
12 motion **passed**.

13 14 15 CITY MANAGER INFORMATION ITEMS

16 There were no City Manager items at this time.

17 18 19 COMMUNICATION ITEMS

20 There were no communication items at this time.

21 22 23 ADJOURNMENT INTO A CLOSED MEETING

24
25 **Mayor Young moved** to a closed meeting to be held in Conference Room #107, Orem City
26 Hall, 56 North State Street, Orem Utah to discuss "the character, professional competence, or
27 physical or mental health of an individual", pursuant to Utah Code Section 52-4-205(1)(a). **Mrs.**
28 **Lauret seconded** the motion. Those voting aye: David A. Young, David Spencer, Jeff Lambson,
29 Terry Peterson, Debby Lauret, Tom Macdonald, and LaNae Millett. The motion **passed**.

30 The meeting adjourned at 6:46 pm.

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
August 23, 2022

3:00 P.M. WORK SESSION - CITY COUNCIL CONFERENCE ROOM

CONDUCTING Mayor David A. Young

ELECTED OFFICIALS David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, Tom Macdonald, Debby Lauret, and Tom Macdonald

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; Jason Bench, Planning Division Manager; and Tess Jones, Deputy City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

PRESENTATION – United Way Community Assessment

Bill Hulterstom from the United Way introduced himself as being in the business for 7 years. The main topic that he focused on was:

- *Growth has dominated public discourse
- *Pandemic-related debates have been at the forefront

Fear that forgetting of young children has been one of the communities’ top concerns. He showed a graph of what the most significant issues in Utah County are, how significant of a problem the issues where, and how depression has increased over the past few years. He stated that Utah County is expected to exceed 1,000,000 people in the next 20 years and went reviewed information in his presentation that showed median age in Utah County contribution.

1 He stated that the average family size is decreasing and the median age remains low in Utah
2 County.

3 Three factors contributing to housing shortage:

4 *Since 2015, number of 25–34-year-olds in workforce increased by 12,000

5 *Since 2010, number of workers who've never been married increased by 35,000

6 *Since 2010, median age at first marriage increased by 1+ year

7 After showing some factors he explained the median area of income that can qualify to purchase
8 a home in Utah County and the dominance of young families/young singles in the area.

9 He then explained the neighborhood attachments and what creates good communities:

10 -Neighborhood attachments the emotional connect to physical and social environments

11 -These ties are social bonds, and are the basis of social capital.

12 He explained the benefits of the neighborhood attachments and what it looks like in Utah
13 County.

14 He then inquired the City Council as to their opinions. General discussion continued regarding
15 their opinions as to what they believe is the reason for Utah County's issues with Neighborhood
16 attachments. Mr. Hultstrom reviewed some things that a community can do in order to better
17 connect with children. He would like the council to be thinking of the children and the
18 meaningful relationships that they have.

21 PRESENTATION – Alpine Aqueduct Project

23 Mr. Whimpey, Chief Engineer with Central Utah Water explained their responsibility in the
24 project. He showed a map of the water district facilities and how it works.

25 He spoke about the Alpine Aqueduct Reach 1, and where it was located at. He stated that some
26 of the aqueducts are under stressful infrastructure, and are susceptible to earthquakes. He showed
27 photos of landslides that have occurred over the years and where those slides were. He indicated
28 they are pursuing funding through property taxes. After experiments and testing they have
29 decided to go around the landslide for the new pipeline instead of in the landslide. He explained
30 the coordination that would take place during possible construction.

32 Ms. Sutherland, Environmental Programs Manager with Central Utah Water spoke about the
33 National Environmental Policy Act. She informed the council of some dates and different
34 meetings that they have held to address community concerns. She discussed some preferred
35 alternative variations and some pros and cons of what each construction option would be. She
36 reviewed the Draft Environmental Assessment and some next steps that would be taken.

38 General discussion ensued regarding why they have chosen the alternative routes that they
39 decided to take and what has been done to assure that these are the best options.

1 PRESENTATION – Pretreatment Ordinance and Local Limit Changes

2
3 Mr. Price, Assistant Public Works Director explained to the council the pretreatment plan and
4 pretreatment program that is required.

5 Pretreatment plan includes:

6 *A federally required program used to control and reduce the number of pollutants
7 released into the environment.

8 -Regulates pollutants from industrial users

9 -Residences are not regulated under this code.

10 *Designed to protect Publicly Owned Treatment Works (POTWs) and the collection
11 systems.

12 *Simply stated: The program reduces pollution at the source, protecting the environment
13 and extending the life of Orem's infrastructure.

14
15 The city would like to propose:

16 *A stand-alone pretreatment ordinance for the city.

17 *Updated Local Limits.

18
19 Mr. Price explained the pros and cons of the current format and what the concerns or questions
20 may be when changing. He defined local limits, and what they do to protect the public and how
21 they are developed. He explained what some of the pollutants are and the effects that they can
22 have on the environment. He continued with what the current local limits are and what the
23 proposed local limits can be. Mr. Price concluded by stating some of the effects of local limits on
24 industry and some next steps for today and for later.

25
26 Hearing no comments from the council Mayor Young stated that they move forward.

27
28
29 PRESENTATION – Inter-local agreement with Utah County for the construction of
30 improvements at 1600 North 400 East

31
32 Sam Kelley, City Engineer reviewed an image of the intersection currently and then showed
33 images of the proposed improvement. He explained that the plan is to improve pedestrian and
34 vehicle circulation. They currently have the funds available and he would like to enter into an
35 agreement with the county. They discussed the use of a consultant to look at other options
36 because the roundabout may not be the best option.

37
38 Hearing no comments from the council, Mayor Young stated they were to move forward.

1 DISCUSSION – Proposed amendments to the Orem General Plan pertaining to
2 complying with State Code requirements as outlined in HB 4652 approve in the 2022
3 legislative session

4
5 Jason Bench, Planning Division Manager reviewed an overview and background of SB34. He
6 discussed some of the changes of HB 462, and reviewed of the highlights which include:

- 7 *Clarifies Moderate Income Housing (MIH) requirement and timing to amend the
- 8 General Plan (By October 1, 2022)
- 9 *Requires the inclusion of an implementation plan to bring the MIH element to life.
- 10 *Amends the lists of strategies to use (24 strategies)
- 11 *Outlines the annual reporting requirement (By October 1, 2022)
- 12 *Adds priority incentives/restrictions for compliance with the MIH requirement.

13
14 Mr. Bench listed some priority incentives and restrictions and reviewed some projects using
15 Transportation Investment Funds. The city is proposing amending chapter 4 (Housing) of
16 General Plan to adopt a minimum of 4 strategies to comply with State Law, and update the
17 Demographics and Housing Gap analysis for Moderate Income Housing in Orem.

18
19 Mayor Young asked if there were any strategies that would help upgrade older neighborhoods
20 that are in disrepair. Mr. Bench continued to review some recommended strategies that they have
21 in doing this proposal, and explained what they would consist of. He then reviewed a General
22 Plan Map Amendment proposal next to the existing situation and explained the next steps and
23 indicated there is a deadline of October 1, 2022. Mr. Bench concluded by notifying the council
24 of the following dates they are proposing for the changes to be made.

25
26 Mrs. Lauret clarified that it is still keeping the beautification components. He said that it has
27 nothing to do with the zoning because we are simply taking this general plan and then coming
28 back with the city council on the 13th.

- 29 * Planning Commission Discussion: September 7, 2022
- 30 *City Council Discussion (Final Draft): September 13, 2022
- 31 *Public Hearing- Planning Commission- September 21, 2022
- 32 *Public Hearing- City Council- September 27, 2022

33
34
35 AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

36 The City Council reviewed the evening's agenda and discussion ensued regarding the scheduled
37 items that would be considered.

38
39 Mr. Spencer reviewed the boards and commissions in which he serves on and updated the
40 Council on their happenings. This included updates on the Senior Center and their lunches with

1 funding. The Beautification Commission and working with Reed Price. They are handing out
2 awards for the best yard; best holiday décor and they are working with recognizing the citizens
3 for conserving water use. They are going to build a swim wall to help the UV rays for the swim
4 club and they are going to build a wall with lights for the soccer fields at lake side so that they
5 can use the field in the dark. They are hoping to update the lights and the artificial turf to
6 improve all fields and parking on the north field at Lake Side Park.

7
8 Mrs. Lauret clarified that Care funds are being used to put in the lights. Mr. Davidson stated
9 they have meetings in October with Commissioner Lee to make an application for funds.

10
11 Mrs. Lauret inquired if the city is profiting off of restaurant tax. Mr. Davidson responded that
12 Orem is profiting more than two million dollars a year

1 **6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS**

2
3 **CONDUCTING**

Mayor David A. Young

4
5 **ELECTED OFFICIALS**

David Spencer, Terry Peterson, LaNae Millett, Jeff
Lambson, Tom Macdonald, Debby Lauret, and Tom
Macdonald

8
9 **APPOINTED STAFF**

Jamie Davidson, City Manager; Brenn Bybee, Assistant
City Manager; Steven Downs, Deputy City Manager;
Joshua Adams, Police Chief; Ryan Clark, Development
Services Director; Charlene Crozier, Library Director;
Steve Earl, Deputy City Attorney; Chris Tschirki, Public
Works Director;
Brandon Nelson, Finance Director; Bryce Merrill,
Recreation Director; Keri Rugg, HR Director; Mark
Sanderson, Fire Chief; Jason Bench, Planning Division
Manager; and Tess Jones, Deputy City Recorder

19
20 **ELECTRONIC PARTICIPATION**

21
22
23 **CALL TO ORDER**

24
25 **INVOCATION / INSPIRATIONAL THOUGHT – Don Wallace**

26 **PLEDGE OF ALLEGIANCE – Joan Wallace**

27
28 **PERSONAL APPEARANCES**

29
30 Blydan Lounsack spoke about forming an Orem school district. As a former teacher he feels he
31 brings a very unique experience. He believes that he has a good perspective as to why a smaller
32 district is better

- 33 • Have the ability to be more Intune and personal with students and teachers
- 34 • Provide the ability to have more control over curriculum
- 35 • Orem funds will stay in an Orem only district.

36
37 Cindy Neilson commented about the parking permit in the Springwater area or Orem. She
38 stated that because the City Council and Mayor approved the apartments with insufficient
39 parking that they follow up with making sure there is enough parking for their structure.

1 Lesli Havili spoke about licensing agreement that she does not believe should apply to her
2 because she has family currently living in the home not renters. She would like to have the
3 property late fee and the licensing fee waived. Mr. Davidson asked her to speak with Steven
4 Downs outside of the council chambers to help resolve the issue.
5

6 Murry Low commented regarding The Greens apartments. He would like the students to not
7 be able to live there because there are no rules, he said that the students at UVU do not live in
8 a natural and safe environment. He is wondering if there is something that the city can do
9 about the living situation. He would encourage them to find somebody to influence the
10 situation.
11

12 Scott Hendricks commented regarding the parking permit on Springwater. He feels the City
13 Code does not require enough parking stalls for the number of residents. voiced his
14 frustration in the current parking situation. He stated that most students are going to have
15 vehicles and there is not enough parking for all of them. He would like developers to be
16 required to provide more parking.
17

18 **CONSENT ITEMS**

19

- 20 ● RESOLUTION – Parking Permits for Springwater Neighborhood
- 21 ● RESOLUTION – Amending Late Fee Schedule for Violations for Civic Infractions
- 22 ● RESOLUTION – Inter-local Agreement with Utah County for the construction of
23 improvements at 1600 North and 400 East
24

25 **Tom Macdonald moved** to approval the consent items as presented. **Debbie Lauret seconded**
26 the motion. Those voting yes: David A. Young, David Spencer, Debby Lauret, Tom Macdonald,
27 Jeff Lambson, and Terry Peterson. The motion **passed**.
28

29 **SCHEDULED ITEMS**

30

31 APPOINTMENTS TO BOARD AND COMMISIONS

32

- 33 ● Transportation Advisory Board
- 34 ○ Marlan Coe, Appointed
- 35 ○ Kathleen Turner, Appointed
36
37

38 **Jeff Lambson moved** to appoint Marlan Coe and Kathleen Turner to the Transportation
39 Advisory Board. **Tom Macdonald seconded** the motion. Those voting yes: David A. Young,

David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, and Terry Peterson. The motion passed.

PUBLIC HEARING / RESOLUTION – Economic Development Strategic Plan

Mrs. Lewis stated The General Plan is a written guide for the future development of the City and Chapter 5 of that Plan discusses economics. This chapter currently describes the City’s intent to maintain a healthy working relationship with the Economic Development Division in order to achieve the most desirable results in economic development pursuits.

In 2015, the Economic Development Division (EDD) created a new Economic Development Strategic Plan (EDSP), which has served as a guide for the City of Orem's economic development for the past seven years. Over the past year, 2021 - 2022, a full comprehensive update of the EDSP was completed in conjunction with the consulting firm, Thomas P. Miller and Associates. The EDSP is a guide for economic development for the City of Orem for the next five to ten years. The City of Orem Planning Commission considered the subject application at public meetings and recommended approval of the amendment of Chapter 5, Economics, of the Orem General Plan and approval of the EDSP with the following revisions: The Planning Commission recommends that the City Council amend Chapter 5 (Economics) and Appendix E (Economic Development Strategic Plan) of the Orem General Plan with the following modifications:

- Add the following language to the beginning of Appendix E: “Pursuant to Orem City Code Section 22-1-10, the Economic Development Strategic Plan, as part of the Orem General Plan shall serve as an advisory guide only and is not a binding document.”
 - Delete the following bullet points under *Strategy 2: Review and Re-evaluate Local Zoning and Policies*, Action Steps on page 29 of the EDSP:
 - In targeted and strategic locations, consider revising and reducing restrictions on duplexes, fourplexes, and townhomes.
 - In targeted and strategic locations, consider zoning changes that will better facilitate medium-density development.
 - Delete the following sentences under *Strategy 2: Review and Re-evaluate Local Zoning and Policies*, page 29, paragraph 3:
 - The zoning office should look for ways to facilitate more medium-density residential accommodations in targeted and strategic locations. This includes duplex, four-plex, and townhouse-style developments.
 - Add “(non-residential)” between the words mixed-use and development in the first sentence under *Strategy 2: Review and Re-evaluate Local Zoning and Policies*, page 29, paragraph 3:
 - Modified as described above, paragraph 3 on page 29 will read
- In addition, city leadership should look for ways to facilitate more mixed-use (non-residential) development in targeted and strategic locations. The project team often heard about the desire for more “flex space”. Flex space, in this instance, refers to the ability to subdivide a unit with retail in the front of the building, and shipping, distribution, or logistics operations in the back half of the building.

1 - Chapter 5, Economics, of the Orem General Plan, with the redline changes as recommended by
2 the Orem Planning Commission, is shown in Exhibit 'A'.

3 - The original Economic Development Strategic Plan is shown in Exhibit 'B'. If the City Council
4 approves the amendments recommended by the Planning Commission, those changes will be
5 reflected in the final version of the EDSP.

6 Ms. Lewis then opened it up to questions:

7 -

8 Mrs. Lauret commented she would like Orem to become a business-friendly city and she loved
9 the packet that they presented to her. She studied it intensely and enjoyed it.

10
11 Mr. Peterson expressed that the statistics listed in the report were disturbing. He stated he knows
12 that many people are concerned with the duplexes being built. He indicated that it is not in line
13 with what was voted on in January. He stated on page 49 it talked about the age of homes built in
14 Orem and he said that about 59% of the homes in Orem are 50 years or older.

15 Tom Macdonald thanked the Planning Commission for their recommendations. He spoke about
16 the report and stated it included some important and critical information.

17
18 Mayor Young inquired as to the time frame for the implementation of this plan. Mrs. Lewis
19 stated on page 34 it has a timeline matrix of what it would look like. He inquired about the main
20 street project and if they had talked to Mr. Davidson about it. Mrs. Lewis stated they have not
21 formally spoke about it but they have exchanged a few possible options and things that may be
22 able to be done.

23
24 Mr. Lambson commented how he was impressed with the presentation. He presented the option
25 of opening up the city office space on the main street and felt this would be a great option.

26
27 Mr. Peterson stated he would support the talk of busses and transportation but he would like to
28 eliminate the talk of multi-level duplexes. He felt there had been some confusion on the
29 interpretation of the increased transportation. Staff agreed to reword the wording in the
30 agreement to state they will say on existing transportation.

31
32 Mr. Spencer stated that Orem is the center of focus in Utah County. He said that he would like to
33 see more business interaction on State Street instead of on University Ave.

34
35 Mr. Earl, City Attorney stated that it may be easier to clean up some of the language on the
36 documents now verses later and having another meeting.

37
38 Mayor Young opened the public hearing at 7:03pm time
39

1 Mike Carpenter stated he would not like to see so many buses empty and he would like to save
2 tax payers money if possible.

3
4 The Ref explained he would like the language cleaned up before voting.

5
6 Hearing no further comments, Mayor Young closed the public hearing at 7:05pm and brought
7 the item back to the council for further discussion.

8
9 General discussion ensued regarding the book being a guide or a hard written rule copy.

10
11 Mr. Earl stated that the plan is in our hands and so we may change it at any point and time.
12 They have motioned to move the item to the next meeting on September 13th.

13
14 **Tom Macdonald moved to continue the item to the September 13, 2022 Council Meeting.** Jeff
15 Lambson **second** the motion. Those voting Yes: David A. Young, David Spencer, Debby Lauret,
16 Tom Macdonald, Jeff Lambson, and Terry Peterson. The motion **passed**.

17
18
19 PUBLIC HEARING / Ordinance – Amending Article 22-5-3(A) and the zoning map for
20 the City of Orem by rezoning the property located at 507 North 400 West from R7.5 zone
21 to the R6.5 zone
22

23 Mr. Bench stated the applicants own .99 acres of land at 507 North 400 West. They are requesting
24 to rezone the property from the R7.5 zone to the R6.5 zone. The applicants propose to create four
25 lots in the R6.5 zone, which they feel is the most reasonable and best use of the land. See Section
26 (22-1-5) Orem City Code. ___The current zoning is R7.5, however, the lot is not quite large enough
27 to be divided into four lots that meet the R7.5 frontage requirement of seventy-five feet. The R6.5
28 zone has a lot frontage requirement of sixty-five feet, which the four lots can meet. The proposed
29 lots meet the minimum lot size requirement in the R6.5 zone of 6,500 square feet. Lot 1 is 10,524
30 square feet, Lot 2 is 9,717 square feet, Lot 3 is 10,625 square feet and Lot 4 is 10,625 square feet.
31 There is an existing home on the current lot and this home with its driveway will be removed. The
32 residential development standards are outlined in Section (22-6-8) Orem City Code. The owners
33 could subdivide and create four lots, two of which would be deep lots, if the rezone is not approved.
34 However, they prefer that all four lots are standard lots with street frontage. This would require
35 the rezone with the smaller lot width. This width proposed is consistent with other lots in the
36 general area. The Millers' goal is to provide four lots of good size for homes with decent yards.
37 Mr. Bench concluded that the Planning Commission recommended the City Council, by
38 ordinance, amend Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the
39 property located at approximately 659 South 350 West from the R8 zone to the R6 zone.

1 Mayor Young opened the public hearing at 7:13pm. Hearing no comments, Mayor Young
2 closed the public hearing and brought the item back to the council for further discussion.

3
4 **Tom Macdonald moved** to approve by Ordinance amending Article 22-5-3(A)) and the zoning
5 map for the City of Orem by rezoning the property located at 507 North 400 West from R7.5
6 zone to the R6.5 zone. **Debby Lauret seconded** the motion. Those voting yes: David A. Young,
7 David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, and Terry Peterson. The motion
8 **passed**.

9
10
11 PUBLIC HEARING / Ordinance – Amending portions of Chapter 10 Flood Damage
12 Prevention of the Orem City Code pertaining to base flood elevation requirements.
13

14 Mr. Bench stated the proposed amendments include the requirement that any new construction
15 and/or substantial improvements to any new residential structure within a special flood hazard
16 area (flood plain) shall be constructed at least one foot above the base flood elevation. This
17 requirement includes a basement, machinery and equipment. The proposed amendments apply to
18 a limited area within the City designated on the Flood Insurance Rate Map (FIRM). These
19 provisions are required by FEMA in order to stay up to date for the National Flood Insurance Program
20 (NFIP) for the City. As part of the City's Community Rating System Cycle review, the City was
21 asked to amend portions of Chapter 10 to specifically address the base flood elevation
22 requirements.

23 Mr. Bench concluded the Planning Commission recommended the City Council, by ordinance,
24 amend portions of Chapter 10 *Flood Damage Prevention* of the Orem City Code.

25
26 Mayor Young opened the public hearing at 7:18pm. Hearing no comments Mayor Young closed
27 the public hearing and brought the item back to the council for further discussion.

28
29 **Jeff Lambson moved** to approve by Ordinance amending portions of Chapter 10 Flood Damage
30 Prevention of the Orem City Code pertaining to base flood elevation requirements. **Terry**
31 **Peterson seconded** the motion. Those voting yes: David A. Young, David Spencer, Debby
32 Lauret, Tom Macdonald, Jeff Lambson, and Terry Peterson. The motion **passed**.

33
34
35 **COMMUNICATION ITEMS**

36 There were no communication Items at this time.

37
38 **CITY MANAGER INFORMATION ITEMS**

39 Mr. Davidson invited the Mayor and Councilmembers to the Employee Summer Party and stated
40 there are hero awards being presented and a Hawaiian trip given away. He updated the council
41 on the Heritage project and stated it is going to be delayed 6-8 weeks because they have not

1 received products for the well. He commented regarding the trees on the city property and let
2 them know that they are implementing some practices on what to do next.
3 He commented on the 1600 North and Geneva Road expansion. He stated the estimated cost has
4 grown from \$40 million dollars to about \$55 million dollars. He explained they are working with
5 a consulting firm with some of the builders that they worked with previously. He said that time is
6 of the essence for some of this work.

7
8
9 **ADJOURNMENT**

10
11 **Tom Macdonald moved** to adjourn to a meeting of the Orem Redevelopment Agency. **David**
12 **Spencer seconded** the motion. Those voting yes: David A. Young, David Spencer, Jeff
13 Lambson, Terry Peterson, Debby Lauret, and Tom Macdonald. The motion **passed**.

14
15 The meeting adjourned at 7:28 PM.
16

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CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
September 13, 2022

3:30 P.M. WORK SESSION – CITY COUNCIL CHAMBERS

CONDUCTING Mayor David A. Young

ELECTED OFFICIALS David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, Tom Macdonald and Debby Lauret.

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and Tess Jones, Deputy City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

PRESENTATION – Concept of New City Hall

Mr. Gray introduced the Method Studio and Layton Construction team. Mr. Gray reviewed option 2 and explained what lead to making the decision of going with option 2. He indicated the corner trees of the property are close to the new footprint of the building and will need to be evaluated. He explained that the freedom tree is in the clear and will not be affected and nothing has changed since the last update.

Mr. Macdonald asked if the new footprint was two separate buildings. Mr. Gray replied stating that it is not, it will be one building that is connected with a lobby space between the two separate looking structures. He continued saying that the idea is to have one building with the Mayor’s office and a few other departments in it that will be designed to a higher structural capacity.

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1 Mr. MacDonald clarified that it will be considered two separate buildings as far as an earthquake
2 structure. Mr. Gray replied stating, yes but it will not be noticeable.

3
4 Mrs. Lauret asked which of those buildings were going to be used as an emergency command
5 center. Mr. Gray stated that the left side of the building where the Mayor's office is located will
6 be considered that area.

7
8 Mr. Bybee clarified that all of the building will be built to seismic code standards. If an
9 earthquake were to occur the entire building would stay standing but one side will stay more
10 operational than the other.

11
12 General discussion ensued regarding square footage projections and utilities. The basement is
13 planned to be under one side of the building. It would be below grade and will contain utility and
14 storage rooms, also room for growth.

15
16 Mr. Peterson asked what the cost would be to add a basement on the other side of the building.
17 Mr. Gray indicated one of the builders priced it out and said that it would be an estimated 2
18 million dollars. It is costly because the type of rock in the soil that was found on that side of
19 structure.

20
21 Mayor Young asked what the seismic ratings of the building would be. Mr. Gray clarified that it
22 would be category 4 and 3 rating up to code.

23
24 General discussion ensued regarding the current recreation/fitness center and library seismic
25 scale, storage pricing and basement plans, use of electrical room, server room, archive space and
26 utility rooms.

27
28 Mr. Gray reviewed the ground floor, level one and reviewed the illustration. He stated there
29 would be a folding door between the multipurpose room and the council room and a serving
30 kitchen off to the side

31
32 General discussion ensued regarding the shape of tables, the capacity of the room, how tall the
33 ceilings would be, the capacity of the council room being around 200. And the proposed speaker
34 system for the council room.

35
36 Mr. Gray reviewed the lay out of the building in that the public services area of level one is the
37 311-help center. He continued to review the purpose of the fire/EOC room and stated that the
38 public meeting/EOC room has a divider door that can be opened up the extra space into the
39 fire/EOC room. Mr. Sanderson stated that EOC currently meets in the public safety building,
40 and this new space in the new building will replace that space for them where difference cities

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1 can come to meet. Mr. Gray continued to state the lobby stairway does go all the way down to
2 the bottom floor from the top and there is a conference room on every floor. He continued to
3 explain the building moving on to level three, pointing out the break room, conference rooms,
4 restrooms and elevator locations.

5
6 Mr. Davidson reviewed some of the common interests in what employees would like to have in a
7 common breakroom area. He continued to mention that all of the cubicles are measured with the
8 size of the position. So, supervisors will all have a particular size of office and department
9 directors will have their office one consistent size. He commented on the balconies and the
10 availability for future growth.

11
12 Mr. Peterson inquired as to what was being considered in regards to security features in the new
13 building. Mr. Davidson responded they are putting a secure zone for emergency escape for the
14 Mayor's office, Council chambers, and the EOC zones also have areas that they could go into if
15 an emergency did occur.

16
17 Mr. Gray then reviewed the outside of the new building and what it would look like from the
18 street view. He explained that the landscape is not yet decided but they are considering the
19 existing trees.

20
21 Ms. Lauret expressed that she would like to still be able to light the building up for Christmas
22 because that is something that the citizens of Orem enjoy.

23
24 Mr. Gray explained that all images shown in his presentation are not final, due to compliance,
25 some of the features will need to be adjusted, but the general look of the building will remain the
26 same. Mr. Gray concluded by expressing his gratitude to his team, Orem City and to Mr.
27 Davidson and his team. He stated he has worked with five other cities and he is impressed with
28 the amount of effort and energy that has been put into every detail in each department.

29 30 DISCUSSION –Orem Provo Dispatch Services

31
32 Mr. Davidson started by explaining that this is a conversation they have had with Provo City for
33 about a year and they are making progress in terms of working out the details He continued to
34 state they are having conversation regarding employee's compensation, terms of the agreement
35 as well as the equipment associate with the facility. He explained that if this effort were to move
36 forward they we would want to accommodate some new equipment due to the fact of Orem
37 City's aging equipment.

38
39 Mr. Sorenson addressed the council as to why they are considering the merge:

- 40 • Staffing:

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- The Orem dispatch center hasn't been fully staffed since 2015. Current staffing is 13 employees out of 21 positions. This opens the City up to liability and the inability to provide the best possible service to the citizens of Orem.
- State Tax Commission:
 - State legislators are pushing to have fewer Public Safety Answering Points (PSAPS) per County.
- Transfer Rates:
 - By merging the two centers they will have fewer transfers and increase the level of service for both Orem City and Provo City residents.
- Level of Service Increases:
 - Both Fire and Police Departments will have the ability to assist the other agency more quickly and efficiently on critical calls for service.
- Employees:
 - Employees will be able to have time off and enjoy a healthier work and home life balance.

Mr. Sorenson then discussed the investment/cost:

- One-time initial cost of \$189,076.00
 - Consoles: \$74,904 (purchased)
 - Phone Lines Transfers: \$61,000.00
 - Total Dispatcher vacation bank value: \$53,172.00

Annual increase to dispatch budget of \$164,700.00

Mr. Sorenson went over the milestones completed:

- An initial operational study has been completed
- A financial study has been completed
- Received two bids for a consolidation, one merging with Provo and one merging with Central Dispatch. Provo dispatch provides the City of Orem with more control in dispatch related matters. They work with Provo and currently have a joint SWAT team. They have confidence in Provo's dispatch leadership team.
- Met with Lindon Police and they support the Provo/Orem/Lindon consolidation.
- Shared staffing occurred with Provo Dispatch while they moved into their new center. All the calls went through the Orem Dispatch Center. No problems were encountered and this was a successful 14-week trial period.
- Logistics of the consolidation were completed or have been scheduled with: Utah Communications Authority, Motorola, Lumen, Orem IT and facilities.
- Operational plan with Provo Police and Provo Fire completed in August 2022.

Mr. Sanderson stated that the main focus was to ensure that transitioning to the Provo location with dispatch, the emergency services did not lose anything that they currently have as a benefit.

Mr. Sorenson discussed some upcoming milestones:

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- On September 20th, Utah Communication Authority (UCA) will move one radio console to the Provo Dispatch Center prior to the start of the shared staffing model.
- Shared staffing model starts October 3rd. Orem employees will work out of the Provo dispatch center as Orem employees.
- Prior to January 2023 UCA and Motorola will move 4 phone positions and 4 radio positions from Orem to the new center, once the purchased consoles are installed in the new Provo Communication Center.
- Human resources with Provo/Orem will present pay/benefit package to Orem employees. This is currently being finalized.

Ms. Lauret inquired if they were paying the Orem employees similar to their current rate or if there was a big difference. Ms. Rugg replied stating they are very similar, one of the biggest differences is that Orem is Social Security exempt, and the new center employees will be paying into Social Security. Orem has a wage system so it's going to be very similar.

Mr. Sorenson stated some of the advantages that Orem will see in this merge:

- Fire-Provo/Orem will work off one radio channel, this will produce a quicker ambulance/fire response to both cities. Provo/Orem are operationally very similar.
- Police- Having a combined dispatch center will assist Orem and Provo Police units backing each other on critical calls of service.
- An increase in staffing will reduce overtime and dispatchers will have a healthy work schedule.
- Governance will allow both cities to meet goals.
- This is a Provo/Orem/Lindon dispatch center, not a Provo dispatch center. We will have buy-in and a voice.
- All current Orem dispatch supervisors will remain supervisors, and all full-time Orem dispatchers will be guaranteed a position at the new center.
- Creates needed space in the Public Safety building for other needs.

Mr. Macdonald inquired if this center would handle 988 calls as well as the suicide prevention line. He also asked for clarification on the net increase that was previously shared. If there were administrative cost saving on Orem's side that are not built into that net increase. Mr. Sorenson responded yes they will handle 988 and suicide calls. He continued to state there would be an administrative cost savings.

Discussion ensued regarding combining staff and solving both department staffing issues and the savings occurred along with some of the employee concerns that have been addressed.

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DISCUSSION – Review the proposed amendments to Chapter 4 (Housing) of the Orem General Plan

Mr. Bench explaining this was discussed previously ks ago and have come back to present the final draft.

Mr. Bench briefly explained what was proposed:

- Amending Chapter 4 (Housing) of General Plan to adopt a minimum of 4 strategies to comply with State Law, and update the Demographics and Existing Conditions in Orem.
- Adopting four (4) Moderate Income Housing strategies.

Mr. Bench then went over the recommended strategies:

- Accessory Apartments- (E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;
- Affordable Senior Housing Overlay- (X) demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality who earn less than 80% of the area median income, including the adoption of land use ordinance that requires 10% or more of new residential development.
- Housing and Transit Reinvestment Zone (HTRZ)- (Q) create a housing and transit reinvestment zone pursuant to Title 62N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.;
- Station Area Plans-(V) develop and adopt a station area plan in accordance with Section 10-9a-403.1;

Mrs. Lauret asked for clarification on where the overlay is and that it is not on State Street.

Mr. Bench said it's a mile wide, and on state street so its five miles wide, five miles long and half mile on each side of center street.

Mrs. Lauret asked if it would be a 55 and older community. Mr. Bench replied stating it will be a 60 and older community.

Mr. Bench stated that he is proposing this to the Planning Commission on the September 15th and if it goes through then they will bring it forward to the council on the September 27th.

Mr. Peterson asked if they were planning on doing four stages now. Mr. Bench replied, that they are required to do three plus one because they have a training station so they have to do four stages.

General discussion occurred about it meeting requirement, incentive, due date for the state, what the use of money will be, if it is applicable to all cities, and what the difference is in the two drafts.

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AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

The City Council reviewed the evening's agenda and discussion ensued regarding the scheduled items that would be considered.

UPDATE - Development Services Items

Mr. Bench discussed the project and stated that Provo will be discussing it at this time and then Orem will be able to further discuss plans in the future meetings. He explained the location and type of housing that has been proposed as well as projected cost.

Mr. Peterson expressed his thoughts on the Planning Commission and what they may consider in doing in the future and some of his concerns.

Mrs. Lauret clarified the amount of space for the project and Mr. McDonald expressed an idea of piggy backing for this proposed plan.

CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

Mrs. Lauret said that she represents 3 committees which including the following and their activities:

Summerfest,
Arts Council and the Natural Resource Committee.

Arts Council:

- Valentines Barbershop quartet in February.
- 10th annual Orem stories project where student drop portraits of resident and they are displayed in the library from November through April.
- Entertainment on stage during the Summerfest which included a BYU alumni band
- Sponsored a summer concert series on the stage at City Center Park. Six local groups came and provided music that was enjoyed by over 1,500 people.
- Held an open call for submissions for utility box art and selected several pieces and will continue to work on those. There are some wonderful local artists with a variety of young and old and beautiful artworks.

Natural Resources:

- Start highlighting green spaces in Orem, like the community gardens, different orchards, and they are going to try to do three a month.
- Highlight some history of the area with the idea that eventually when they open a water tank park in Heritage Park, that would be kind of culminating thing.

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- Start giving out xeriscape awards for local escapes people have converted water wise things.
- A member of the committee was appointed by UVU to be on Utah Lake Authority and they are working on by laws and would love the Council to take a bike tour around the city.
- Work with the library on some space that they would like to convert due to some solar ideas.

Summerfest Committee:

- Overall, she believes that it was successful and she didn't hear any big complaints.
- They had a lot more kids than their county fair typically does.
- They will adjust to some different rides for next year.
- It is a little more expensive due to a change in carnival companies, but the crowds were good.
- The events all went off really well.
- Start meeting in October to start planning 2023.

Ms. Lauret thanked Mr. Bell for ensuring the City had a firework show for the Summerfest celebration.

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6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, Terry Peterson, LaNae Millett, Jeff Lambson, Debby Lauret, and Tom Macdonald

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and Tess Jones, Deputy City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT – Keith Mauerman

PLEDGE OF ALLEGIANCE – Jennilyn Mauerman

PERSONAL APPEARANCES

Karen Adamson introduced herself as an Orem city resident. She thanked the council for their courage in serving the city. Ms. Adamson, her husband, and her children have all attended schools withing the Alpine School District. She is concerned with the growth of Alpine School District. Her husband is a builder and she has witnessed the growth in the community and the challenges that are associated with it. She believes that we have the resources and leaders within Orem who can create collaboration and relationships with all of our neighbors while taking care of Orem residents.

John Barrick commented about the Orem only district and compared years and dollar amounts that he has researched. He discussed topics about the Alpine School District and funds/revenues associated with financial statements.

Amy Carr introduced herself as an Orem resident and a patron/volunteer/employee at the Orem library for 20 years. She has been involved in the children's departments in the library and has

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helped represent numerous community groups. She personally helped curate black history month picture books, helped with black history story time, and wrote black history story time podcast episodes in previous years. She voiced her confusion when she found out that the library was no longer celebrating and doing displays about black history month this year in October when she was going to be doing story time. She has reached out to the director of the library and has asked a few people and she cannot figure out where the directive had come from. Ms. Carr spoke about an experience with her African American daughter in the library in 2020 and 2021. She feels that due to the lack of the black history month display her daughter did not feel welcome coming in the meeting at that time. Mayor Young expressed his concern as to why her daughter would be fearful to come in to the meeting.

Ms. Carr voiced her opinion and concern about certain displays not taking place in the library in the past and at this time. Ms. Crozier, Orem Library Director, stated that she is responsible for directing the staff. She indicated they are always changing displays, just because they did some displays last year does not mean that they have to do them this year. She suggested that they focus on other things, the library collection is very large and so she is happy to continue the discussion on this topic at a later time.

Ms. Carr asked if Ms. Cozier would take responsibility for the matter.

Ms. Cozier stated that it is her department and she does take full responsibility.

CONSENT ITEMS

APPROVAL OF MEETING MINUTES

Minutes of the City Council Meeting-June 28, 2022

Minutes of the City Council Meeting-July 12, 2022

Mr. Spencer moved to move the approval of the meeting minutes for June 28th and July 12th to September 27th City Council meeting and keep the Economic Development Strategic Plan for approval. **Tom Macdonald seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The **motion passed.**

RESOLUTION- Economic Development Strategic Plan

Mr. Spencer moved to approve the Economic Strategic Plan. **Mr. Macdonald seconded** the motion. Those voting yes: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The **motion passed.**

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SCHEDULED ITEMS

APPOINTMENT -TO THE NATURAL RESOURCE STEWARDSHIP COMMITTEE

Ms. Lauret stated the Paul Dunn has been a very integral member of the committee. He has great ideas and he has worked on all kinds of recycling and green space initiatives so he has been a great asset and she is pleased to have him be appointed for another three years.

Mrs. Lauret moved to approve the reappointment of Paul Dunn to the Natural Resource Stewardship Committee **Mr. Spencer seconded** the motion. Those voting yes: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The **motion passed**.

APPOINTMENT – TO THE BOARD OF BUILDING AND FIRE CODE APPEALS

Mr. Davidson stated that these four individuals have been serving as members of the Board of Building and Fire Code Appeals. This body meets on a very limited basis, and the nature is to review building and fire code appeals. They still do require reappointment and Council consent. He is asking for the Council's advice and consent for the reappointment of the following to the Board of Building and Fire Code Appeals; Bryant Christensen, Stephen Frisby, Michael Sroufe and James Williams to.

Mrs. Millet moved to approve the reappointment of Bryant Christensen, Stephen Frisby, Michael Sroufe and James Williams to the Board of Building and Fire Code Appeals. **Mr. McDonald seconded** the motion. Those voting yes: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

CITY MANAGERS APPOINTMENT

Mr. Davidson asks for the Council' advice and consent of the following appointment: -
City Attorney

Mr. Davidson stated that Mr. Steve Earl has been serving as interim City Attorney since the resignation of Heather Schriever. Mr. Earl has done a wonderful job is willing to accept appointment as the City's attorney. It is his pleasure to recommend and ask for the council's advice and consent for the appointment of Steve Earl as Orem City Attorney.

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1 **Mr. Spencer moved** to approve the appointment of Steve Earl as City Attorney. **Mrs. Lauret**
2 **seconded** the motion. Those voting yes: David A. Young, David Spencer, Debby Lauret, Tom
3 Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

4
5 Ms. Lauret asked how long Steve has been working for Orem City. Mr. Earl replied saying 25 ½
6 years.

7
8
9 PUBLIC HEARING/ORDINANCE- Amending Section 22-5-3(A) and the zoning map
10 of the City of Orem by rezoning the property located at approximately 258 N 800 E from
11 the R8 zone to the R6.5 zone.

12
13 Mr. Bench stated it is proposed on the Mathews rezone at 258 North 800 East. The applicants
14 have about a three-quarter acre piece of property that they're wanting to develop. The first half
15 you can see if outlined in red is about 0.36 acres so, they want to do two lots that front on 800
16 east. In order to do two lots along there they have to have a reason to R6.5 which allows a 65-
17 foot front frontage for the lots. Currently it is owned R8 like proposing to go to R6.5. They are
18 just over 65 widths on the length and that's why they are here tonight to propose a rezone. They
19 do meet the square footage as far as the lot sizes for 6500 square feet. There is a property in the
20 back to the east that eventually they will propose to come in and develop, but they want to leave
21 that as an R8. Eventually the discussion will be had with the planning commission on connection
22 or not connection of those streets, but that is not before you tonight. It is simply the rezone of the
23 property that faces on these on eighth east. Existing home will remain and then the property to
24 the north.

25
26 Mr. Macdonald mentioned he thinks several of them had a chance to go to this area and they
27 were more focused on the back piece, on the piece to the east. He asked, is this okay with both
28 the staff and the planning commission. Mr. Bench stated that the planning commission did make
29 a recommendation for the rezone of the front portion. They have not reviewed or discussed the
30 back half.

31
32 Mr. Macdonald asked for clarification on which portions they were discussing. Mr. Bench
33 replied stating that they are only talking about the front. They've made an application for a
34 reason but it's only for those two proposed two lots on the front.

35
36 Mrs. Millett asked what the square footage of the lot on the north was. Mr. Bench replied 8600
37 square feet, and indicated due to the narrowness of the road they are proposing a shared
38 driveway.
39

DRAFT

1 General discussion ensued regarding the surrounding streets/lots and if they are R-8 or other
2 zones.

3
4 Mayor Young opened the public hearing at 6:32 p.m.

5
6 James Facey came forward and stated that he is for it and he lives directly behind it. Mr. Facey
7 said that he is more effected by the potential future road/ cold sac that may be developed. But
8 either way he is next to the property and he is for it and as far as he knows, everybody in his
9 neighborhood is for this rezone.

10
11 Garret Bodily said that he is not in favor of rezoning in general. Mr. Bodily stated he has
12 mentioned this to the Planning Commission a few weeks ago and was surprise by some of the
13 responses that he received. He was told this wasn't going to happen in his neighborhood. He
14 feels this is not a big deal and it's just a small change. His concern is that these small changes
15 over time add up to big changes. Mr. Bodily is worried if the council allows this rezoning and
16 then when the Planning Commission forces them to put the road through, they are going to see a
17 rezoning on that other street as well, introducing even more cars and more parking on his street.

18
19 A resident came up and said that he would oppose any additional rezoning into the area behind
20 this proposed area. He indicated if you go to Lehi, and you see that they put these big homes are
21 narrow lots. He thinks that it doesn't look good and he does not want that in his neighborhood.
22 He stated that down the road we need to address the cul-de-sac versus the through street. He has
23 a feeling it is going to be pushed aside. But 18 families was 2 dead end streets, and he would
24 appreciate taking this further down the road so that they can discuss it.

25
26 Mayor Young closed the public hearing at 6:35 pm and brought the item back to the Council for
27 further discussion.

28
29 Mr. Peterson asked if the lots across the street were about the same size. He knows that they are
30 R-8 but it looks like they are smaller than that. McKay Matthews, the applicant came up and
31 indicated they are smaller but it still fits the R-8 zone. What they are proposing would fit in
32 within that neighborhood on 800 east.

33
34 General discussion ensued regarding the location of the applicant's residence, and the impact if
35 the cul-de-sac occurred. There was discussion of if another home would be built on the property
36 and what the future would consist of.

37
38 Mrs. Millet stated she is concerned with the same matters as Mr. Peterson was of going from R-
39 8's to 6.5 zoning. She said that she went to the neighborhood meeting and after that meeting, she
40 went over and knocked on the doors of the homes on both sides of this area, and both of those

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neighbors who she felt would have been directly impacted by this, said that they were in favor of it.

Mayor Young stated with the property zoning, it makes sense what the applicant is trying to do. He will give a lot more concern to whatever happens with the cul-de-sacs and the road being put through, because he thinks that there are a lot of neighbors opposed to that.

Mr. Spencer moved to approve the Ordinance Amending Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located at approximately 258 N 800 E. from the R8 zone to the R6.5 zone. **Mrs. Lauret seconded** the motion. Those voting yes: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The **motion passed**.

PUBLIC HEARING/ORDINANCE – Amending portions of Sections 22-14-8(A)(1) and 22-14-8(A)(2) (Moving a House, Building or other Structure) pertaining to inspection fees and personnel who approve site and building plans.

Mr. Bench stated during a general review of the Orem City Code, Development Services found a discrepancy between the Code and annual budget approved by the City Council. The fees for all building permits are reviewed and changed each year. The proposed language will eliminate the discrepancy between the adopted budget and Orem City Code section 22-14-8(A)(1): *If the home, building or structure is to be moved to a lot in the City, the person desiring to move the structure must apply to the Department of Development Services and pay a pre-inspection fee as adopted by City Council fifty-dollar (\$50.00) fee to have the structure and the proposed site of the structure inspected by the City before it is moved to determine all of the changes or improvements necessary to bring the structure and site into compliance with the City's current applicable codes (zoning, building, electrical, plumbing, etc.) relating to that structure and site. (A)(2): Detailed site and building plans must be submitted to and approved by the building inspector City Building Official which specify all of the modifications and improvements necessary to bring the structure and site into compliance with all applicable City codes.*

Mr. Bench concluded the Planning Commission recommends the City Council, by ordinance, amend portions of Sections 22-14-8(A)(1) & (2) (Moving a House, Building or other Structure) pertaining to inspection fees and personnel who approves site and building plans.

Mayor Young opened the public hearing at 6:40 p.m. Hearing no comments he closed the public hearing and brought the item back to the Council for further discussion.

Mrs. Millett moved to approve the Ordinance Amending portions of Section 22-14-8(A)(1) and 22-14-8(A)(2) (Moving a House, Building or other Structure) pertaining to inspection fees and

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1 personnel who approve site and building plans. **Mr. Lambson seconded** the motion. Those
2 voting yes: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson,
3 Terry Peterson and LaNae Millett. The **motion passed**.

4 5 6 CITY MANAGER INFORMATION ITEMS 7

8 Mr. Davidson reported on the Heritage Tank project stating this is at 400 south 400west. They
9 are scheduled to release the bid on the tank construction and contractors will have approximately
10 6 weeks or a little less to bid on the project. They will also hold a mandatory meeting with all
11 potential bidders, they've pre-qualified. They will have these bidders look at all the specification
12 and requirements and then they will bid the project. That is set to be released on September 19th
13 so that process will get underway in earnest, next Monday.

14
15 Mr. Davidson reported on the Hillcrest Park project that will be bid in two specific phases. The
16 first one being a demolition phase, the second one being a construction phase. They have
17 finalized all of the requirements for the demolition package that will be released or bid on
18 September 29th.

19
20 Mr. Davidson indicated at the last City Council during the public comment period a concern was
21 expressed about the Green on Campus Drive. Mr. Davidson stated they have had direct contact
22 with the manager for The Greens and discussed security and some of the other issues that have
23 been brought to the cities attention. The Green and 1600 tenants, one of the buildings is
24 exclusively used for UVU's honor program. They do have one married couple who is part of that
25 complex that serve as resident assistants. When the representation is made that in fact UVU has
26 use of the building that is correct because they use it for their honors program. It was also
27 discussed with them there are tenants that are older than some of the other tenants. It was
28 determined there are 20 tenants that are over the age of 30, and there is one specific tenant over
29 the age of 40. Mr. Davidson said that they have expressed concern that the project be for students
30 and they have confirmed that all the individuals are enrolled at UVU. They have also consented
31 that in the future they are willing to set the age threshold at 30 for those that are looking to lease.
32 Mr. Davidson knows that there are concerns and wanted to make sure the council knew that he is
33 following up on those concerns and trying to address them directly with the property manager
34 and make sure that the project is used for students.

35
36 Mrs. Millett recalls that when they were approving that project, she specifically remembers them
37 saying that it would be for 30 and under. So, it appears if we've got 21 people who don't meet
38 that qualification, there is a problem there.
39

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1 Mr. Davidson replied stating that there are 1600 tenants and 20 of them are over 30, 19 of them
2 are in their early 30's and have agreed that in the future they will be more focused on the 30
3 limits.

4
5 Mr. Spencer said that he has a question for Mr. Davidson on the water tank and the update on the
6 drilling. He said that he has had a few people ask him about that because he knows that it
7 stopped because they ran into issues.

8
9 Mr. Davidson replied stating that when they pack the hole of the well, they need to pack it with a
10 specific gravel material that is a clean type of gravel so that there is no infiltration of material
11 into the well. The contractor took delivery on that gravel material about four weeks ago and they
12 tested it and it did not meet specifications. This material is something that is not available in
13 Utah, they have to get it from California. They went out to a different vendor and they were
14 forecasting a six-to-eight-week supply chain delay in getting that material. At that point the
15 drilling contractor who had the rig said I can't have this rig sit idle for six to eight weeks so they
16 moved the rig to a different project in Vineyard. When the city received the gravel sooner rather
17 than later, we then had the gravel but not rig and found out the rig would need to come from
18 Wendover. They anticipate this was going to be about two weeks to transfer the rig and they are
19 about a week into that. Mr. Davidson expects it to be up and running here in the next week ½.

20
21 Mrs. Lauret indicated she drove by and it looks like big white bags. She is assuming that is the
22 material that needs to go in the ground and asked if the bags are secured. Mr. Davidson
23 responded that yes that is what he is assuming and the property is fenced off and be difficult to
24 take them.

25
26 Mr. Davidson reminded the Council he would be out of the area from Saturday through next
27 Wednesday.

28 29 30 **ADJOURNMENT INTO A CLOSED MEETING**

31
32
33 **Mr. Lambson moved** to adjourn to a closed meeting. **Mr. Spencer seconded** the motion. Those
34 voting yes: David A. Young, David Spencer, Jeff Lambson, Terry Peterson, Debby Lauret, Tom
35 Macdonald, and LaNae Millett. The motion **passed**.

36
37 The meeting adjourned at 6:49 p.m.

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CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
September 27, 2022

3:00 P.M. WORK SESSION-CITY COUNCIL CHAMBERS

TOUR-Wastewater Treatment Plant located at 1797 West 1000 South, Orem, Ut.

ELECTED OFFICIALS David Young, David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, Tom Macdonald and Debby Lauret.

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Ryan Clark, Development Services Director; Brandon Nelson, Finance Director; Lane Gray, Capital Projects Manager; Giles Demki, Water Reclamation Section Manager; Kathi Lewis, Economic Development Division Manager and Tess Jones, Deputy City Recorder

Tour ended at 4:05pm – Concluding the tour the Council and staff traveled to the City Center Council Conference Room

4:30 P.M. WORK SESSION – CITY COUNCIL CHAMBERS

CONDUCTING Mayor David A. Young

ELECTED OFFICIALS David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, Tom Macdonald and Debby Lauret.

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director;

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Mark Sanderson, Fire Chief; and Tess Jones, Deputy City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

UPDATE- Hillcrest Park

Mr. Gray introduced Brent Potter and Cory Schupp of Blueline Designs. They presented an image and explained some of the new updates and layouts of the park that included the splash pad locations, pathways, and hammocking area location. Reason for making those changes were to save existing trees that are on this site. Mr. Potter continued to explain there is a large difference in the site plan due to fire code and to the architecture of the building. The building had some slight modifications in an effort to reduce costs.

General discussion of architecture and layout occurred while displaying an image of the outside of the building. Windows and bathrooms were addressed and concerns were resolved.

Mr. Potter indicated they are hoping to start demolition very soon, bids were due on September 29, 2022 and it is estimated 30 days to bring a contractor on board for the demolition.

DISCUSSION –Boards and Commissions

Mr. Davidson started by reviewing concerns and an overview of why the topic of boards and commissions is being discussed. He would like to give the council some input on some ideas on the direction of these boards.

Ms. Tapahe reviewed some of the boards and commissions that were needing attention. She stated that most of the boards and commissions are functioning well, with the Historic Preservation Commission just getting back up and going.

General discussion ensued regarding future recommendations and some boards and commissions that were left off of the list. Mr. Davidson stated there are some of these boards that are required in order to receive grants. He then gave some examples of these boards that would be required for specific projects.

The Mayor and Council members made suggestions about new names of boards and types of boards they would like to see in the future and past committees that may have resembled certain boards were discussed.

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AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

The City Council reviewed the evening's agenda and discussion ensued regarding the scheduled items that would be considered.

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6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, Terry Peterson, LaNae Millett, Jeff Lambson, Debby Lauret, and Tom Macdonald

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and Tess Jones, Deputy City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT – Allen Young

PLEDGE OF ALLEGIANCE – Kristi Moulton

MAYOR’S REPORT/ITEMS REFERRED BY COUNCIL

ANNUAL REPORT-Library Advisory Commission

Ms. Laursen, the Chair of the Library Commission, began the presentation by introducing the current Library Advisory Commission members. She continued by listing the service statistics from July 1, 2021- June 30, 2022. She then reviewed the 2021-2022 grants received and what they were used for. Ms. Laursen concluded with an overview of the summer reading program, teen/tween programs, and outreach to schools program.

Mr. Macdonald asked her based on the world becoming more digitally focused, if the Library Advisory Commission was anticipating, in the future the same demand on the library? Ms. Laursen responded there is some fear associated with things being more digitally focused. She stated it is a fair assessment, but she feels they will continue to see patrons not only want digital but the physical copy as well.

Mr. Wayas reviewed ways that social media and the digital era have impacted the library.

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General discussion on the impact that the reading programs have had on the community, and where Orem's library fits in the big scheme of things. They also discussed what the Library Hall was typically used for and how often the space is used.

Mayor Young thanked the Library Advisory Commission for their report.

Mayor Young stated the personal appearances will be moved to the end of the agenda just prior to the last resolution on the agenda. General discussion ensued regarding moving agenda items and motioning occurred.

Tom Macdonald moved to move personal appearances from item 7 to right before 8.6 on the agenda. **David Spencer seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

CONSENT ITEMS

APPOINTMENT TO THE PLANNING COMMISSION

- Haysam Saker, Reappointment

Mr. Peterson spoke about Mr. Saker and some of his accomplishments while being on the Planning Commission in the past and his hopes for the future.

Mr. Peterson moved to approve the appointment of Haysam Saker to the Planning Commission. **Mr. Macdonald seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

APPOINTMENT TO THE SUMMERFEST COMMITTEE

- Shelley Seastrand, Reappointment

Mrs. Lauret spoke about some of Ms. Seastrands accomplishments and the programs that have been successfully executed on by her influence.

Mrs. Lauret moved to approve the appointment of Shelley Seastrand to the Summerfest Committee. **Ms. Millett seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

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SCHEDULED ITEMS

PUBLIC HEARING / ORDINANCE – Amending Section 14-1-4 Sign Zones and the Sign Zone map of the Orem City Code extending Sign Zone E to include a portion of the CenterPoint Church property located at 1550 S Sandhill Road.

Mr. Bench stated CenterPoint Church would like to install a double sided, pole mounted digital sign on their property. This sign would replace the historic use of hanging 10' x 10' banners on the building to advertise for events, such as a Christmas Eve Service. The pole sign would be installed near the southwest corner of the building oriented towards the freeway. 1550 S Sandhill Road does not currently have a sign zone, so it is considered to be in Sign Zone “D.” Sign Zone “D” allows freestanding monument signs, however it does not allow any freestanding pole signs (Section 14-3-3). The applicant is requesting that sign zone “E,” which allows pole signs, be extended to include 1480 S Sandhill Road and a portion of 1550 S Sandhill Road property.

General discussion ensued regarding the proposed rezone, businesses and residents surrounding that area.

Mayor Young opened the public hearing at 6:48 pm.

Samuel Richardson stated that he is in favor of protecting that neighborhood and he likes the idea of the sign being parallel along I-15.

Mayor Young closed the public hearing at 6:48 pm.

Mr. Earl suggested that the council inquire to the applicant if they would be willing to build to the specific dimensions of the approved plan.

Mr. Macdonald moved to approve an Ordinance Amending Section 14-1-4 Sign Zones and the Sign Zone map of the Orem City Code extending Sign Zone E to include a portion of the CenterPoint Church property located at 1550 S Sandhill Road. **Mrs. Millett seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The **motion passed**.

PUBLIC HEARING / RESOLUTION - Amending portions of Chapter 4 (Housing) of the Orem General Plan including updating Section 4.1 Population Demographics, Section 4.2 Existing Conditions, and enacting Section 4.4.2 pertaining to Moderate Income Housing Strategies.

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Mr. Bench stated pursuant to Utah Code Annotated (UCA) 10-9a-403(2)(b)(iii), Orem City is amending portions of Chapter 4 (Housing) of the Orem City General Plan to adopt the following four moderate income housing strategies and implementation plan for each item. The proposed amendment and text-strikeout are included as part of the staff report.

- (E) create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones;

Accessory apartments are already adopted into Orem's municipal code and part of the Development Services process. Orem City continues to provide all requirements for legal accessory apartments online. We also continue to advise residents who ask about their options. Orem monitors the number of legal apartments by annual report of existing legal apartments. Currently, there are 722 legal accessory apartments in Orem. It is anticipated that approximately 26 additional accessory units will be approved in the next year.

- (X) demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development;

In 2012, the City approved the Affordable Senior Housing (ASH) Overlay Zone to assist income restricted seniors. The City provides all information on our website and works collaboratively with the Utah County Housing Authority to provide new affordable senior housing units. Orem plans to continue to educate developers on regulations for developing in the Affordable Senior Housing Overlay (ASH) zone. The ASH overlay zone allows up to four units to be constructed on a single parcel. The tenant of each unit is restricted to those over the age of 60 and at or less than 80% of the median income of the Orem/Provo MSA.

- (Q) create a housing and transit reinvestment zone pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;

A developer has approached the City and has met with Staff, the Mayor and members of the council as to the feasibility of an HTRZ Zone. The next step in this process is for the Developer to hire a consultant for a study of the HTRZ estimated to take 6-8 months. In 2023, following the study, the Developer, Consultant and City will consider the next steps as required from the HTRZ Act.

- (V) develop and adopt a station area plan in accordance with Section 10-9a-403.1; In accordance with Utah Code Annotated (UCA) 10-9a-403.1, Orem City has outlined Station Area Plans for the transit stations in Orem into two phases: Phase 1 will begin with the revision and update of the existing station area plan for the Orem Frontrunner Station. Phase 2 will create a station area plan for the Lakeview, Main Street and University Place Bus Rapid Transit (BRT) stations. Additionally, staff is proposing to update Section 4.1 Population Demographics with updated demographic charts with 2020 Census Data and modify a portion of Section 4.2 Existing Conditions to match current zoning

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Ms. Millett asked Mr. Bench to highlight where they added the owner-occupied housing. Mr. Bench reviewed the presentation showing the area and stated it is encouraged to be owner occupied twin home type developments in the station area plans.

Mayor Young opened the public hearing at 6:54 pm, hearing no comments he closed the public hearing and brought the item back to the council for further discussion.

Mr. Lambson moved to approve by Ordinance amending portions of Chapter 4 (Housing) of the Orem General Plan including updating Section 4.1 Population Demographics, Section 4.2 Existing Conditions, and enacting Section 4.4.2 pertaining to Moderate Income Housing Strategies. **Mrs. Lauret seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The **motion passed**.

RESOLUTION - Expressing Intent to Combine Orem Dispatch Services with Provo Dispatch Services

Captain Sorenson stated the dispatchers are very short on staffing and the State Legislative and the State Tax Commission are looking to eventually move to one PSAPS per County. He explained they are looking for a better opportunity for employees and better service for the citizens. Mr. Sorenson explained some of the research and factors that the departments have taken into consideration while considering this move. He spoke about the shared staffing model and some of the benefits and opportunities that employee could have with this process.

General discussion ensued regarding the satisfaction of the officers with this move and the solutions that have been made based on employee concerns.

Mrs. Lauret moved to approve a Resolution expressing intent to combine Orem dispatch services with Provo dispatch services. **Mr. Macdonald seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The **motion passed**.

PERSONAL APPEARANCES

Ben Wheeler thanked the City Council for giving the residents of Orem a voice on the ballot. He spoke about Alpine School District and the debt that is associated with the district. He provided information about Alpine School District bonds, inflation, budgets, proposition 2, and tax debt.

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1 Debi Carlyle spoke about some of the benefits that she sees in a smaller school district. She
2 explained that as a tax payer she would prefer the best value for her dollar, and she believes that
3 would be possible with a smaller district.

4
5 Michelle Lee stated that Alpine School District has a bond debt and some large amounts
6 associated with it. She voiced her concern about the future if the bond was to pass and
7 possibilities that would play into the predicted outcomes.

8
9 Bryn Garcia voiced her concern about the library displays and how it has affected her as a
10 mother. She enjoyed the convenience of the displays in the library when they were set up and the
11 knowledge and experience that she believes her children gained from the books on the displays.
12 Mayor Young expressed his confusion stating that specific displays had not been banned in the
13 library. Ms. Garcia stated that the displays are not currently up.

14
15 Christine Crane expressed her concern as a mother that she is no longer seeing specific displays
16 in the library anymore. She commented on some of the benefits of having the displays up in the
17 past and why she believes they should be up in the future. She has questions for the library
18 commission in regards to the displays and will look forward to receiving a response from them.

19
20 Amy Karr voiced her frustration and confusion regarding the interaction with the City Council
21 during the public comment period two weeks prior. She had not heard back from the council in
22 regards to the Heritage Month displays and is displeased because the council stated they would
23 look into the issue. Ms. Karr spoke about previous meetings with the Library Commission and
24 events that took place in those meetings. She spoke about transparency with the Director of the
25 Library and discussions they have had.

26
27 Annabelle Cruz expressed she is disheartened that Hispanic Heritage Month is not being
28 celebrated on the library displays. She is frustrated about this issue and voiced her concerns
29 stating that she believes Orem is moving backwards. Mayor Young stated that there is no ban
30 on certain displays and there is some misguided information.

31
32 Blyden Loutensack commented on Alpine School District and what he believes they support. He
33 explained some content in current Alpine School District libraries that he believes is
34 unacceptable due to warning labels on the books.

35
36 Scott Brady spoke about the possible school district split and concerns he has that may be
37 associated with it. He also explained some potential benefits of Orem not being in Alpine School
38 District in the future.

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Shane Ramirez explained that her daughter is the one who created the pride display. She expressed the difficulty as a parent in seeing the contention the display caused and hearing the comments said about it. She believes that there has been a shift sense the pride display and explained the difficulty in asking where to find books to feel included instead of them being readily available on a display.

Lennard Lee spoke about the Alpine School District bond and explained the process of the bond using different situations as examples. He gave some advice based off of his personal experience.

**RESOLUTION - A Resolution of the City Council of the City of Orem
outlining its opposition to the 2022 General Obligation Bond for \$595 million
proposed by Alpine School District.**

Mayor Young read the proposed resolution and then opened it up to statements by the City Council Members.

Mrs. Lauret stated she just found out about this resolution and so she has not yet had time to look it over. She feels as though the Council should be neutral when it comes to this bond. She explained she thinks the citizens of Orem will be able to look at the information and vote accordingly on the ballot. She stated some values that she lives according to are:

Is it the truth?

Will it be fair to all concerns?

Will it build good will and better friendships?

Will it be beneficial to all concerns?

She stated that in regards to the question of “will it build good will and better friendships”, she believes that no matter what the outcome of the bond, they are going to need to work with Alpine School District (ASD). She believes that by voting yes on this resolution it will create more ill will.

Mr. Spencer stated that he is opposed to high taxes for the city of Orem. He spoke about signs that he is seeing around town and what they are stating for proposition 2. He believes that this bond with ASD will increase the taxes of Orem citizens. He explained the history of ASD bonds, the future of the new ASD bonds, current seismic concerns, and property taxes. Mr. Spencer continued to state Orem’s taxes will stay the same, and not increase with the new school district, if Orem votes to break away from ASD. Orem’s taxes will stay the same because they will not be responsible for the ASD bond debt.

Mr. Macdonald stated he received notice of this resolution being on the agenda by a reporter from the Daily Herald. He stated that it was troublesome to him that four members of the council had discussed while not violating any open meeting laws, individually about this. He believes that this is a council of seven people and not four and he would not like to hear about it not from a reporter. He explained that the same day that he heard about it he was not able to verify numbers and so he does not know them to be accurate. He said that the Utah taxpayer’s

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1 association elected to remain a neutral position on the proposed issue of the ASD bond and he
2 found that to be interesting. He continued the Utah Taxpayers Association said the impending
3 vote on the pro split of Orem into a new district will not affect this bond issue. If the district is
4 split corresponding projects within the new district and the dollar amount of those projects
5 will be pulled out of the total amount and be voted on by the new implementing body. Mr.
6 Macdonald stated that in the past the council has had a good pattern of remaining neutral. He
7 concluded that the resolution is not binding and it is only recommended by some members of
8 the City Council.

9 Mrs. Millett stated that as a representative she feels the responsibility to represent Orem
10 citizens. She said that ASD has announced that they will not be rebuilding any of Orem's
11 seismic unsafe schools in their first phase and she believes that is not protecting the lives of
12 the children. She expressed her concerns with seismic safety in Orem schools, children's
13 safety and property taxes.

14 Mr. Peterson voiced his concern of residents' frustrations with increasing property taxes and
15 inflation. He believes that it is time to keep our taxes in Orem and expressed concern about
16 possibly getting into more debt with the ASD bond. He then listed possible positive outcomes
17 of having an Orem only school district. He continued to state his disappointment with ASD
18 for not correcting misinformation that is being spread among citizens. Mr. Peterson concluded
19 by quoting different statements from authors and poets, focused on lies being brought to the
20 truth. Mr. Lambson stated he had been on vacation and got home recently so he also just
21 found out about the resolution a little over 24 hours ago. He wishes that he would have had
22 time to put together a statement and type out his thoughts and feelings. He is grateful to hear
23 others' opinions and have the opportunity to voice his opinion but he is confused that they
24 had to change the way that they normally do things, because of something that may be said in
25 the meeting. Mr. Lambson agrees that he does not prefer to see property taxes rise and he
26 would like what is best for everybody. He has a hard time as an elected body not being
27 neutral. Mr. Lambson stated that this has become such a controversial topic in the community
28 and he is concerned about that. He believes that as an elected body coming together as a
29 council, things should remain neutral. He concluded by stating he does not feel that it is his
30 job as an elected official to encourage the residents what to do, he trusts the citizens of Orem.

31 Mayor Young clarified some reasons why he felt as though the council needed to have this
32 conversation about the resolution. He stated that this resolution was last minute for everybody
33 on the council. He expressed his feeling on tax increase, seismic issues in schools, and future
34 predictions of the ASD bond.

35 General discussion ensued regarding the council members notification of the resolution.

36 **Mrs. Millett motioned** an approval of a resolution of the City Council of the City of Orem
37 outlining its opposition to the 2022 General Obligation Bond for \$595 million proposed by
38 Alpine School District. **Mr. Peterson seconded** the motion. **Those voting aye:** David A.
39 Young, David Spencer, Terry Peterson and LaNae Millett. **Those voting nay:** Debby Lauret,
40 Tom Macdonald, Jeff Lambson the **motion passed**.

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CITY MANAGER INFORMATION ITEMS

Mr. Davidson gave an update on the Heritage Well and stated they are drilling once again on the project. He explained the drilling process and some of the measurements associated with it.

Mr. Davidson stated there is usually just one City Council meeting in November and this year the meeting is scheduled on November 8th that happens to be Election Day. Through general discussion they have decided to reschedule that meeting for November 9th. Mr. Davidson stated that due to the ballot containing an Orem specific question on the ballot this year there will need to be a formal canvas of the results within 14 days of the election. General discussion on dates of meetings and attendance occurred.

Mr. Davidson informed the council the I.T. Department is in the process of making changes to emails and passwords systems within the city. He explained the password changing process and how to go about doing that.

Mr. Davidson wished Council Member Mr. Spencer a Happy Birthday.

ADJOURN

Mrs. Millett motioned to adjourn the meeting, **Mr. Macdonald seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The **motion passed**.

Meeting adjourned at 8:27 p.m.

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CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
October 11, 2022

4:00 P.M. WORK SESSION – CITY COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, Tom Macdonald and Debby Lauret.

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and Tess Jones, Deputy City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

4:00 P.M. WORK SESSION-CITY COUNCIL CHAMBERS

PRESENTATION - North Point Solid Waste Special Service District (NPSWSSD)

Mr. Bybee introduced Mr. Schwendiman and listed what his job entails of as well as some of his accomplishments.

Mr. Schwendiman started by giving some of the history of the transportation and location of North Point Solid Waste Special Service District. He continued to discussion of rail and semi transportation, services, operation and where the waste currently resides took place. He then explained some of the services and operations of the company. Clarification of “clean” waste took place. He showed a pie chart that displayed curbside waste, public self-haul, city vehicles, coupon customers, and direct green waste customers of Orem in 2021. He then spoke about curbside tons, curbside green waste tons, and history of the coupons being used.

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1 General discussion ensued regarding the purpose of dump passes in Orem and how they have
2 been used in the past as well as the curbside fee history.

3
4 Mr. Schwendiman concluded by reviewing what the future may hold and the master plan
5 findings. He then showed some images of what the transfer station could look like. He explained
6 how they are working to improve the current space within the year to the next few years.

7
8 Mr. Bybee stated that because of Mr. Schwendiman and his creative skills they are able to keep
9 the current location of the building.

10
11 General discussion of the current board members, the height of the stock wall, the wildlife that
12 resides on the land, appreciation of cost effectiveness, relationship with waste management, and
13 wait time for dumping.

14 15 16 INFORMATION - Employee Civility Training (10 min)

17
18 Ms. Rugg stated the size of the organization and the goal of keeping employees at Orem City.
19 She explained some of the leadership and management activities that they are doing to be
20 proactive. She discussed Building a Better Orem and what their objectives are by starting these
21 best practices. Ms. Rugg handed out a book called “Mastering Civility” to the council members
22 and invited the council members to attend the next BABO event.

23 General discussion ensued regarding identifying Orem employee’s needs.

24 25 26 PRESENTATION - Deer Creek Intake Project (45 min)

27
28 Mr. Denos explained what the intake water project was and some of the reservoirs associated
29 with it. He stated that Deer Creek Reservoir services 88% of the drinking water to Utah’s
30 population. Mr. Denos discussed some of the areas that are in need of repair and renovation.

31
32 Mr. Jorgenson stated the “why” of the project and what the driving force is.

- 33 • Aging Infrastructure-
 - 34 ○ Construction in the wet doesn’t impact existing operators, fish, etc.
 - 35 ○ Isolating existing intake allows for maintenance, inspections, etc.
 - 36 ○ Restore aging guard gate(s) operators
 - 37 ○ Redundant intakes/pipe that are designed for seismic
- 38 • Invasive species threat
- 39 • Innovative construction “in the wet”
- 40 • Seismic Upgrades

41 He then explained 3 solutions to aging infrastructure and the schedule that has been going sense
42 2019, and some of the factors that have played into the timeline. He continued to discuss the

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1 estimated cost of the project, funding needs and the current contractors they have been working
2 with. As well as the plan to reduce cost due to the increase that has occurred over the years of the
3 project.

4
5 General discussion ensued regarding the explanation of “in the wet” and what past projects have
6 consisted of, if this project will weaken the structure of the dam, the adjustment in residents, and
7 Orem City’s part as a shareholder.

8 9 10 AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

11
12 Mrs. Millett reviewed the upcoming agenda.

13 14 15 CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

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17 There were no reports at this time.
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6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, Terry Peterson, LaNae Millett, Jeff Lambson, Debby Lauret, and Tom Macdonald

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and Tess Jones, Deputy City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT – Jim Hawks

PLEDGE OF ALLEGIANCE –Kelly Kirkpatrick

MAYOR’S REPORT/ITEMS REFERRED BY COUNCIL

ANNUAL REPORT - Recreation Advisory Commission

Mr. Spencer moved to move the Annual Report to the next meeting. **Mrs. Millett seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

Mayor stated that the personal appearances and resolution will be at the end of the program.

Mrs. Millett moved to move personal appearances to just prior to 8.6 item on the agenda. **Mr. Peterson seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret and Jeff Lambson, Terry Peterson and LaNae Millett. Those voting nay: Mr. Macdonald. The motion **passed**.

CONSENT ITEMS

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There were no Consent items at this time.

SCHEDULED ITEMS

PUBLIC HEARING/RESOLUTION-Amending portions of Section 2-1-5 Board of Building and Fire Code Appeals pertaining to number and length of terms a Board member can serve.

Mr. Bench stated the Board of Building and Fire Code Appeals is a body of local citizens made up of contractors, engineers, architects and other professionals. Knowledge of general construction principles and practices is an essential qualification for a Board member. Membership is also restricted to Orem residents. Because of the qualifications there is a limited number of eligible applicants. The Board also meets infrequently on an as-needed basis, often going months or years without a meeting. The request made by Development Services would allow Board members to serve more than two terms, which will help with preventing vacancies on the Board.

Mr. Lambson asked what their term would consist of. Mr. Bench replied it would be a full 3-year term.

Mayor Young opened the public hearing at 6:13pm. Hearing no comments, Mayor Young closed the public hearing and brought the item back to the Council for further discussion.

Mr. Macdonald moved by Resolution to Amend portions of Section 2-1-5 Board of Building and Fire Code Appeals pertaining to number and length of terms a Board member can serve.

Mrs. Lauret seconded the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. **The motion passed.**

PUBLIC HEARING/ ORDINANCE- Amending Section 22-6-9(F)(8) Home Day Care Services-Child & Adult (SLU Code 6263) pertaining to outdoor play areas; and enacting Section 22-6-9(G)(14) Commercial Day Care Services (SLU Codes 6261 and 6262) pertaining to outdoor play areas.

Mr. Bench stated that Development Services requests the City Council amend the Home Day Care requirements pertaining to play areas. The proposed language would require play areas to be fully enclosed and require a self-closing and self-latching gate. It would also require outdoor play areas to have a soft-surface area for children to play on. (See Section 22-6-9(F)).Development Services also proposes a new ordinance regarding Commercial Day Care

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Services. It would require commercial day cares to have a play area that is fenced with self-closing and self-latching gates. It would not allow play areas and play structures to be located in parking lots or on top of other hard surfaces. (See Section 22-6-9(G)).

General discussion ensued regarding past playground areas, past issues, potential issues, what a soft surface classifies as, and new licensing requirements.

Mayor Young opened the public hearing at 6:16 p.m.

A person who did not state their name asked for clarification on who would need to apply to these changes to their businesses. Mr. Bench replied stating that all day cares in Orem would need to follow the guidelines.

Eliza Penniger the director of Learning Adventures Child Care Center stated that she opened up her child care center last year and explained her reasoning for starting her business. She explained that she recently sold the business and she would need to get a new business license for this because Orem City does not allow new licenses to be transfer to new owners once the business is sold. She stated that getting the new license and complying with the new business regulations would cost her a significant amount of money. She explained that the last line of the Ordinance is unclear and she mentioned using turf over concrete as a solution.

General discussion ensued regarding the history of Ms. Pennigers business, current licensing verses expired licenses, benefits in the play area being a soft surface versus a hard asphalt surface play area, temperature regulations, shade required, verbiage/language in the new ordinance.

Mayor Young suggested the Ordinance define what a soft surface play area is.

Ms. Penniger proposed they be able to proceed with licensing. Discussion in regards to moving forward and what surfaces should be allowed for Ms. Pennigers Day Care.

Mayor Young closed the public hearing at 6:44 p.m. and brought the item back to the council for further discussion.

Mr. Lambson moved by Ordinance to Amend Section 22-6-9(F)(8) Home Day Care Services-Child & Adult (SLU Code 6263) pertaining to outdoor play areas; and enacting Section 22-6-9(G)(14) Commercial Day Care Services (SLU Codes 6261 and 6262) pertaining to outdoor play areas minus the last sentence in the ordinance. **Mr. Macdonald seconded.** Those voting aye: David A. Young, David Spencer, Debby Lauret and Jeff Lambson, Tom Macdonald and LaNae Millett. Those voting nay: Terry Peterson. **The motion passed.**

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PUBLIC HEARING / ORDINANCE - Enacting Section 22-6-9(M) Residential
Preschool (SLU Code 6265) and Standard Land Use Code 6265 Residential Preschool.

Mr. Bench stated it has been requested a new land use code be enacted for residential preschools. Currently, residential preschools are being regulated and enforced under Home Day Care Services (SLU Code 6263). (See Section 22-6-9(F)). Enacting a new land use code will allow for better regulation and enforcement of residential preschools because different regulations apply to them.

Mayor Young opened the public hearing at 6:46 p.m. Hearing no comments Mayor Young closed the public hearing and brought the item back to the Council for further discussion. +

Mr. Spencer moved by Ordinance to Enact Section 22-6-9(M) Residential Preschool (SLU Code 6265) and Standard Land Use Code 6265 Residential Preschool. Mrs. Lauret seconded. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. **The motion passed.**

ORDINANCE – Amending Section 14-1-4 Sign Zones and the Sign Zone map of the
Orem City Code extending Sign Zone E to include a portion of the CenterPoint Church
property located at 1550 S Sandhill Road.

Mr. Bench stated Centerpointe Church would like to install a double sided, pole mounted digital sign on their property. This sign would replace the historic use of hanging 10' x 10' banners on the building to advertise for events, such as a Christmas Eve Service. The pole sign would be installed near the southwest corner of the building oriented towards the freeway. 1550 S Sandhill Road does not currently have a sign zone, so it is considered to be in Sign Zone "D". Sign Zone "D" allows freestanding monument signs, however it does not allow any freestanding pole signs (Section 14-3-3). The applicant is requesting that sign zone "E," which allows pole signs, be extended to include 1480 S Sandhill Road and a portion of 1550 S Sandhill Road property.

Mr. Bench stated that they are still working with the applicant to get the agreement signed. They have signed it. They are just looking for authorization that this individual has the ability to sign on behalf of the church. He concluded that it had not been accomplished by the time the meeting started and asked this item be continued for two weeks.

Mr. Macdonald moved to continue the item amending Section 14-1-4 Sign Zones and the Sign Zone map of the Orem City Code extending Sign Zone E to include a portion of the CenterPoint Church property located at 1550 S Sandhill Road until the October 25th City Council Meeting.

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1 **Mr. Spencer seconded.** Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom
2 Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. **The motion passed.**

3 4 5 PERSONAL APPEARANCES

6
7 Margaret Black, an Orem resident and former City Council member voiced some concerns that
8 she had with the City Council ethics, feasibility study, and proposition 2. She mentioned
9 meetings that she has attended and what she witnessed at those meetings. She is concerned with
10 the adversarial nature that has been presented regarding Alpine School District. She concluded
11 by stating she would like to see the Council work with Alpine School District in a positive way
12 in the future.

13
14 Linda Campbell Stated she feels as though there are council members going around in the
15 community with information that encourages residents to vote yes to the School District split.
16 She voiced her concerns with the ethics of the City Council members. She believes that there is a
17 lack of civility and respect in the current city council meetings. She would like to know if the PR
18 person hired to do campaigning for proposition 2 has used any of Orem's tax payer money. She
19 concluded by expressing her frustrations with the city councils behavior and the live stream
20 video not taking place.

21
22 Jody Sumberg an Orem resident, told a story about two teenage boys who had taken signs from
23 somebody in regards to Proposition 2. She spoke about her own elections and how signs have
24 been handled in the past. She explained some of the current rules and regulations in regards to
25 sign postage. Ms. Sumberg talked about her 20-year experience on an elected board and the
26 importance of following the law especially during an open meeting. She explained that she has
27 been disheartened over the last several months with the Mayor and three council members who
28 have chosen to disregard the law. Holding a quorum outside of official closed meetings
29 regarding creating resolutions and other policies while not including three of the City Council
30 members and changing agendas without the knowledge of three of the council members. She
31 expressed her concern with recent displays of attack during city council meetings of certain
32 council members when they are in opposition of views. She concluded by encouraging the
33 council to have in depth trainings on ethics and open meeting laws and seek to restore trust by
34 Orem citizens.

35
36 Stephanie Bismont voiced her feeling of the importance in a city council being neutral with
37 topics on the ballot. She stated she does not believe that means that they cannot have an opinion,
38 but rather when they come together as a council, they remain neutral. She feels as though citizens
39 should feel comfortable in contacting anyone on the council with questions and concerns and not

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1 be swayed one way or another. She concluded by expressing that she is not a fan of the
2 resolution but she does support the city council through the very important issues in Orem City.

3
4 Tim Stay shared his involvement in the community and explained his point of view on the
5 academic wellbeing of Orem. He is concerned with the impact of education being their own
6 district and how that would affect Orem children. He explained frustration with more money
7 possibly going to the administrators and less going to the students. He gave examples of other
8 cities and their economic state due to similar situations. He encouraged the city council to stay
9 neutral and for Orem citizens to vote. He concluded by stating his frustration of being in another
10 city and them being able to live stream their meeting and Orem City not live streaming their
11 citizen comments.

12
13 Marilyn Larsen thanked the council for considering a smaller school district. She spoke about the
14 feasibility study and others points of view on the feasibility study. She believes that smaller
15 classroom and smaller city government is phenomenal. She related a conversation she had with
16 an Alpine School District board representative and how it has impacted her.

17
18 Donna Boyd spoke about her involvement in education and the community. She stated that some
19 of the redirect has been confusing in regards to tax payer increases with Orem becoming their
20 own school district. She spoke about tax increase, debt, fixed income, the school district bond,
21 and seismic upgrade in Orem schools. She prefers that her tax dollars stay in Orem to create a
22 new school district. She listed off some of the benefits of having an Orem only school district.
23 She concluded by stating she believes that those who oppose the school district split have been
24 misinformed and she voiced her approval of the credibility of the people who conducted the
25 feasibility study.

26
27 Samuel Fisher spoke about election signage and different emotions associated with election
28 signs. He expressed frustration with dishonestly of those who are opposing the Orem only school
29 district. He read a statement by the Utah Taxpayers Association and explained his point of view.
30 He hopes that going forward everybody is able to have open and honest conversations. He stated
31 it seems like those talking, if they can't lie, then they attack the person who's talking and if they
32 are proved wrong they then move to the next stage and make up a new statistics. He concluded
33 that he believes by passing the resolution it will help clear the air.

34
35 Karen Turner expressed appreciation towards the council for giving the citizens of Orem the
36 opportunity to vote for the future of Orem Schools. She has enjoyed having discussions with
37 friends and neighbors in regards to the proposition on the ballot. She explained some of the
38 benefits of an Orem only school district. She believes that this is possible without putting the
39 citizens of Orem in deep financial bondage. She stated that Orem has the financial resources to

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1 make this happen. She concluded by encouraging the citizens of Orem to do their research on
2 both sides of the proposition before they vote.

3
4 Karen Adamson stated she believes that Alpine School District is putting Orem in a position
5 where they will be unable to help themselves. She expressed some of her concerns with Orem
6 staying in the Alpine School District including debt, having options, and helping the children.
7 She believes that Orem has the resources to make its own school district. She concluded by
8 thanking the Mayor and City Council for giving Orem the chance to make this happen.

9
10 Jason Jolly expressed his confusion with the live streaming not being on. He stated he views the
11 split as an ideological battle, not about the seismic fit of Orem buildings or about a lot of
12 different issues that have been brought up. He said that he has seen animosity brought on both
13 sides of this opposition. He thinks this has made it very difficult for undecided voters to come to
14 a conclusion. He concluded by commenting about doing better as individuals, the stakeholders
15 being affected by the proposition, and current programs that the Alpine School District offers.

16
17 Michelle Lee stated there is a group that is opposing the proposition that she felt was founded on
18 false numbers and inaccurate data. She expressed frustration with board members of Alpine
19 School District indicating she felt they were not remaining neutral and using their district email
20 accounts to form a group against the feasibility study. She asked if residents were supposed to
21 believe every single independent organization and government agency and individual that has
22 strongly supported proposition 2 is lying and those on the opposite side is the only group in
23 Orem that has the truth. She expressed frustration with Alpine school district using employees
24 and resources to fight against the School District split. She concluded by stating that one thing
25 that she believes Orem should do would be to branch away from Alpine School District.

26
27
28 RESOLUTION - A Resolution of the City Council of the City of Orem Outlining its
29 Support for a new Orem School District

30
31 Mayor Young read the resolution. He then asked the council members for their comments.

32
33 Mr. Lambson stated that tonight they are not voting whether to split or not to split, they are
34 voting on a resolution that the City Council is making a statement about a particular stand on an
35 issue that is on the ballot that he does not feel good about. He expressed his concern not that this
36 issue is on the ballot. He believes that the citizens of Orem will vote to what they believe is best
37 for the City of Orem. His concern is that as an elected body, it may appear they are trying to
38 influence the voters. He stated they are elected to represent all of the citizens of Orem. He had
39 spoken with some people in the education community who are frustrated and disappointed that
40 the city council would make a resolution supporting one way or another on the ballot. He said

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1 that the resolution feels like the city council is trying to influence the people to do the will of the
2 city council. He stated that until after the election they will not know what the people want and
3 until then he does not feel good about an elected body trying to influence the vote. Mr. Lambson
4 stated that he would like to represent all of the citizens of Orem and make sure they all are head
5 by getting to listen to their votes in the future election. Mr. Lambson concluded that he would
6 like to amend the wording of the resolution. Mr. Earl advised that it may be best to consider that
7 after everyone has commented.

8
9 Mr. Peterson stated he is speaking tonight in favor of an Orem only school district. He explained
10 his perspective with his past experience being on the Alpine School District Board and where he
11 stands on an Orem only school district. Mr. Peterson then used an analogy stating what cities are
12 currently in the Alpine School District. He spoke about potential debt the Orem could get in if
13 they stay with Alpine School District. He then stated some concerns with seismic safety,
14 resources, and locations of schools and complaints that were made. He stated Alpine school
15 district has known about seismic unsafe Orem schools for 6 years and they have not done
16 anything about it. He gave examples of schools in Alpine School District that have received
17 resources and funding when Orem has not. He then spoke about the feasibility study and some
18 factors that played into it. He talked about the benefits that some of the smaller school districts
19 have had and about future projections in an Orem only school district. Mr. Peterson stated that
20 Orem does not have a diminishing population of children, Alpine School District has a
21 diminishing enrollment of children in Orem. He stated his point is that one in five children in
22 Orem do not attend Alpine School District. He believes that Orem citizens are going to other
23 schools because their test scores are higher, and smaller class sizes. He then stated how Orem
24 taxpayers' money is going to be spent going to the Orem School District. He explained that the
25 feasibility study was the fourth study that was conducted and this process is not being rushed
26 because of the \$600 million dollars that is involved. He discussed the men who conducted the
27 feasibility study and their credibility, how Orem has the funding for an Orem only School
28 district, the perspectives of the opposing side, and how he will be voting.

29
30 Mrs. Millett stated her frustration with comments on social media and newspapers being
31 incorrect about proposition 2. She said that this resolution informs the citizens of Orem of the
32 facts. She shared her point of view having been involved and done a lot for different schools. She
33 stated she believes to be true about the future of Orem schools if they were to stay with Alpine
34 School District. She explained that her intentions are always in the best interest of Orem
35 children. She feels it is important to have a small neighborhood school culture in Orem and what
36 it means to her. She read a letter from a retired school teacher and explained her opinion on what
37 teachers input means to her. She believes that in a smaller district individuals would have more
38 of a voice, teachers would have the same benefits, retention, and retirement plan. She stated that
39 as shown in the feasibility study Orem school district teachers would be compensated the same
40 as they are now for at least 10 years. She encouraged Orem residents to re-watch the August 2,

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1 2022 city council meeting to hear the research that has done in determining if Orem should have
2 its own school district. She concluded by reviewing some of her own research she had done in
3 regards to growth and funding for the programs.
4

5 Mr. Spencer reviewed the timeline and the research that had gone into creating an Orem School
6 District. He quoted statements from the Utah Taxpayer Association and things that were
7 discovered in the feasibility study. He stated it is up to the voters in Orem to vote based off of
8 facts and not fear. He believes there have been some false statements made and distortions that
9 have been said. He concluded by explaining if Orem decides to create its own school district,
10 taxes will not increase due to not being a part of the Alpine School District Bond.
11

12 Mrs. Lauret stated she was concerned during previous meetings and believes council members
13 should be neutral, although technically within the bounds of the state statues, she believes that it
14 violates the spirit of the law. She continued to state she would like to trust the process of the
15 citizens of Orem voting to how they feel things should be, there are many of opportunities on
16 both sides for citizens to be educated. She sees the pros and the cons on both sides of the
17 arguments and believes there are benefits to both. She stated she is concerned about the startup
18 costs of an Orem school district running into the millions that the city would have to bear. She
19 concluded to state she has had conversations with both Lindon and Vineyard and those cities are
20 watching and waiting but have made no commitments to joining Orem.
21

22 Mr. Macdonald stated he does not think that long speeches from the city council will change
23 anybody's opinion. He told a story about his neighbor putting up vote yes signs shortly after he
24 put a vote no sign and how they are able to still be friendly with one another despite their
25 differences. He agrees with those who have stated they would like to see civility from both sides
26 on this issue. He concluded by stating he would prefer to stay clear of any hint or perception of
27 impropriety or circumvention of established best practices.
28

29 Mayor Young stated the reason for putting the resolution on the agenda was because he would
30 like to clear up any misinformation given in the past. He would like the citizens of Orem to make
31 their voting decisions based off of the truth. He reviewed the frequently asked questions about
32 the Alpine School District Bond and the responses to those questions He stated he feels Alpine
33 School District loyalist put out a hit piece on his father that was designed to change the
34 conversation from what should be discussed into an effort to demonize his father. He explained
35 his father's current circumstances and his frustration with people twisting his father's prayer into
36 something negative about teachers. He expressed his father's point of view on the situation and
37 why he said what he said in his prayer. He stated he respects all sides of the arguments in this
38 election, and would like Orem residents to make decisions based off of facts and not be misled.
39 Mayor Young concluded by reviewed past tax fluctuation, projected future taxpayer fluctuation,
40 timing of the school district split, and current situations in Orem schools.

DRAFT

1 **Mr. Peterson moved** by Resolution the City Council of the City of Orem Outlining its Support
2 for a new Orem School District **Mrs. Millett seconded.** Those voting aye: David A. Young,
3 David Spencer, Terry Peterson and LaNae Millett. Those voting nay: Tom Macdonald, Jeff
4 Lambson, and Debby Lauret. **The motion passed.**

5 6 7 **CITY MANAGER INFORMATION ITEMS**

8
9 Mr. Davison gave an update on the Hillcrest Park stating they are going to begin on the
10 demolition of the park next week and then they will work through the winter months to complete
11 the project. He stated the estimate price was higher than the bid price and so that is good news.
12 They will then bid the other piece of the project in the winter with a plan to turn dirt as soon as
13 possible.

14
15 Mr. Davidson gave an update on the Utopia project regarding interest rate history and future
16 along with money amounts for the past and future.

17
18 Mr. Davidson gave some updates on the new city center building and stated some concerns
19 associated with the ceiling heights.

20
21 General discussion ensued regarding city code and amending a section of the code to fit the
22 currently building plans of the city center building.

23 24 **ADJOURN**

25
26 **Mayor Young moved** to adjourn. **Mr. Macdonald seconded.** Those voting aye: David A.
27 Young, David Spencer, Terry Peterson, LaNae Millett, Tom Macdonald, Jeff Lambson, and
28 Debby Lauret. **The motion passed.**

29
30 Meeting adjourned at 9:04 p.m.

DRAFT

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
October 25, 2022

4:00 P.M. WORK SESSION-CITY COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Young, David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, and Tom Macdonald.

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Ryan Clark, Development Services Director; Brandon Nelson, Finance Director; Lane Gray, Capital Projects Manager; Giles Demki, Water Reclamation Section Manager; Kathi Lewis, Economic Development Division Manager and Tess Jones, Deputy City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

DISCUSSION - Water Conservation Plan Update

Mr. Price introduced the background of the Utah State Water Code and the proposed update of the Water Conservation Plan.

- Utah State Code 73-10-32 requires the City of Orem to prepare and adopt a Water Conservation Plan.
- Plan should be updated every five years.
- Submit a draft to the State Division of Water Resources for review for compliance with state code.

He showed a map of the city and then explained the sources of the water for Orem.

- Surface water (Deer Creek Reservoir/Jordanelle)
- Springs (Alta springs/Canyon springs)
- Wells

He then showed a graph and explained the historic and future water needs as well as a graph of Orem Water Consumption. He explained that there has been a dramatic shift in water use throughout the years. He then explained the types of water meters the city uses and what that entails.

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Mr. Macdonald asked for clarification on water consumption and water use.

Mr. Price showed a graph of the water production throughout the seasons of the years 2020 and 2021 and the explained the difference between those two years.

Mr. Davidson asked why there is a spike at the end of the year of 2021.

General discussion ensued regarding the water consumption during the holiday season, the fluctuation of weather/rain fall, business and home growth, and indoor water use.

Mr. Price explained Utah Regional M&I Water Conservation Goals. He stated that those goals are made based off the City of Orem Water Consumption Summary from 2015-2021.

Water Challenges and Goals:

- Reduce the City's water use to reflect the Regional Water Conservation Gals for 2030.
- Maintain an effective conservation-oriented water pricing structure each year.
- Complete the meter replacement project by the end of 2022.
- Construct a tertiary treatment process at the Water Reclamation Facility to produce water for irrigation by 2025.
- Continue education efforts to the public regarding water conservation.
- Replace automatic sprinkler controllers on all City-owned properties to newer technology by 2025.

Mayor Young asked for clarification on the last goal if it was similar to the sprinklers that adjust with the weather.

General discussion ensued regarding the types of sprinklers and areas that the city will be working to improve.

Mr. Price explained some current and ongoing conservation practices that are in place and what they feel are the next steps.

General discussion ensued regarding the replacement of meters, replacing automatic sprinklers, concerns of Orem residents with water pricing structure each year, Deer creek Reservoir levels, timing of water level intake project, watering proportions on certain sizes of land, and rebates on water utility bill.

UPDATE - Trails Master Plan

Mr. Taylor gave the background of the Trails Master Plan and why it has been brought to the council. He then explained what a multi-use path is and the benefits of having one.

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Mrs. Millett asked if the path is the same level of the road and if there was a type of barrier between the pedestrian and the passing traffic. Mr. Taylor responded the potential landscapes of the trails, barriers and examples of what may be the safest option.

Mr. Taylor showed a map of the proposed Amendments and explained their locations:

- Lake Bottom Canal Connector
- Rail Trail Connector
- Lakeside Park Connector

He continued to explain some of the destinations and where the trails would be connected as well as recommendations.

Mr. Peterson recommended that Mr. Taylor speak with the Utah Lake Commission in regards to funding and building.

Mr. Macdonald commented regarding Orem paying for Orem's side and Vineyard paying for Vineyards side of the trail.

DISCUSSION - Rezone of 3.15 acres from the Business Park (BP) zone to the PD51 zone at approximately 720 North 1550 East (River District)

Mr. Bench showed a map and explained the location of the building in Orem where he clarified the location of where it would be in regards to Provo.

Mayor Young asked what it was currently zoned. Mr. Bench replied it is zoned BP (business park).

Mr. Bench displayed the Provo concept plan being 198 townhome units where he explained the flow of potential traffic. He continued by discussing the proposed text and explained some of the features within that plan.

General discussion ensued regarding parking, how many bedrooms, student housing, numbers of individuals residing, ownership, and leasing, roadways, and driveways, elevation of buildings, square feet, future projects, tax perspectives, and valuation.

Mr. Bench reviewed Code 22-9-8 Miscellaneous Regulations for Manufacturing and Research and Development Zones, and the proposed changes.

General discussion ensued regarding the types of possible restaurants, trails systems, text amendment, and ownership of project, traffic and potential businesses.

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AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

The City Council reviewed the evening's agenda and discussion ensued regarding the scheduled items that would be considered.

CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

There were no reports at this time.

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6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, Terry Peterson, LaNae Millett, Jeff Lambson, and Tom Macdonald

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and Tess Jones, Deputy City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT – Skip Mccorder

PLEDGE OF ALLEGIANCE – Grieg Carlile

MAYOR’S REPORT/ITEMS REFERRED BY COUNCIL

ANNUAL REPORT - Recreation Advisory Commission

Mr. Mccorder started by reviewed the year of 2022 by stating facts about the fitness center memberships, revenue, improved experiences, expanded fitness, and leisure pool play structure. He then shared some benefits of Co-Sponsored sports programs with OTB, OYS, Celtic, and UVFL. He explained the process of the Scera Pool 2022 membership and how that program has been positively impacting the recreation center.

Some project improvements that are going on are:

- Hillcrest Park, Gyn, Pickleball, Playground-October 2023 Target Date.
- Lakeside Park Improvements.
- Playgrounds at Scera, Springwater, Sharon Parks.
- Nielsen’s Grove Pavilion
- CARE TAX: Approaching 20 years of investment in Orem Parks, Recreation, Trails, & Cultural Art.

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Mr. Davidson mentioned that the CARE TAX will be on the ballot to vote on November 2023. He made recommendations as to who should be in charge of future improvements of the programs.

General discussion ensued regarding images on the slide show, positive feedback as well as impacts that the CARE TAX has had on the community occurred.

Mayor Young gave a statement in regards to not live streaming certain sections of the past two city council meetings and the legal reasoning behind it. They did not live stream on the website to avoid potential violation of Utah code section 20a-11-203. The City of Orem has recorded these meeting and a link to the videos can be requested through the city recorder. Mayor Young stated that the City of Orem will continue to make every effort to ensure that its actions are in compliance with the law.

PERSONAL APPEARANCES

There were not Personal Appearances at this time.

CONSENT ITEMS

RESOLUTION – Renaming a portion of 165 South between 400 West and 800 West Street as Bruin Boulevard and 165 South.

Mr. Macdonald moved to approve by Resolution renaming a portion of 165 South between 400 West and 800 West Street as Bruin Boulevard and 165 South. **Mrs. Millett seconded** the motion. Those voting aye: David A. Young, David Spencer, Tom Macdonald, Jeff Lambson, and LaNae Millett. The motion **passed**.

SCHEDULED ITEMS

APPOINTMENT TO THE CDBG COMMISSION – Janet Alvarez

Mrs. Millett moved to approve the appointment of Janet Alvarez to the CDBG commission. **Tom Macdonald seconded** the motion. Those voting aye: David A. Young, David Spencer, Tom Macdonald, Jeff Lambson, and LaNae Millett. The motion **passed**.

DRAFT

ORDINANCE – Amending Section 14-1-4 Sign Zones and the Sign Zone map of the Orem City Code extending Sign Zone E to include a portion of the CenterPoint Church property located at 1550 S Sandhill Road.

Mr. Bench stated the Centerpoint Church would like to install a double sided, pole mounted digital sign on their property. This sign would replace the historic use of hanging 10' x 10' banners on the building to advertise for events, such as a Christmas Eve Service. The pole sign would be installed near the southwest corner of the building oriented towards the freeway. 1550 S Sandhill Road does not currently have a sign zone, so it is considered to be in Sign Zone "D". Sign Zone "D" allows freestanding monument signs, however it does not allow any freestanding pole signs ([Section 14-3-3](#)). The applicant is requesting that sign zone "E," which allows pole signs, be extended to include 1480 S Sandhill Road and a portion of 1550 S Sandhill Road property. The Planning Commission recommends the City Council, by ordinance, amend Section 14-1-4 *Sign Zones* and the Sign Zone map of the Orem City Code extending Sign Zone E to include a portion of the CenterPoint Church property to within 5 feet of the south face of the existing structure located at 1550 S Sandhill Road

City council members asked for clarification of the height and the type of sign that will be displayed. Mr. Bench responded stating that it will be a 6 feet high and 12 feet wide sign.

Mr. Spencer moved to approve the Ordinance amending Section 14-1-4 Sign Zones and the Sign Zone map of the Orem City Code extending Sign Zone E to include a portion of the CenterPoint Church property located at 1550 S Sandhill Road. **Jeff Lambson seconded** the motion. Those voting aye: David A. Young, David Spencer, Tom Macdonald, Jeff Lambson, and LaNae Millett. The motion **passed**.

PUBLIC HEARING / ORDINANCE – Enacting Section 22-11-64 PD51 (River District – 720 North 1550 East) zone, and Appendix "YY" of the Orem City Code, and amending Article 22-5-3(A) and the zoning map of the City of Orem by changing the zone of 3.15 acres from the Business Park (BP) zone to the PD51 zone at approximately 720 North 1550 East.

Mr. Macdonald moved to continue this item to the next City Council meeting being November 9th 2022. **Mrs. Millett seconded** the motion. Those voting aye: David A. Young, David Spencer, Tom Macdonald, Jeff Lambson, and LaNae Millett. The motion **passed**.

PUBLIC HEARING / ORDINANCE - Amending a portion of Appendix A of the Orem City Code by amending the Standard Land Use (SLU) Code 5811 Fast Food and making such use permitted in the Business Park (BP) zone; and amending Section 22-9-8(1)

DRAFT

Miscellaneous Regulations for Manufacturing and Research and Development Zones to allow fast food restaurants with a drive-thru; and to make architectural standards consistent throughout the west side development project area in the Business Park (BP) zone located at approximately 800 North and University Avenue.

Mr. Spencer moved to continue this item to the next City Council meeting being November 9th 2022. **Mrs. Millett seconded** the motion. Those voting aye: David A. Young, David Spencer, Tom Macdonald, Jeff Lambson, and LaNae Millett. The motion **passed**.

PUBLIC HEARING / ORDINANCE - Amending the Current Fiscal Year 2022- 2023 Budget

Mr. Nelson displayed the current fiscal year and explained some of the grant items.

General discussion ensued regarding significant grant items, fund distribution, and some clarification of what certain items took place.

Mayor Young opened the public hearing at 6:39 p.m. Hearing no comments he closed the public hearing and brought the discussion back to the council.

Mr. Spencer moved to approve the ordinance amending the Current Fiscal Year 2022- 2023 Budget. **Mr. Macdonald seconded** the motion. Those voting aye: David A. Young, David Spencer, Tom Macdonald, Jeff Lambson, and LaNae Millett. The motion **passed**.

COMMUNICATION ITEMS

MONTHLY FINANCIAL SUMMARY - September 2022 for Review Only

CITY MANAGER INFORMATION ITEMS

Mr. Davidson reminded the council that the next City Council meeting will be held on November 9th which is a Wednesday and not on November 8th due to the 8th being election day.

Mr Davidson stated they are well on their way with demolition with Hillcrest Park. The bricks from those buildings are available and they will be reaching out to the council members individually to ask if they would like one. He thanked the public works division for their hard work on the demolition and have made the transition from moving from a contractor easy. He gave some information regarding the current company that is working on the school.

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1 Mr. Davidson gave the council and update on the Heritage Park water tank. He indicated they
2 had accepted and closed the bids for the project and the pricing on the tank came back better than
3 what was estimated. They have confirmed the process has been moving forward and will begin
4 the contract process soon to develop agreements for the tank piece to get underway. They are
5 cautious of same factors in the community and will be taking those into consideration.

6
7 Mr. Davidson stated UVU had received \$20 million from UCCU to construct a soccer field.
8 They are going to be reaching out to UVU for a master plan like they have presented to the City
9 Council in the past.

10
11 Mr. Davidson reviewed information regarding the 1600 north project going from 3 lanes to 5
12 lanes. He stated money has been appropriated for the project but funds are not sufficient enough
13 for the projected project. The project is dropping on the list of UDOT of priorities. Mr. Davidson
14 spoke with the Mayor about putting together a letter to UDOT talking about the excitement and
15 convenience of that road and what it would bring to Orem.

16
17 Mrs. Millet stated that she would like a brick from Hillcrest Park due to family sentimental
18 value.

19 20 **ADJOURN**

21 **Mr. Macdonald moved** to adjourn. **Mr. Spencer seconded** the motion. Those voting aye:
22 David A. Young, David Spencer, Tom Macdonald, Jeff Lambson and LaNae Millett. The
23 **motion passed.**

24
25 Meeting adjourned at 6:49 p.m.

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CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
November 9, 2022

4:00 P.M. WORK SESSION-CITY COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Young, David Spencer, LaNae Millett, Jeff Lambson, Debby Lauret, Terry Peterson and Tom Macdonald.

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Ryan Clark, Development Services Director; Brandon Nelson, Finance Director; Lane Gray, Capital Projects Manager; Giles Demki, Water Reclamation Section Manager; Kathi Lewis, Economic Development Division Manager and Tess Jones, Deputy City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

UPDATE - 1600 North Project Presentation

Mr. Richardson introduced his team members and the outline of his presentation. He started by giving the study overview and explained that UDOT is evaluating roadway improvement to 1600 North in Orem and Lindon from 1200 West to State Street and has prepared a State Environmental Study that analyzed impacts to residents, businesses, and the environment. He then spoke about the preferred alternative and showed a map of what factors have played into the project including street lights, potential noise walls, storm water and homes.

General discussion occurred about the street names shown in the preferred alternative slide show image, the demolition that has already taken place, where the sidewalk aligns with the street shown in the presentation slide show, potential improved shoulder traffic areas, and worst possible scenarios, road access to businesses, and road property ownership.

Mr. Richardson then explained what would come next on the schedule of events.

DRAFT

- Impacted Property Owner Meetings-November 2022
- SES Published- December 2022
- Public Hearing & Comment Period- December 2022
- Decision Document Available- February 2023

Mrs. Millett asked for clarification on the flow of traffic and how the public will access businesses.

Mr. Davidson stated that money was appropriated from the state legislature to move this effort forward but right now given current construction the amount that is needed is about 15 million more.

Mr. Richardson said that the currently underfunded between 25 and 30 million.

Mr. Davidson said that he has approached the council to prepare a letter to confirm continued support of the roadway project and they will relay that information to the legislature.

General discussion occurred about what has impacted the projected funds to be the amount that they currently are including real-estate, construction costs, environmental assessment, and the economy.

Mr. Davidson asked that if Orem has set aside 40 million for this project already, why can't they use those proceeds to purchase properties? He then clarified that UDOT has reallocated 40 million dollars to some other project. He expressed concern about money that Orem city has given previously was used for another project. General discussion about how Orem City's funds were used occurred.

Mr. Peterson arrived at the meeting at 4:23pm.

DISCUSSION - Campus Drive Parking Permit

Mr. Paraskeva explained the current parking permit situation and the history of the permit. He then displayed the petition that 60% of Orem residents have signed and explained some of the reasons for removal of Parking District.

- When the parking district was put into place in 2022 the street was used frequently by the public to park vehicles, several times blocking driveways of residents, to access the soccer and football fields at Orem High School.
- Since the construction of the new football field and the driver education course where fences were erected all along Campus Drive, it has cut off all access to the school fields from Campus Drive.

He explained the evaluations that have been done in researching these reasons and what solutions have been considered.

General discussion of how school property was accessed in the past from this area occurred.

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Police Recommendation and Council Request:

- Traffic study and survey of area conducted.
- Agreeance with the petition to remove the parking district.
- City Council Request- Approve a resolution to dissolve the Neighborhood Parking District on Campus Drive based on police findings and the Petition from the residents.

UPDATE - Transportation Master Plan

Mr. Lambson introduced members of the Transportation Committee who have attended the meeting.

Mr. Kelly explained the Transportation Master Plan Update

- Existing data updated to current conditions
- Addressed the State Street Master Plan
- Updated the 2015 from 2040 to 2050
- Incorporated the new 2050 Transportation plan elements
- Established Capital Improvement Plan

Mr. Kelly explained the differences between high level and detailed level in the transportation master plan process. He then showed a slide of the presentation that shows a chart of what is evaluated while going through the process and where they are at currently in the process.

- High level Model Payson/Ogden
- Customized for Orem
- Recommendations
- Review
- Adoption Process

Mrs. Millett asked if the project rules and regulations have changed sense the last report and Mr. Kelly assured her that they have not.

Mr. Kelly explained the traffic locations, functional classification, existing roadway network, level of service, existing level of service, MAG travel demand model TAZ map, 2030 no build level of service, and 2050 no build level of service.

General discussion about the red area shown on the map in the presentation on the 2030 and 2050 no build level of service, road improvement dynamics, operational stand points, funding, traffic flow, project scoring, safety, development, resources, business impacts, and bridges occurred.

Mr. Kelly stated some projects to meet future demands and explained to the council members what impacts that they could have on them.

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Mr. Macdonald stated some projects that are shared responsibility and Mr. Davidson explained the streets that Orem is in communication with the legislator and UDOT and the reasoning behind it. General discussion about how study results were determined, traffic flow, additional suggested improvements, and building occurred.

Mr. Kelly stated the additional document items to go through in the packet provided to the council members.

- Access Management Standards
- Traffic Calming Guidelines
- Traffic Calming Toolbox
- Traffic Impact Study Guidelines
- Southwest Street Network Plan
- Cost Estimates
- Capital Improvement Program

General discussion about next steps for this item occurred.

DISCUSSION – Mayor Pro-Tem, January – July 2023

Mrs. Bates stated the mayor has recommended for January through July 1st council member Lambson. That will be on the consent calendar next month for approval.

DISCUSSION – 2023 City Council Meeting Schedule

Mrs. Bates stated the proposed council meeting calendar for 2023. This is required by the state that they do a proposed Council schedule for the year and publish it. She said that the council members can add and subtract to this but it is a state requirement. The meetings are typically held on the second and fourth Tuesday. The months July, November and December will only have one meeting per month. She encouraged council members to review the dates and get back to her on it for the approved schedule.

Mayor Young asked for clarification of a meeting being scheduled on February 14th, Valentines Day.

Mrs. Bates stated the date of the meeting can change if the council chooses to do so.

General discussion about moving the city council meeting from February 14th to February 15th.

DISCUSSION – 2022 General Election Canvass

Mrs. Bates reviewed the canvas of the election stating that due to the fact that Orem City did have a proposition on the ballot we require to certify the canvas for the ballot proposition. She

DRAFT

said the county will give Orem the final numbers on the 22nd around 2-3:00 in the afternoon. Since that will be the week of Thanksgiving, it can be held by an electronic meeting. The regulations for the electronic meeting require one member of the council to be at the anchor location in the city council room. She clarified the information that would be on the meeting agenda.

General discussion about Mrs. Lauret being at the anchor location during the meeting on the 22nd of November.

AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

The mayor and city council reviewed the upcoming items on the agenda.

CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, Terry Peterson, LaNae Millett, Jeff Lambson, Debby Lauret and Tom Macdonald

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and Tess Jones, Deputy City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT – Blaine Blad

PLEDGE OF ALLEGIANCE – Jim Lauret

MAYOR’S REPORT/ITEMS REFERRED BY COUNCIL

RECOGNITION – “LIVES SAVED” Orem Fire Department and Timpanogos Hospital

City Council Minutes –November 9, 2022, (pg.5)

A complete video of the meeting can be found at

www.orem.org/meetings

DRAFT

Orem Fire department chief expressed his gratitude for the council and he introduced Chris Shields, Orem's liaison nurse at Timpanogos Hospital and he explained the role she plays in the process.

Mrs. Shields thanked the council and the audience for being there. She also thanked the EMS partners and she introduced some of the Timpanogos Hospital staff present. She stated how rare it is for 3 lives to be saved within three to four weeks and the great impact the staff has had on the community. She began to tell of the events that took place with each of the survivors.

Joshua Hansen and his sister Julie Hansen came up to the stand.

Mrs. Shields stated that on August 14th this year while visiting family here in Utah from Iowa, 32-year-old Joshua started to have some chest pain and suddenly collapsed and was unconscious, CPR was immediately started by family and 911 was called. Orem fire crew members showed up on scene and started to work high performance CPR, the Lucas device was placed for mechanical, SPR was placed on him, defibrillator pads were attached and a shock was delivered to Joshua's heart that was in a fatal arrhythmia. CPR continued, a breathing tube was placed and secured IVs were started. Cardiac drugs were given and the preparation to transport was made. Eventually Joshua's heart started reading again and the Orem fire transferred Joshua to Timpanogos Hospital emergency department where he was taken to the Cath Lab immediately. Doctors opened up a coronary artery that was blocked causing the heart attack. While in the Cath Lab when the stent was being placed Joshua went into cardiac arrest again and he was shocked again and his heart was restarted. He was admitted to the ICU, and with the help of Dr. Gel the cardiologist, Dr. Rosenberg in intensive care, a neurologist, and two other ICU doctors, Joshua was able to be discharged from the hospital on the 17th of August.

She stated that at Timpanogos Hospital they are honored for the opportunity to celebrate Joshua's life and recognize those who were involved in saving his life.

Clayton Call Hannah, Andrew Butler, Skyler Jones, Trevor McGinty, Greg Hickens, Captain Ben Williams, Battalion Chief Steve Pearson came up to the stand. They reunited them with Joshua and congratulated the staff for a job well done.

Jennifer Nelson Came up to the stand.

On September 21st of this year, 50-year-old Jennifer was driving her car close to station one here in Orem when her car rolled into the intersection up onto a curb and then stopped. First responder Deputy Chief Jason Earl from Orem Fire Department were in their car and watched this event take place. They could see that Jennifer was unresponsive, not breathing and was having seizure like activity. The doors were locked in Jennifer's car and she was in a seat belt. Chief Earl used his slim Jim and he was able to get the doors unlocked, they checked Jen in the car and she did not have pulse and she was not breathing. Station 33 ambulance showed up on

DRAFT

1 scene, she was quickly extracted from the car and into the ambulance for treatment. High
2 performance CPR was immediately started, the Lucas device was applied for mechanical CPR,
3 IVs were obtained, a breathing tube was placed, defibrillator patches were applied. Jennifer's
4 heart was in a lethal rhythm, an automatic defibrillator was preformed twice to get her heart
5 started again while given cardiac drugs. They checked the pulse again and recognized that her
6 heart was beating in an organized rhythm. The crew called Timpanogos Hospital and reported
7 events and transport was made to the Emergency Room. Jen had several CT scans to rule out any
8 injuries. She was admitted to the ICU through the trauma surgeon. She had some abnormal EKG
9 and so the EP cardiologist was consulted as well as a few other doctors. They diagnosed her with
10 Long QT syndrome, doctors preformed procedures on Jen to prevent any other further cardiac
11 arrest, Jennifer was discharged on the 30th.

12 Chief Earl, Casey Metcalf, Seth Swenson, Bryant Carter, and Tim Holt came up to the stand and
13 were recognized for their lifesaving accomplishment. Jennifer expressed her gratitude for those
14 involved.

15
16 Janet Thourough was not able to attend the meeting in person but she has expressed her gratitude
17 for her life and those that were involved in saving her life. She has a new grandchild and she is
18 so happy to spend time with them and she is humble and happy. Janet was around 3 weeks post
19 operation from a surgery while she was at home on the 13th of August, she developed severe
20 shortness of breath and passed out a few times. Her husband called 911 and requested they come
21 to her house. When they arrived, Janet was awake and was feeling a little better and wasn't sure
22 if she needed to go to the hospital. The paramedic team did their assessments and decided it was
23 best for her to go to the hospital. While in transit Jan went into Cardiac arrest and the EMS crew
24 worked on getting her heart to beat again. When they arrived at the Timpanogos hospital, they
25 took her into a CAT scan and could see that Jan had massive bilateral pulmonary embolisms or
26 clots in her lungs. Jan was not doing well and they gave her thrombolytic and preformed a
27 thrombectomy on Jan to save her life. Jan is alive today because of the teams' efforts that were
28 involved.

29 Andrew Butler, Skyler Jones, Brighton Partridge, Clayton Cohen, Right Hicken, Chad Brooks
30 and Captain Ben Williams came up to the stand and were recognized for their accomplishment.

31
32 Mrs. Shields passed arounds a plaque that recognizes the lives saved in the Timpanogos
33 Hospital. The City Council took a picture with the families and the EMTs/Firemen who helped
34 save lives in Orem.

35
36 Mayor Young thanked Mrs. Shields and the crew members for the presentation given and stated
37 that they all do phenomenal work.

DRAFT

Tom Macdonald said the work that is done in the hospital is a class act and he is grateful when they come together with the Orem Fire Department to keep the community safe.

ANNUAL REPORT – Metropolitan Water District

Mr. Yerkie recognized board members of the Metropolitan water district board. He expressed gratitude to the two new members who have been appointed and those who are no longer with the Metropolitan Water District. He then gave some background and history on the Metropolitan Water District, spoke about shareholders and water rights, impact fees, and funds allocated in contributions of the City of Orem.

Mr. Yerkie spoke about an audit that was performed and passed. He then expressed some concerns with purchasing, travel, conflict of interest and reporting. He said that a challenge that before them is the Deer Creek intake body, and there is a project presentation that must be given to the council by the management of the Portland River Water Users Association. He then explained some of the money associated with the association and the loans and bonds tied to them.

Mayor young asked for clarification on the ownership of the Metropolitan water district and if it is 100 alone.

Mr. Yerkie responded stating it is a local lawyer and it is a local district of the state of Utah that was created by the city of Orem in 1935. He said it was created by Orem City and the Orem city council and other leadership members within the city.

PERSONAL APPEARANCES

Liam Fry is 16 years old and spoke about his regular commute on the Murdock Trail and his experience with his friend who was struck and critically injured at an intersection while on the trail. Mr. Fry has conducted a survey and has received 141 results that stated, 7% of the people while on the trail feel safe. He then stated and explained that he has emailed the council members some of the possible solutions in helping this intersection feel safer. He expressed his frustration with this intersection and encouraged the city Council to resolve the issue.

Mr. Davidson stated that Mr. Frys issue is something that is being looked at and is in the process of being resolved. There is a sense of urgency around the matter and they are working to fix it.

Lisa Cappel started by expressing her gratitude for the council she is concerned 800 north and 1500 east and the traffic that is associated with it. She is worried that with an increase in units there is going to be pedestrians who will cause accidents. She explained the points of low visibility and voiced her concerns about the safety of the intersection.

Mayor Young stated that it will be discussed later tonight.

DRAFT

1 Scott Dunaway expressed some concerns in the decision making with the proposition 2. He
2 believes that proposition 2 decisions have not been transparent and he does not like the short
3 time frame. He stated that he is concerned with the involvement of Jesse Riddle and funding of
4 an Orem Only school district.

5 6 **CONSENT ITEMS**

7
8 None at this time
9

10 **SCHEDULED ITEMS**

11
12 PUBLIC HEARING / ORDINANCE – Enacting Section 22-11-64 PD51 (*River District*
13 *– 720 North 1550 East*) zone, and Appendix “YY” of the Orem City Code, and amending
14 Article 22-5-(A) and the zoning map of the City of Orem by changing the zone of 3.15
15 acres from the Business Park (BP) zone to the PD51 zone at approximately 720 North
16 1550 East.
17

18 Mr. Bench stated that the Planning Commission held a Public Hearing for the enactment of
19 Section 22-11-64 PD51 (*River District – 720 North 1550 East*) and Appendix “YY” of the Orem
20 City Code and amending the zoning map of the City of Orem was held September 7, 2022. It was
21 determined that more time was needed for the Planning Commission to discuss this item and to
22 see whether Provo had reviewed and approved their part of the project since a large portion of
23 the overall project is located in Provo. The item was continued to September 21, 2022, when the
24 Planning Commission held a meeting and voted on the project.

25 The applicant is proposing this rezone and map amendment from the Business Park zone to the
26 PD51 zone in order to build a planned development of attached residential dwelling units,
27 consistent with the property to the south which is located in the Provo City boundaries. If the
28 rezone is approved, they will come back to the Planning Commission at a future date for
29 approval of the site plan and improvements.

30 The proposed zone is designed to be applied only to Lot 2 as designated in Appendix YY of the
31 Orem City Code.

32 There will be twenty-five (25) units in the residential portion of the new development. This will
33 be the area that is being rezoned to the PD51 zone. The townhouse style units will be two or
34 three stories high. The area to the north will remain the Business Park (BP) zone. There will be a
35 private street that each of the units will access.

36 The new PD51 zone will be more than five hundred (500) feet from 800 North as is required for
37 a new PD zone containing a residential use ([22-11-1\(3\)](#)). It is actually close to one thousand
38 (1,000) feet from 800 North.

DRAFT

1 Since this is currently zoned BP, a PD zone is an option for this development containing
2 residential uses [\(22-11-1\(3\)\)](#).

3 The exterior finishing materials for the project include wood siding, stone and standing seam
4 metal roofs (see proposed ordinance text).

5 The overall height for structures in the PD51 zone can be up to three stories and no higher than
6 forty feet (40') above grade. The applicant proposes a height of thirty-six feet nine inches (36'9")
7 as noted on the elevations (see proposed ordinance text).

8 Parking for the development is required to provide 2.5 spaces per unit per [22-7-12\(J\) Planned](#)
9 *Residential Developments (PRD)* of the Orem City Code. For the twenty-five units they are
10 proposing, they would be required to provide sixty-three (63) parking spaces. They are providing
11 eighty-eight (88), fifty are covered (garages) and thirty-eight are not covered.

12 The City, UDOT, and the developer recognize that there will need to be some traffic mitigation
13 measures installed at the intersection of 800 N and 1550 East, UDOT, in conjunction with the
14 City, hired a consultant to study this intersection in 2015, along with other intersections to the
15 west. The study has been attached to this staff report. At the time of the study, the intersection at
16 1550 East and 800 North, in its current configuration, operates at failing level of service in the
17 pm peak.

18 There have been discussions with UDOT, the developer, and Orem about the safety of this
19 intersection and all parties understand that there will need to be a joint funded project to address
20 the safety concerns

21 If approved, any future development on the parcel would be required to conform to the standards
22 outlined in the PD51 zone and the concept plan and exhibits outlined in Appendix YY of the
23 Orem City Code. Future changes would require Planning Commission and City Council
24 approval.

- 25 • Maximum height is 36'9"
- 26 • 63 Required parking spaces- 88 approved parking spaces
- 27 • Materials-wood siding, stone and standing seam metal roofs
- 28 • Number of units- (25) 2- and 3- story units

29 The applicant during the Planning Commission meeting agreed to provide a public access for
30 pedestrians on the west side of the Provo River as part of their project similar to the requirement
31 of Provo City. The developer is in the process of providing a development agreement stipulating
32 this requirement. The development agreement may include other provisions that will be
33 reviewed with the Council during the public hearing.

34
35 Mrs. Lauret asked what type of living accommodations will be provided in this housing.
36 Mr. Bench stated that it would be rentals.

DRAFT

1 The applicants presented that why they were here and how they got here and some next steps
2 associated with it. They then showed a proposed concept plan, architectural vision, comparable
3 properties, housing market, support,

4
5 Mrs. Lauret asked for clarification on destination dining.

6 The applicants clarified what typical dining experiences they are trying to encompass in their
7 vision. Examples given are nicer dining, fast casual, sit down restaurants, and reasoning for the
8 drive through text amendment.

9
10 General discussion about approved parking spots for both Provo and Orem, local investment,
11 units per acre, business relations, involvement with UDOT, relations with city employees.

12
13 Mayor Young opened it up to public hearing at 7:37pm

14 Brain Bird stated that he has attended multiple meeting and stated some of his background and
15 how he has been impacted from the traffic of the road.

16
17 Ally Faultner expressed her thoughts about a light on the street. And she hopes that business

18
19 Bill Faultner expressed his thoughts that he is concerned about shutting the business down of a
20 locally owned convenient store that has been involved for 18 years.

21
22 Braden Garner is an Orem resident and he spoke about the demographic that this will address
23 and he stated that he currently lives north because he does not find housing in Orem available to
24 him.

25
26 Mr. Davidson addressed the issue spoke about the public hearing in regards to the flow of traffic.
27 Mr. Bench spoke about how we will all need to come together for a solution.

28
29 Susan Ron spoke about her property located nearby and she stated some of the pros associated
30 with it.

31
32 Josh Martin spoke about his daily commute he stated that he is in support with the zone change

33
34 Pat Gasway spoke about his history with Orem and he is in favor of this.

35 Kurk Beaker with central Utah water

36
37 Mayor young closed public comment at 7:53pm

38
39 Mr. Macdonald left meeting at 7:28pm.

DRAFT

1
2 **Mr. Spencer moved** to approve the ordinance enacting Section 22-11-64 PD51 (*River District –*
3 *720 North 1550 East*) zone, and Appendix “YY” of the Orem City Code, and amending Article
4 22-5-(A) and the zoning map of the City of Orem by changing the zone of 3.15 acres from the
5 Business Park (BP) zone to the PD51 zone at approximately 720 North 1550 East. **Mrs. Lauret**
6 **seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Terry
7 Peterson, Jeff Lambson, and LaNae Millett. The motion **passed**.

8
9 PUBLIC HEARING / ORDINANCE – Amending a portion of Appendix A of the Orem
10 City Code by amending the Standard Lane Use (SLU) Code 5811 *Fast Food* and making
11 such use permitted in the Business Park (BP) zone; and amending Section 22-9-8(1)
12 *Miscellaneous Regulations for Manufacturing and Research and Development Zones* to
13 allow fast food restaurants with a drive-thru; and to make architectural standards
14 consistent throughout the west side development project area in the Business Park (BP)
15 zone located at approximately 800 North and University Avenue.
16

17 Mr. Bench stated that the applicant proposes changes to the Business Park zone located at
18 approximately 800 North and University Avenue to allow development to be consistent
19 throughout each individual project area west of the Provo River. Current language would require
20 all development west of the river to be consistent with the existing office building located on
21 site.

22 The applicant also requests to amend SLU Code 5811 *Fast Food* to allow restaurants with a
23 drive-thru in the BP zone.

24 22-9-8. Miscellaneous Regulations for Manufacturing and Research and Development Zones.

25 ~~4.~~ H. The following additional requirements shall apply to development in
26 the BP zone:

- 27 a. No more than thirty percent (30%) of the gross leasable area (as
28 defined in section 22-15-2) of any building may be devoted to retail
29 uses. However, buildings that are used solely as a restaurant and have
30 at least 3,000 square feet are excluded from this restriction.
- 31 b. ~~No restaurant may have a drive through~~
- 32 c. For the BP zone area located at approximately 800 North and
33 University Avenue, all development west of the Provo River shall
34 ~~have an architectural and design theme consistent with the existing~~
35 ~~office building. be consistent throughout each individual project area.~~
36 For development east of the Provo River the architectural and design
37 theme may be different from the west side of the river but shall be
38 consistent throughout the east side development.

DRAFT

On September 21, 2022 the Orem City Planning Commission recommended the City Council approve the proposed amendments.

Mr. Spencer moved to approve the ordinance amending a portion of Appendix A of the Orem City Code by amending the Standard Lane Use (SLU) Code 5811 *Fast Food* and making such use permitted in the Business Park (BP) zone; and amending Section 22-9-8(1) *Miscellaneous Regulations for Manufacturing and Research and Development Zones* to allow fast food restaurants with a drive-thru; and to make architectural standards consistent throughout the west side development project area in the Business Park (BP) zone located at approximately 800 North and University Avenue. **Jeff Lambson seconded** the motion. Those voting aye: David A. Young, David Spencer, Tom Macdonald, Terry Peterson, Debby Lauret, Jeff Lambson, and LaNae Millett. The motion **passed**.

COMMUNICATION ITEMS

None at this time.

CITY MANAGER INFORMATION ITEMS

Mr. Davidson spoke about city information items.

ADJOURN

Mr. Macdonald motioned to adjourn the meeting; **Mr. Spencer seconded** the motion. Those voting aye: David A. Young, David Spencer, Tom Macdonald, Terry Peterson, Debby Lauret, Jeff Lambson and LaNae Millett. The **motion passed**.

Meeting adjourned at 7:32pm

DRAFT

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DRAFT

DRAFT

CITY OF OREM
SPECIAL CITY COUNCIL MEETING
56 North State Street Orem, Utah
November 22, 2022

4:00 P.M. SPECIAL SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Young, LaNae Millett, Jeff Lambson, Debby Lauret,
and Tom Macdonald.

APPOINTED STAFF

JoD'Ann Bates, City Recorder and Tess Jones, Deputy City
Recorder

CALL TO ORDER

Mayor Young called the meeting to order at 4:00 p.m. and welcomed those in attendance. He then turned the time over to the City Recorder for the Canvass of the 2022 Utah County General Elections in relation to Proposition #2.

SCHEDULED ITEMS

RESOLUTION - Acceptance and Certification of the 2022 Utah County General Election; Proposition #2

Mrs. Bates stated as the City Council they would be acting as the Board of Canvassers and will be asked to approve and certify the 2022 Utah County General Election in relation to Proposition #2. She continued by reviewing the final election statistics which included the following:

- Number of Eligible Registered Voters: 46,518
- Number of Ballots Counted: 30,514
- Voter Turnout: 65.60%
- Votes For: 8,639
- Votes Against: 21,423

Mrs. Bates concluded by indicating this is the highest voter turnout they have had in Orem and turned the item back to the City Council for discussion and approval.

DRAFT

1 **Mr. Macdonald moved** the City Council sitting as a Board of Canvassers for the purpose of
2 canvassing the returns of the Utah County General Election results pertaining to City of Orem
3 Proposition #2 held in the City of Orem on November 8, 2022 and approve by Resolution the
4 results of the 2022 Election Canvass pertaining to Proposition #2; Orem School District with the
5 following results:

6 Proposition #2 – Orem School District

7	For	8,595
8	Against	21,337

9 and declare Proposition #2; Orem School District failed.

10 **Mr. Lambson seconded** the motion. Those voting aye: David A. Young, Tom Macdonald,
11 Debby Lauret, Jeff Lambson and LaNae Millett. The **motion passed**.

12
13
14 **ADJOURN**

15 **Mrs. Lauret moved** to adjourn the Special City Council meeting; **Mrs. Millett seconded** the
16 motion. Those voting aye: David A. Young, Tom Macdonald, Debby Lauret, Jeff Lambson
17 and LaNae Millett. The **motion passed**.

18
19 Meeting adjourned at 4:05 p.m.
20
21



**CITY OF OREM
CITY COUNCIL
MEETING
DECEMBER 13, 2022**

REQUEST:	APPOINTMENT TO BOARDS AND COMMISSIONS - Natural Resource Committee - Darren Hawkins, Reappointment
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:



**CITY OF OREM
CITY COUNCIL
MEETING
DECEMBER 13, 2022**

REQUEST:	APPOINTMENT TO BOARDS AND COMMISSIONS - Planning Commission - Helena Kleinlein and Mike Carpenter
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

Commission: Planning Commission

Last Name: Helena

First Name: Kleinlein

Address: [REDACTED]

Phone: [REDACTED]

Text?: Yes

Email: hkleinlein@icloud.com

Qualification:

I believe that for local democracy to be maintained, citizens must play an active, responsive role in their community, and not just hurl complaints from the sidelines.

By serving on the local planning commission, I would like to build a stronger relationship between Orem's elected officials and the residents of Orem. It is important that the voices in planning practices come from Orem residents and not bureaucrats.

I understand that I would have an ethical obligation to remain in a position of objectivity and fairness and to be an independent, non-partisan body who provides advice to the Orem City Council, on planning, zoning, and other land use matters.

My commitment for this role is to develop a clear understanding of the planning commissions role in administrative and legislative actions. I will take the time to understand the states code language, as well as legal issues. Additionally, I'll support the Master Plan that is currently in place for Orem.

Date of Application: 11-06-2022

Last Name: Carpenter

First Name: Mike

Address: [REDACTED]

Phone: [REDACTED]

Text?: No

Email: [REDACTED]

Qualification:

I've been concerned in the past with the changes to zoning that don't seem in the best interest of the residents and the life of the city. I believe that I can provide a positive voice on this commission to represent the residents and their interests as well as helping to ensure that we don't undermine our business corridors.

Date of Application: 11-10-2022



**CITY OF OREM
CITY COUNCIL
MEETING
DECEMBER 13, 2022**

REQUEST:	APPOINTMENT TO BOARDS AND COMMISSIONS - Historic Preservation Advisory Commission Lon Bowen, Devin Peirce, Amber Laursen, Olivia Johnson, Britni Laidler
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

Commission: Planning Commission

Last Name: Bowen

First Name: Lon

Address: [REDACTED]

Phone: [REDACTED]

Text?: Yes

Email: [REDACTED]

Qualification:

I served on this commission years ago and would love to be a part of it as we bring it back. My wife is a 5th-generation Orem resident through the Stratton family. We have called this place home for many years and would love to contribute to this commission.

Date of Application: 09-13-2022

Last Name: Peirce

First Name: Devin

Address: [REDACTED]

Phone: [REDACTED]

Text?: Yes

Email: [REDACTED]

Qualification:

I would love to serve on the Orem Historical Preservation Advisory Commission! I have lived in Orem all my life, I take the preservation of our community quite seriously. I would like to see the citizens of Orem respect our past as well as have concern for our future. I know it sounds silly, but I once scored a perfect score on a quiz Orem had its fb page concerning Orem's history.

Date of Application: 09-15-2022

Last Name: Laursen

First Name: Amber

Address: [REDACTED]

Phone: [REDACTED]

Text?: Yes

Email: [REDACTED]

Qualification:

(I currently sit on the Library Commission board, so I don't know if this is something I can do as well.) I would love to be a part of the Historic Preservation Advisory Commission. I have always had a strong penchant toward history in general (hence my undergrad and graduate degrees in History), but I feel very strongly about striking the proper balance between preserving markers, monuments, buildings, etc. that really are part of who we are versus making room for growth and to experience the future of history-making. Preserving parts of our past act as a guide to our future, remind us of who we are and where we came from, and inspire others to make positive choices as we move forward. Making those choices as to what should be preserved must have an outlined approach that includes assessing the value (not just monetary) to the community, its purpose in past events that formed the future, and its importance in remembrance. I feel I could help with these by serving on the committee.

Date of Application: 09-26-2022

Last Name: Johnson**First Name:** Olivia**Address:** [REDACTED]**Phone:** [REDACTED]**Text?:** Yes**Email:** [REDACTED]**Qualification:**

Working in my degree in History at UVU, love local History, and understand the significance of preservation of historical sites.

Date of Application: 09-16-2022

Last Name: Laidler**First Name:** Britni**Address:** [REDACTED]**Phone:** [REDACTED]**Text?:** Yes**Email:** [REDACTED]

Qualification:

I have lived in Orem my whole life (almost 39 years) and I love seeing pictures and learning more about the history of Orem. I love living here and want to make sure we remember where we came from, so we don't lose that.

Date of Application: 09-23-2022



**CITY OF OREM
CITY COUNCIL
MEETING
DECEMBER 13, 2022**

REQUEST:	RESOLUTION - Fiscal Year 2021-2022 Audit Report The City Manager recommends the City Council, by resolution, accept the Fiscal Year 2021-2022 Audit as presented.
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

RESOLUTION NO. _____

A RESOLUTION BY THE OREM CITY COUNCIL
ACCEPTING THE AUDIT FOR THE FISCAL YEAR ENDED
JUNE 30, 2022 AS COMPLETED AND PRESENTED BY
LARSON & COMPANY, PC

WHEREAS; State Law requires the City of Orem complete a financial audit performed by an independent auditing firm on an annual basis; and

WHEREAS Larson & Company, PC has, by contractual agreement, completed the audit for the Fiscal year ended June 30, 2022; and

WHEREAS Larson & Company, PC has reviewed the completed audit with the City Council and City staff; and

WHEREAS the City Council wishes to accept the audit performed by Larson & Company, PC.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH, as follows:

1. The audit for the Fiscal Year ended June 30, 2022, as completed and presented by Larson & Company, PC is accepted.
2. This resolution shall take effect immediately upon passage
3. All ordinances, resolutions or policies in conflict herewith are repealed.
4. This resolution shall take effect immediately upon passage.

PASSED AND APPROVED this 13th day of December 2022

CITY OF OREM, by
David A. Young, Mayor

ATTEST:

JoD'Ann Bates, City Recorder

COUNCIL MEMBERS

AYE NAY ABSTAIN

Mayor David A. Young

☐☐☐

Jeff Lambson

☐☐☐

Debby Lauret

☐☐☐

Tom W. Macdonald

☐☐☐

LaNae Millett

☐☐☐

Terry D. Peterson

☐☐☐

David M. Spencer

☐☐☐



FAMILY CITY USA



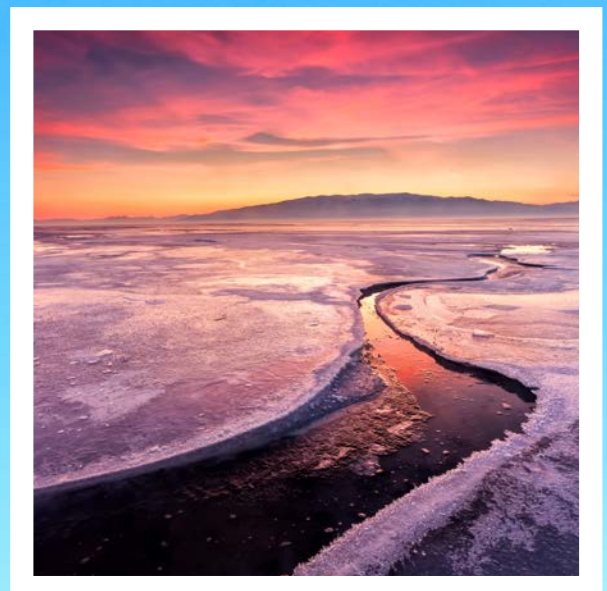
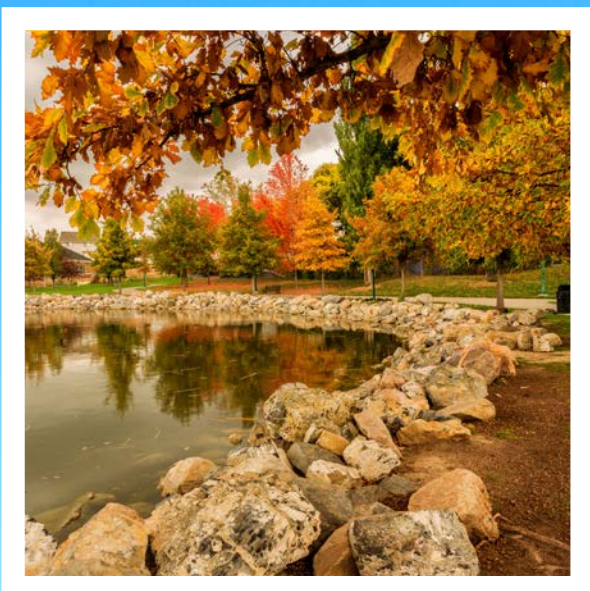
STATE
OF
UTAH



CITY OF OREM

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2022



City of Orem, Utah
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

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Annual Comprehensive Financial Report
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INTRODUCTORY SECTION



December 13, 2022

To: Mayor and City Council

Subject: Annual Comprehensive Financial Report

In our ongoing efforts to provide more comprehensive financial information regarding the City, the Finance Department has now completed its thirty-fifth Annual Comprehensive Financial Report (ACFR).

The report contains critical financial information regarding the city's activities over the past fiscal year. The report of Larson & Company, PC, resulting from their annual independent audit is included as a part of this annual report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with city management.

We believe the data, as presented, is accurate in all material aspects and fairly sets forth the financial position and results of operations of the city as measured by the financial activities of its various funds. Disclosures necessary to enable the reader to gain an understanding of the city's financial affairs have also been included.

The city concluded the year ended June 30, 2022, in sound financial condition. The following is an overview of the city's financial condition.

Operating Revenues

General Fund sales tax revenues grew 14% in Fiscal Year 2022. Sales taxes continue to be the city's single largest revenue source. Water rates were decreased and sewer rates were not increased as the City Council decided to move forward with a plan to use of debt for those large capital projects that are generational in nature rather than continuing to use only a cash funding model. Thus, water revenues declined significantly due to the usage rate decreases and billable use due to water conservation related to the severe drought being experienced in the west. Sewer revenues increased despite no increase in rates as usage increased in comparison to the prior fiscal year.

Recreation Fund revenues have seen a dramatic increase as the reconstructed fitness center was finally completed and opened to the public in March 2021. It has been well received by the public and has been performing well since its reopening with a 171% increase in revenue over the prior fiscal year and an increase of 95% over the last full fiscal year of operations before reconstruction began.

The city was awarded \$16,087,350 in federal American Rescue Plan Act (ARPA) funding from the U.S. Treasury Department in FY 2021. The city will be using these funds to improve city operations and facilities to provide a safer environment for individuals, customers, and citizens visiting city facilities, while also providing employees with the tools necessary to

continue to do their jobs in an effective, efficient, and safe manner. A large portion of these funds will be used to complete a new city park located in an underserved low-income area of the city.

Expenditures

The city allocated \$5,725,000 from General Fund reserves for general capital improvement projects. This was made possible by the city's steady economy resulting in revenue growth coupled with one-time building permit funds for one-time uses along with the city's policy of setting its available General Fund reserves at 15% of revenues.

The city's infrastructure is in a stable condition. In the last year, the city has initiated and/or completed several significant capital improvement projects. These projects include:

- Continued street maintenance plans of systematic preventative maintenance such as crack seals, seal coats, micro-surfacing, and overlays.
- Replacement of old four- inch (4") water lines.
- Began preparations for construction of Hillcrest Park.
- Began construction of a 10-million-gallon culinary water storage tank.
- Continued deployment of automated water meter reading infrastructure.
- Began design and costing efforts for a new Orem City Center building.

Additional capital and operational funding is needed for:

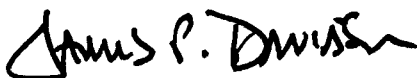
- Expansion of the city's storm water system (e.g. West Union Canal abandonment).
- Completion of a water reuse system for irrigation at city facilities.
- Continued preventative road and sidewalk maintenance.
- Improving transportation in the city through street improvements, mixed-use trails, bike paths, and mass transit.
- Construction of a new Orem City Center building.

While many of these needs will be funded over the next several years through structured fee increases, many of these projects and issues rely on one-time monies, such as unanticipated revenues, grants, and other resources.

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the dedicated efforts of many individuals. In particular, the efforts of the Finance Department staff who continue to upgrade and improve the city's accounting and financial reporting systems improving the quality of information being reported to you, state oversight boards, and the citizens of the City of Orem.

If you have questions regarding this Annual Comprehensive Financial Report, please feel free to discuss them with Finance Director Brandon Nelson or myself.

Respectfully Submitted,



James P. Davidson
City Manager



December 13, 2022

James P. Davidson
City Manager

City of Orem, Utah

The State of Utah requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) as prescribed in the Uniform Accounting Manual for Utah Cities and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This Annual Comprehensive Financial Report (ACFR) of the City of Orem, Utah for the fiscal year ended June 30, 2022, is hereby submitted to you, in accordance with these requirements.

This financial report has been prepared according to the guidelines set forth by the Governmental Accounting Standards Board's (GASB) Statement 34. This report consists of management's representations concerning the finances of the City of Orem. Consequently, management assumes full responsibility for completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

Larson & Company, PC, a firm of licensed certified public accountants have audited the City of Orem's financial records. The goal of the independent audit was to provide reasonable assurance the financial statements of the City of Orem for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Orem's

financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report (see pages 13-16).

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Government Profile

The City of Orem is located in north central Utah and is currently the fifth largest city in the state with a 2020 census population of 98,129 and an estimated population at June 30, 2022, of 99,195. Orem is located 45 miles south of Salt Lake City.

City operations include public safety (police and fire), economic development, administration, recreation, library, water, sewer, storm water, traffic and streets, solid waste, and street lighting.

The City of Orem has a Manager/Council form of government which allows for a full-time City Manager and a part-time Mayor. The City Council consists of the Mayor and six Council members who are all elected "at large" and while the Mayor leads the City Council, all members have only one vote. The Mayor and Council members serve staggered four-year terms on a part-time basis. Elections in the City of Orem are non-partisan.

The City Manager must submit a proposed annual budget to the City Council for all funds no later than the first regularly scheduled meeting in May. The final adoption must be no later than June 22nd, unless a property tax increase is proposed. If a property tax is proposed, adoption must occur no later than August 31st. The City Council is the administrator of the legal level of budgetary control. Additional information can be found on pages 65-66.

Economic Condition and Outlook

The City is constantly involved in driving economic development. The primary area of economic development has centered around University Place. University Place is in the midst of a transformation from the traditional "mall" concept. Currently, one large retail/office building has been constructed along with underground parking, a new above ground parking structure with attached upscale apartments, addition of a Dillards department store in the demolished Macy's department store space, and a new professional business office building with an above ground parking structure. Three large upscale apartment complexes have also been completed. Remaining plans for the area include a multi-story hotel and additional upscale apartment complexes. This transformation will ensure the area continues to be a growing and vibrant economic anchor for the community.

Utah Valley University (UVU) is a major employer in the City with over 5,000 employees serving over 41,000 students. UVU is now the State's largest university and plays a pivotal role in the growth of the city.

Employment in Utah is doing extremely well. The county unemployment rate at June 30, 2022, was 2.3% compared to 2.4% for the state and 3.6% nationally (see page 34 for a historical comparison).

Sales tax revenues, the City's largest source of tax revenue, continue to grow although this is partly due to inflation. General Fund sales tax revenues have increased from FY 2012 by 93% (see pages 166-167) and have increased every year since FY 2010. The housing industry continues to be strong as building permit and associated development revenues have increased year over year, on average, since FY 2011. Although the City expects these major revenue sources to continue to grow, the pace at which they grow is expected to decrease to a more sustainable rate as economic indicators suggest there is a concern for the future economic stability of the nation and world.

Long-term Financial Planning & Policies

The City remains optimistic regarding the future and is pro-actively planning its financial future through strategic plans and economic sustainability models.

All three major enterprise funds will be completing master plan updates in the year ahead as the City Council reassessed the cash funding plan being employed by the City and switched to a hybrid plan using cash for smaller capital projects and regular operations and employing debt for large multi-generational utility capital projects.

Along with the master plan updates, the City's impact fees for police, fire, transportation, parks, water, sewer, and storm water will all be analyzed and updated.

The Mayor and City Council have targeted a 15% of revenues General Fund assigned/unassigned fund balance (the State of Utah requires municipalities have at least 5% but no more than 30%). Amounts exceeding this target are transferred to the City's Capital Projects Fund to complete capital purchases/projects identified by city staff and approved by the Mayor and City Council. This allows the City to cash fund one-time capital purchases/projects as well as providing sufficient "reserves" in case of economic downturns.

Major Initiatives

For the Year

During the year, the City has worked on several needed projects to benefit the residents and businesses of the community. These projects include, but were not limited to the following:

- Installation of automated water meter reading technology throughout the entire city.
- On-going preventive maintenance on City-owned streets.
- Identifying operational and facility needs related to American Rescue Plan Act (ARPA) funds to provide a safer environment for individuals, customers, citizens, and employees.
- Began construction of Hillcrest Park. The park is to be expanded from a small community park to a regional park using ARPA grant funds for the majority of its cost to construct.
- Began construction on a 10-million-gallon culinary water storage tank to provide improved water pressure and needed storage.
- Began installation of city-owned street lights in the remaining areas of the city that currently have Rocky Mountain Power owned street lights. At the completion of this project, all street lights in the city will be city-owned lights.
- Engaged an architectural firm to provide design and cost estimates for a new city center at its current location while maintaining operations during any construction period.

For the Future

The City faces many challenges in the future. Some of the most significant are as follows:

- Construction of a new Orem City Center offices building and demolition of its existing building. The new facility will be funded entirely with available cash.
- Complete installation of the new automated water meter reading technology throughout the entire city.
- Complete construction of a new 10-million-gallon water storage tank.
- Construct a new water reuse system to use cleaned water from the City's water reclamation facility to irrigate an adjacent golf course and city owned outdoor regional sports complex and park.
- Complete the installation of city-owned street lights in all remaining unconverted areas within the city.
- Continued road and sidewalk maintenance.
- Complete expansion of the storm water system (especially for areas previously serviced by the West Union Canal which is being abandoned).
- Construction and/or renovation of existing city buildings or structures, including multiple fire stations as well as new fire station in the neighboring city of Vineyard with whom we currently have a contractual relationship with to provide fire and EMS services.
- Maintaining levels of service for all General Fund operations.

Other Information

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the thirty-fourth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City published an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program standards. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. I would like to express my appreciation to all members of the department who assisted and contributed to its preparation. I would like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and prudent manner.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Brandon C. Nelson, CPA". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Brandon C. Nelson, CPA
Finance Director

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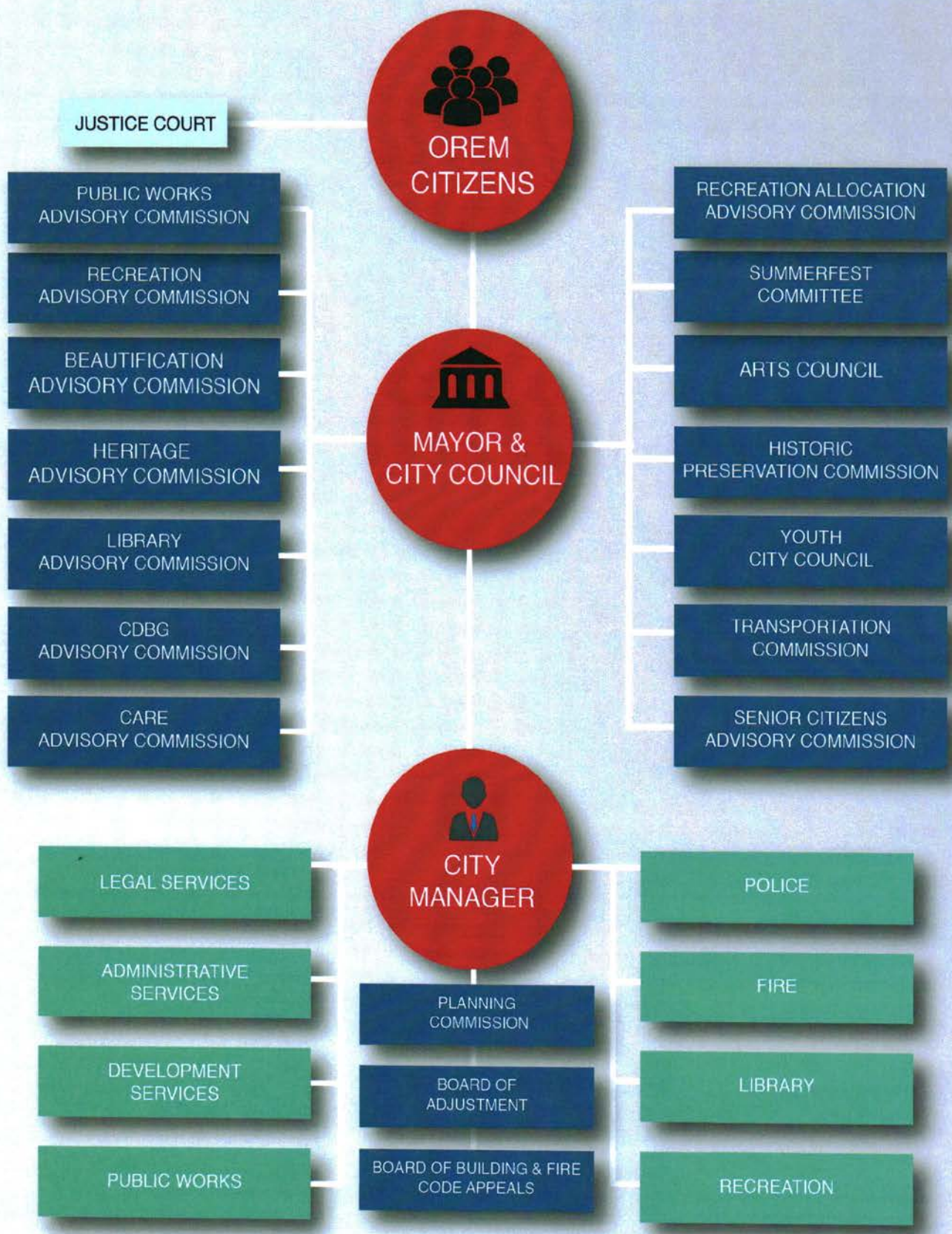
CITY OF OREM
LISTING OF OFFICIALS
ORGANIZED BY CLASSIFICATIONS

Chief Executive Officer

City Manager James P. Davidson

Executive Staff

Assistant City Manager Brenn Bybee
Deputy City Manager Steven M. Downs
Finance Director Brandon C. Nelson
Director of Development Services Ryan L. Clark
Director of Legal Services Steven C. Earl
Director of Library Services Charlene M. Crozier
Fire Chief Marc R. Sanderson
Police Chief Josh T. Adams
Director of Public Works Chris R. Tschirki
Director of Recreational Services Bryce E. Merrill





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

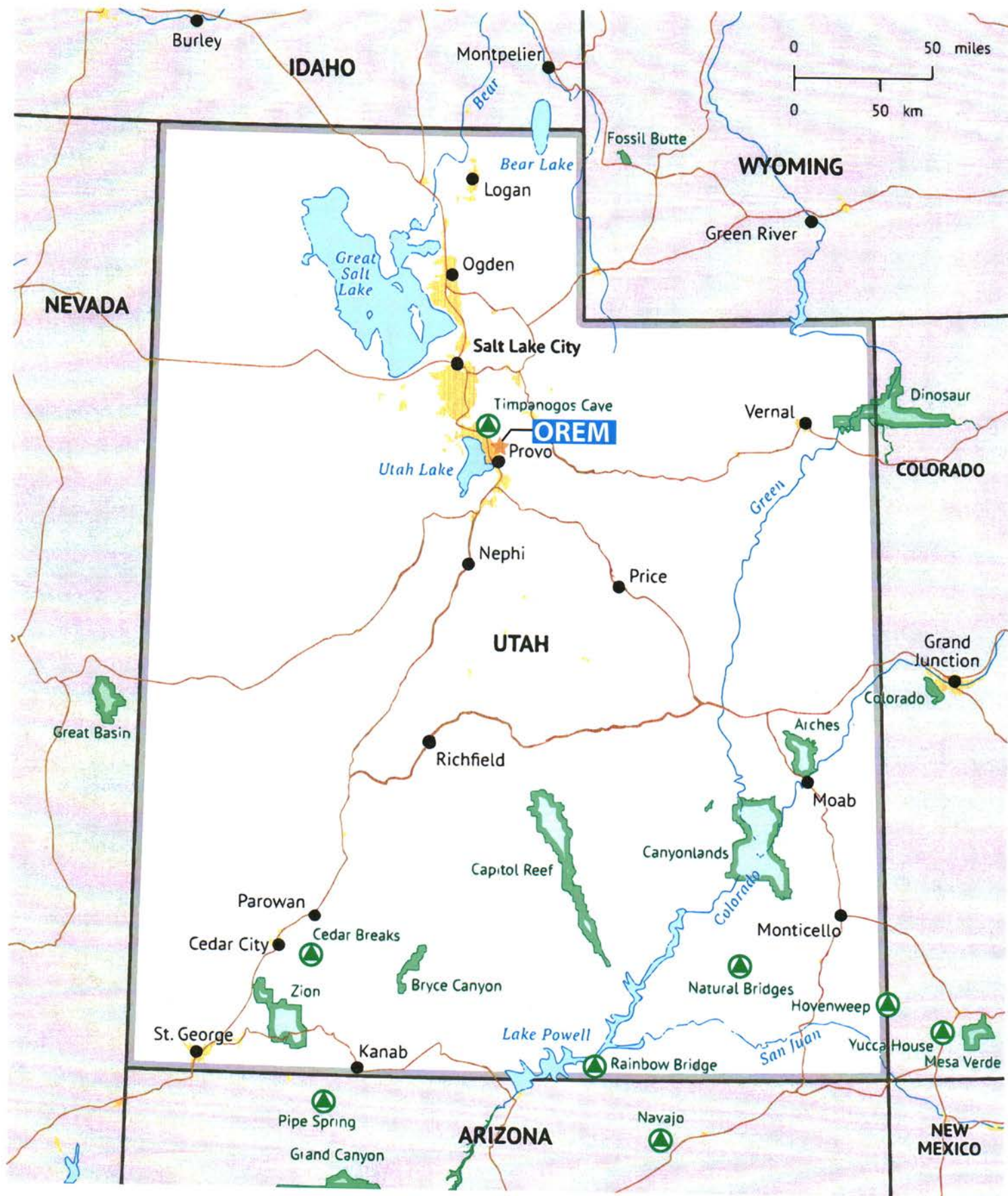
**City of Orem
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Orem City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Orem City, Utah as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Orem City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year ended June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Orem City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Orem City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Orem City's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Orem City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Orem City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and the auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
December 12, 2022

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MD & A

City of Orem
Management's Discussion and Analysis
June 30, 2022

The City of Orem's management presents this overview and analysis of its financial activities for the fiscal year ended June 30, 2022. This discussion and analysis focuses on significant financial issues, provides an overview of the City's financial activity, highlights significant changes in the City's financial position, and identifies material variances between the approved budget and actual spending.

The City encourages readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal and provided throughout this report.

Financial Highlights

- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$89,496,484. Of this amount, \$22,036,611 (24.62%) is available for spending at the City's discretion (unassigned fund balance). Total fund balance increased by \$13,149,044 compared to the prior year's decrease of \$4,354,924. This change is discussed in greater detail later in this overview and analysis.
- As of the end of the current fiscal year, the City's enterprise funds reported an increase in total net position of \$11,511,277 compared to the prior year's increase of \$14,735,778. The changes to fund balance are discussed in greater detail later in this overview and analysis.
- In April of 2021, the City sold \$29.3 million in water, sewer, and storm water bonds to fund the construction of a new culinary water tank, pressure booster station, two new culinary water wells, a water reuse treatment facility, a biosolids dewatering system, two sewer lift stations, various storm water conveyance projects, and various water and sewer distribution and collection infrastructure improvements. During FY 2022, the City spent just over \$8.3 million on these bond projects with over \$11.2 million spent in total as of June 30, 2022.
- Sales tax revenues received in FY 2022 were \$31,788,779 which were 25.2% above the previous fiscal year. This increase was the largest year-over-year increase in at least the past twenty years.

Overview of the Financial Statements

The following discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Orem's finances, in a manner similar to a private-sector business.

City of Orem
Management's Discussion and Analysis
June 30, 2022

- The *Statement of Net Position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, you will also need to consider other non-financial factors.
- The *Statement of Activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are included regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and service charges (business-type activities). The governmental activities of the City include the general government, public safety, redevelopment, highways and public improvements, parks, recreation and arts (which includes the library), and economic and physical development. The business-type activities of the City include culinary water distribution, water reclamation (sewer), storm water operations, recreation (fitness center and outdoor pool), solid waste disposal, and street lighting.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental funds.* These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

City of Orem
Management's Discussion and Analysis
June 30, 2022

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, and Capital Projects funds which are considered major funds of the City. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

- *Proprietary funds.* The City of Orem maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, water reclamation (sewer), storm water, recreation, solid waste, and street lighting activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for servicing its fleet of vehicles, providing insurance, procuring and warehousing supplies and materials, maintaining the City's technological needs, and to maintain physical city facilities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Water Reclamation, and Storm Water funds which are considered major funds of the City. The Recreation, Solid Waste, and Street Lighting funds are classified as nonmajor and are included in the *combining statements* within this report. Conversely, the five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* within this report.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. As such, assets exceeded liabilities and deferred inflows by \$416,644,145 at June 30, 2022.

By far the largest portion of the City's net position (56.94%) is its investment in capital assets (e.g. land, buildings, improvements other than buildings, vehicles, machinery and equipment, and infrastructure assets) less any

City of Orem
Management's Discussion and Analysis
June 30, 2022

outstanding debt related to the acquisition of those assets. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Orem's Total Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current Assets	\$ 133,713,775	\$ 110,460,961	\$ 113,590,812	\$ 113,686,835	\$ 247,304,587	\$ 224,147,796
Noncurrent Assets:						
Capital Assets	192,213,145	192,683,852	107,183,377	98,191,510	299,396,522	290,875,362
Other	23,358,313	6,205,080	2,079,804	111,544	25,438,117	6,316,624
Total Assets	349,285,233	309,349,893	222,853,993	211,989,889	572,139,226	521,339,782
Deferred Outflows of Resources	7,237,314	7,365,016	1,229,099	966,073	8,466,413	8,331,089
Total Assets & Deferred Outflows of Resources	<u>\$ 356,522,547</u>	<u>\$ 316,714,909</u>	<u>\$ 224,083,092</u>	<u>\$ 212,955,962</u>	<u>\$ 580,605,639</u>	<u>\$ 529,670,871</u>
Long-term Liabilities						
Outstanding	\$ 41,116,734	\$ 44,873,967	\$ 52,139,498	\$ 54,818,997	\$ 93,256,232	\$ 99,692,964
Other Liabilities	29,652,736	20,517,179	5,076,115	4,542,114	34,728,851	25,059,293
Total Liabilities	70,769,470	65,391,146	57,215,613	59,361,111	127,985,083	124,752,257
Deferred Inflows of Resources	33,753,274	20,213,046	2,223,137	461,786	35,976,411	20,674,832
Net Position:						
Net Investment in						
Capital Assets	155,974,028	154,447,536	81,282,909	77,095,912	237,256,937	231,543,448
Restricted	50,206,055	31,237,909	24,942,180	21,336,596	75,148,235	52,574,505
Unrestricted	45,819,720	45,425,272	58,419,253	54,700,557	104,238,973	100,125,829
Total Net Position	251,999,803	231,110,717	164,644,342	153,133,065	416,644,145	384,243,782
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 356,522,547</u>	<u>\$ 316,714,909</u>	<u>\$ 224,083,092</u>	<u>\$ 212,955,962</u>	<u>\$ 580,605,639</u>	<u>\$ 529,670,871</u>

A portion of the City of Orem's net position (18.04%) represent resources that are subject to external restrictions on how they may be used. The amount listed as unrestricted net position (\$104,238,973) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Facilities Maintenance internal service fund was the only fund reporting a deficit in unrestricted net position. At the end of the current fiscal year, the City of Orem is able to report positive balances in all three categories of net position, for the City as a whole, as well as for its separate business-type activities.

Comparing the current fiscal year to the prior fiscal year, the City's net position increased by \$32,400,363 (8.43%). Total revenues decreased by \$1,343,376 (0.98%), primarily due to decreases in both operating and capital grants and

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contributions of \$7,669,443 (43.73%) but mostly offset by increases in sales taxes of \$4,552,955 (13.69%). Total expenses increased \$4,373,090 (4.49%).

Details related to these changes are described later in this section of the report under governmental and business-type activities. The following is a summary of the changes in net position:

City of Orem's Change in Net Position

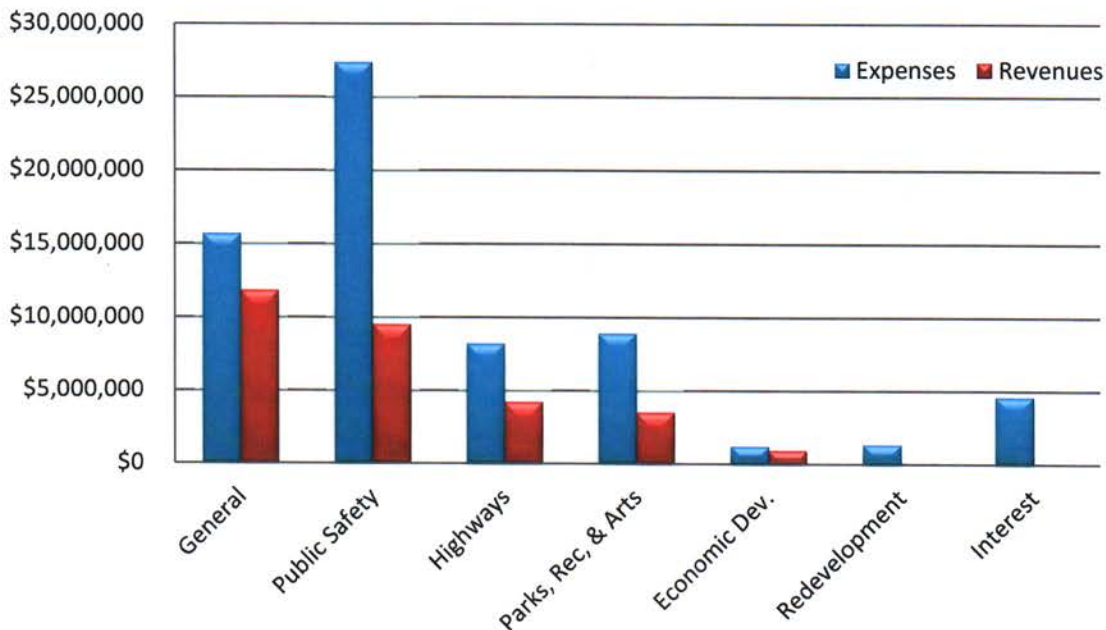
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 22,262,776	\$ 21,031,986	\$ 45,156,564	\$ 44,820,527	\$ 67,419,340	\$ 65,852,513
Operating Grants and Contributions	1,930,767	3,753,790	-	-	1,930,767	3,753,790
Capital Grants and Contributions	5,725,996	10,030,294	2,212,406	3,754,528	7,938,402	13,784,822
General Revenues:						
Sales Taxes	37,803,119	33,250,164	-	-	37,803,119	33,250,164
Property Taxes	10,258,353	10,598,204	-	-	10,258,353	10,598,204
Other Taxes	9,050,024	8,769,618	-	-	9,050,024	8,769,618
Other	804,619	1,090,238	930,757	379,408	1,735,376	1,469,646
Total Revenues	<u>87,835,654</u>	<u>88,524,294</u>	<u>48,299,727</u>	<u>48,954,463</u>	<u>136,135,381</u>	<u>137,478,757</u>
Expenses						
General Government	15,691,209	16,072,497	-	-	15,691,209	16,072,497
Public Safety	27,353,214	26,234,854	-	-	27,353,214	26,234,854
Highways and Public Improvements	8,187,834	7,296,421	-	-	8,187,834	7,296,421
Parks, Recreation & Arts	8,910,111	8,204,646	-	-	8,910,111	8,204,646
Economic and Physical Development	1,204,626	1,068,973	-	-	1,204,626	1,068,973
Redevelopment	1,334,386	1,151,383	-	-	1,334,386	1,151,383
Interest on Long-Term Debt	4,589,160	4,571,442	-	-	4,589,160	4,571,442
Water	-	-	15,541,478	14,956,163	15,541,478	14,956,163
Water Reclamation	-	-	8,309,770	7,918,906	8,309,770	7,918,906
Storm Water	-	-	3,261,027	3,016,483	3,261,027	3,016,483
Recreation	-	-	2,725,743	2,311,074	2,725,743	2,311,074
Solid Waste	-	-	4,241,603	4,227,392	4,241,603	4,227,392
Street Lighting	-	-	522,488	469,325	522,488	469,325
Total Expenses	<u>67,270,540</u>	<u>64,600,216</u>	<u>34,602,109</u>	<u>32,899,343</u>	<u>101,872,649</u>	<u>97,499,559</u>
Change in Net Position before Transfers & FMV Changes						
Investments - FMV Change	(1,480,830)	(63,394)	(381,539)	180,458	(1,862,369)	117,064
Transfers In (Out)	1,804,802	1,499,800	(1,804,802)	(1,499,800)	-	-
Change in Net Position	<u>20,889,086</u>	<u>25,360,484</u>	<u>11,511,277</u>	<u>14,735,778</u>	<u>32,400,363</u>	<u>40,096,262</u>
Net Position - Beginning	<u>231,110,717</u>	<u>205,750,233</u>	<u>153,133,065</u>	<u>138,397,287</u>	<u>384,243,782</u>	<u>344,147,520</u>
Net Position - Ending	<u>\$ 251,999,803</u>	<u>\$ 231,110,717</u>	<u>\$ 164,644,342</u>	<u>\$ 153,133,065</u>	<u>\$ 416,644,145</u>	<u>\$ 384,243,782</u>

Governmental activities. Governmental activities increased the City of Orem's net position \$20,889,086 (9.04%). This is a decrease of \$4,471,398 from the prior year. Total revenues decreased \$688,640 (0.78%). Sales tax revenues increased \$4,552,955 (13.69%) while operating grants and contributions decreased \$1,823,023 (48.56%) and capital grants and contributions decreased \$4,304,298 (42.91%). Total expenses increased \$2,670,324 (4.13%).

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The following graph displays the governmental activities reflected in the table "City of Orem's Change in Net Position". Note that the graph does not include general revenues of \$57,916,115 because these revenues are not specific to a particular department.

Program Expenses & Revenues - Governmental Activities
For Fiscal Year Ending June 30, 2022



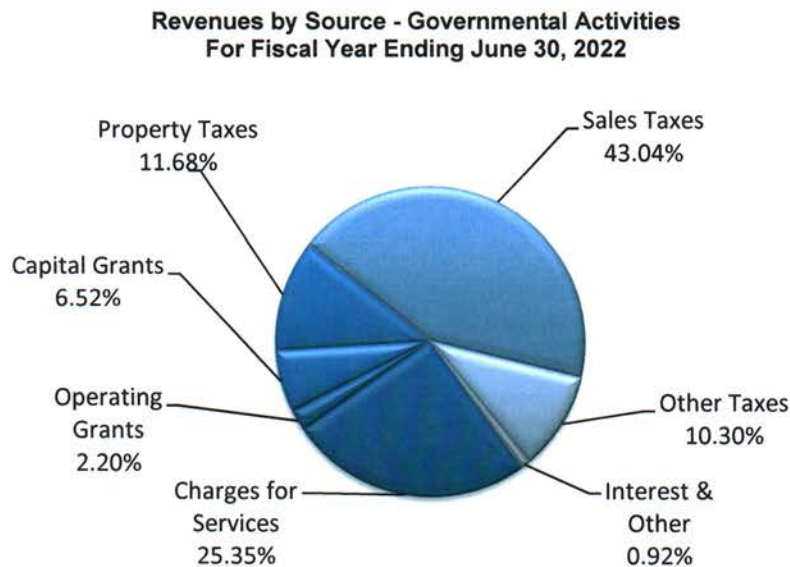
Key elements affecting the change in governmental activities net position are as follows:

- Total revenues decreased \$688,640 (0.78%).
- Capital grants and contributions decreased \$4,304,298 (42.91%). The decrease occurred due to receiving a \$300,000 grant from Utah County and a \$477,000 grant from the State of Utah, and a donation of property from Orem Community Hospital valued at \$3,760,000 in the prior fiscal year but no such grants or donations in the current fiscal year.
- Operating grants and contributions decreased \$1,823,023 (48.56%). The decrease was due to receiving \$2,117,690 in CARES Act CRF funds from Utah County as part of the COVID-19 pandemic relief in the prior fiscal year but the City received no funding in the current fiscal year.
- General revenues increased \$4,207,891 (7.83%). The increase was due, in large part, to sales tax revenues increasing by \$4,552,955 (13.69%). The benefits of having a strong retail base continue to be evident as local sales tax revenues continued to be strong. However, some of this

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- increase is undoubtedly related to high inflation rates during the latter part of the fiscal year.
- Total expenses increased by \$2,670,324 (4.13%).
 - Lawsuit settlement costs increased by approximately \$1,019,000. This increase was primarily related to the Northgate Village lawsuit which revolved around property cleanup costs at the City's old public works facility location which was sold to a developer a number of years ago.
 - Various materials, supplies and contracted service costs increased by approximately \$1,379,000 as city departments returned to normal spending following the COVID-19 pandemic as well as inflationary and supply shortage cost increases when compared to the prior fiscal year.

The following graph displays the governmental activities revenues by source. The information reflected in this graph comes from the "City of Orem's Change in Net Position" table shown previously.

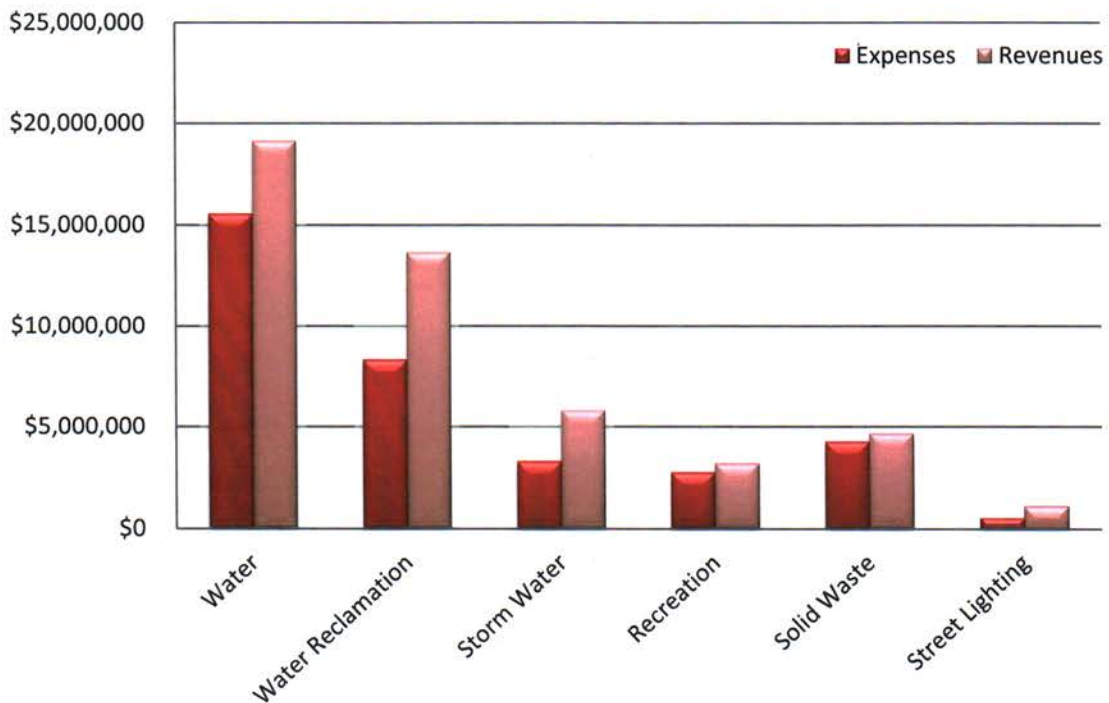


Business-type activities. Business-type activities increased the City's net position by \$11,511,277. The increase in net position represents a 7.52% increase for the current year. Total revenues decreased \$654,736 (1.34%) and total expenses increased \$1,702,766 (5.18%). As of the end of the current fiscal year, all of the City's business-type activities reported a positive net position.

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The following graph displays the business-type activities for enterprise funds reflected in the table "City of Orem's Change in Net Position".

Program Expenses & Revenues - Business-type Activities
For Fiscal Year Ending June 30, 2022

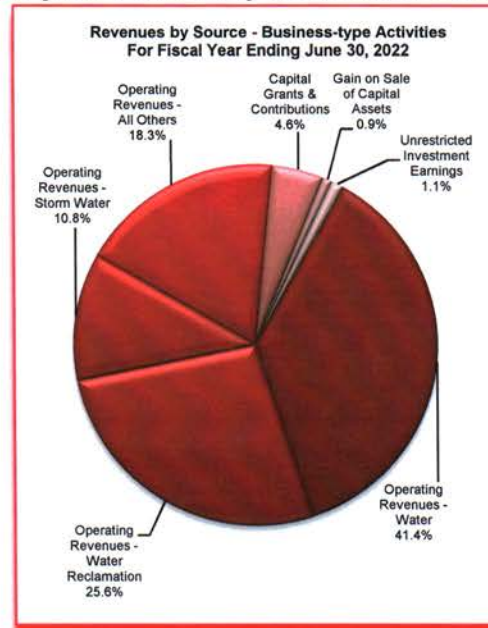


Key elements affecting the change in business-type activities net position are as follows:

- Business-type activities reported a decrease in total revenues over the prior year of \$654,736 (1.34%). Total revenues increased or decreased as follows:

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- Water fund total operating revenues decreased \$2,522,784 or 12.40%. The City did not raise the base rate and actually lowered the tiered usage rates for the fiscal year as the city moved forward with the use of debt for those large capital projects that are generational in nature rather than continuing to use only a cash funding model. The result of this change in philosophy was a 15.31% decrease in the Tier 1 usage rate. This decrease along with a decrease in actual usage of 19.50% related to water conservation efforts due to severe drought conditions in the Western United States caused a decrease in charges for services revenues of \$2,865,960 or 15.28%. Other revenues increased by \$343,176. The primary reason for the increase in other revenues was a \$500,000 increase in the funds received from the Metropolitan Water District of Orem. The funds received in the current fiscal year will be used to develop a new well. No such funding occurred in the prior fiscal year.
- Water Reclamation fund total operating revenues increased \$394,449 or 3.13%. Sewer rates were also not increased in the current fiscal year. However, sewer volume increased by 4.27% which resulted in the operating revenues increase.
- Storm Water fund total operating revenues increased \$214,381 or 4.04%. The increase was due to a \$0.20 rate increase in the "equivalent service units (ESU)" rate. The rate went from \$7.60/month/ESU to \$7.80/month/ESU (2.63% increase).



The graph above displays the business-type activities revenues by source. The information reflected in this graph comes from the "City of Orem's Change in Net Position" table shown previously.

- Business-type activities reported an increase in total expenses from the prior year of \$1,702,766 (5.18%). Total expenses increased or decreased as follows:

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- Personnel costs increased \$232,211 (3.61%). Salary and benefits costs increased due to pay raises given at the beginning of the fiscal year as well as healthcare cost increases while pension related costs remained approximately the same.
- Natural gas costs increased \$140,432 (48.36%). The increase was due primarily to a full year of operations at the City's newly reconstructed fitness center which had been closed for a large portion of the prior fiscal year.
- Contract services costs increased \$415,131 (4.23%). The increase is due, in large part, to increases in water costs to third parties for treatment, storage, conveyance or loss. These include Jordanelle reservoir, Utah Power & Light, and the Olmstead power plant.
- Interest expense increased \$799,960 (156.94%). The increase is primarily due to the first full year interest accrual for the 2021 Water, Sewer and Storm Water Bonds issued in April 2021.

Financial Analysis of the Government's Funds

As noted earlier, the City of Orem uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the government's net resources available for spending at fiscal year-end.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$89,496,484. Of this total amount, \$22,036,611 (24.62%) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Unassigned fund balance increased from the prior year by \$3,612,102. The remaining fund balance of \$67,459,873 is "reserved" in one capacity or another indicating that it is not available for new spending because it has already been committed to pay for debt service, capital projects, or a variety of other purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *unassigned fund balance* of the general fund was \$22,036,611 and total fund balance increased to \$4,974,602. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36.39% (prior year was 33.54%) of total General Fund expenditures, while total fund balance represents 74.49% (prior year was 73.05%) of total General Fund expenditures.

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General Fund - Total fund balance increased \$4,974,602 in the current fiscal year (the prior year had an increase of \$8,780,341). Thus, there was a negative variance from the prior year of \$3,805,739. The following elements were key factors contributing to the total fund balance increase:

- Total revenues of the fund increased \$3,578,555 (5.10%). Taxes and special assessments increased \$4,449,215 (10.31%), intergovernmental revenues decreased \$2,017,791 (28.04%), and charges for services revenues increased \$664,885 (6.94%). Details about these variances are as follows:
 - Taxes and special assessments increased primarily due to sales tax revenues increasing \$3,784,337 (13.51%). As mentioned previously, the City's strong retail base continued to do well with significant gains in the general merchandise, building materials, food establishments, arts and crafts, recreation, professional related products, and auto dealer categories.
 - Intergovernmental revenues decreased due to receiving CARES Act CRF funds from Utah County in the prior fiscal year while receiving no such funding in the current fiscal year.
 - Charges for services revenues increased primarily due to a \$500,945 (23.10%) increase in ambulance services revenues due to higher transports of 13.65%.
- Total expenditures increased \$5,615,099 (10.22%). General government expenditures increased \$533,870 (3.62%), public safety expenditures increased \$1,188,579 (4.84%), and capital outlay expenditures decreased \$2,125,071 (37.68%). Details about these variances are as follows:
 - Public Safety expenditures increased in total by \$2,939,530 (11.42%) due primarily to higher personnel costs related to wage and benefit increases of \$1,979,704 (8.92%). Police department wages and benefits increased \$1,491,953 (10.74%) and fire department wages and benefits increased \$487,751 (5.88%). The remaining increase were costs for things such as digital radio replacements, vehicle fuel and maintenance, employee development, and ambulance supplies. Many of these and other materials and supplies costs have been impacted by higher costs due to either inflation or supply shortages.
 - Parks, Recreation and Arts expenditures increased in total by \$558,462 (7.73%). The increase is a result of higher personnel costs due to general wage and benefit increases of \$142,576 (2.58%), facility wood staining projects at two of the city's larger parks totaling \$90,000, and an increase of \$144,216 in the library media collection due to higher demand for electronic media spurred by the recent pandemic (a large amount of this increase is grant related).
 - Capital outlay expenditures increased by \$1,660,188 (47.23%) due to purchasing \$661,376 more in police and \$511,610 more in fire vehicles and equipment. A large portion of the higher police amount was due to purchasing four vehicles for the addition of four new patrol officers funded by a grant and also three more patrol

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vehicles than the prior year. The fire increase was due to purchasing a new fire engine (the prior year only had an ambulance purchase which the current year did not have). Street micro-surfacing project expenditures of \$395,402 occurred in the current fiscal year while no such projects occurred in the prior fiscal year.

Debt Service Fund - Total fund balance is \$1,187,088, all of which is to be used for the payment of debt service. There was a net decrease in fund balance in the current year of \$773,314. The decrease was the result of using the remaining 2019 General Obligation Bonds capitalized interest funds to make the bond payments for the fiscal year.

Capital Projects Fund - Total fund balance is \$24,996,086, all of which is to be used for capital improvements and large equipment purchases. There was a net increase in fund balance in the current year of \$5,189,445 (26.20%). The increase was due to \$5,975,000 in "transfers in" from other funds which will be used to improve several parks and streets as well as providing additional funding for construction of a new city center to be completed over the following two fiscal years.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Water Fund - Unrestricted net position at the end of the year is \$29,188,531, a decrease of \$68,608 (0.23%). Total net position increased by \$3,130,871 (4.18%) during the current fiscal year (prior fiscal year had an increase of \$6,848,473 or 10.07%).

While total net position still increased in the current fiscal year, it is important to note the decline in this increase when compared to the prior fiscal year increase amount. A decline of \$3,717,602. Items affecting the change in total net position of the fund are as follows:

- Operating revenues decreased \$2,522,784 (12.40%). Charges for services decreased 15.28% due to a 19.50% decrease in usage and a 15.31% decrease in the Tier 1 usage rate. However, the Metropolitan Water District of Orem (MWDO) provided \$500,000 more in funding in the current fiscal year than the prior fiscal year for a new well.
- Operating expenses increased \$284,143 (2.15%) in comparison with the prior year. The increase was primarily in contract services for water treatment at the Central Utah Water Conservancy District facility.
- Interest expense increased \$564,694 (141.66%) due to the full year accrual of 2021A Water, Sewer and Storm Water Bonds which were issued in April 2021. Due to when these bonds were issued, the prior fiscal year had only three months of interest accrued while the current fiscal year had a full twelve months.
- Contributions from developers decreased \$645,280 (33.11%) due to a decrease in development projects as the city council placed a moratorium on high density housing projects for about six months of the fiscal year.

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Water Reclamation Fund - Unrestricted net position at the end of the year is \$15,823,874, an increase of \$3,183,797 (25.19%). Total net position increased \$5,145,346 (11.10%) during the current fiscal year (prior fiscal year had an increase of \$6,037,689 or 14.98%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues increased \$394,449 (3.13%). The increase was due to an increase in sewer volume of 4.27%.
- Operating expenses increased \$513,811 (6.98%) in comparison with the prior year. Personnel services decreased \$186,800 (9.47%) due to a reduction in pension costs caused by positive investment returns as well as several position vacancies that occurred during the fiscal year. Utility costs increased \$345,292 (56.21%) due to costs related to Provo City sewer for FY 2016 through FY 2021. These costs had been getting accrued as an estimate since FY 2016 but when the final bill eventually came it was significantly higher than what had been getting accrued. Contract Services increased \$253,573 (32.88%) primarily related to the Sanitary Sewer Master Plan consultation work, a pipe condition study, and charges for engineering services.
- Interest expense increased \$196,660 (495.70%) due to the full year accrual of 2021A Water, Sewer and Storm Water Bonds which were issued in April 2021. Due to when these bonds were issued, the prior fiscal year had only three months of interest accrued while the current fiscal year had a full twelve months.
- Contributions from developers decreased \$774,316 (54.51%) due to a decrease in development projects as the city council placed a moratorium on high density housing projects for about six months of the fiscal year.

Storm Water Fund - Unrestricted net position at the end of the year is \$9,637,198, an increase of \$532,622 (5.85%). Total net position increased \$2,312,641 (9.02%) during the current fiscal year (prior fiscal year had an increase of \$2,406,640 or 10.37%). Items affecting the change in total net position of the fund are as follows:

- Operating revenues increased \$214,381 (4.04%), due to a \$0.20 increase in the "equivalent service units (ESU)" rate which went from \$7.60/month/ESU to \$7.80/month/ESU.
- Operating expenses increased \$197,478 (6.74%) in comparison with the prior year. Personnel services increased \$62,224 (7.25%) due to wage and benefit increases at the beginning of the fiscal year. Depreciation expense increased \$95,812 (11.04%) due to adding some \$2 million of fixed assets in the prior fiscal year which now had a full year of depreciation (note the large reduction in the construction in progress).
- Interest expense increased \$38,606 (54.06%) due to the full year accrual of 2021A Water, Sewer and Storm Water Bonds which were issued in April 2021. Due to when these bonds were issued, the prior fiscal year had only three months of interest accrued while the current fiscal year had a full twelve months.
- Contributions from developers decreased \$122,526 (31.81%) due to a decrease in development projects as the city council placed a moratorium on high density housing projects for about six months of the fiscal year.

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General Fund Budgetary Highlights

During the fiscal year, the General Fund's original budget was amended from an original budget expenditure total (including net transfers) of \$62,709,214 to a final budget of \$98,357,503, an increase of \$35,648,289 (56.85%). The changes to the General Fund budget are briefly summarized as follows:

- Various public safety grants and donations received during the year totaled \$353,864 and various fines and forfeitures related to the drug task force increased by \$62,500.
- The library received several grants during the year totaling \$106,173.
- Various capital project, equipment, and other accounts were carried over from the prior year and, therefore, were added to the budget in the current year. This increased the budget by \$10,374,018.
- Various outstanding purchases were carried over from the prior year and, therefore, were added to the budget in the current year. This increased the budget by \$569,221.
- Various outstanding road projects were carried over from the prior year and, therefore, were added to the budget in the current year. This increased the budget by \$2,064,697.
- The City transferred \$5,725,000 to the Capital Projects Fund. The transfer was done as an appropriation of surplus funds in order to stay within the State of Utah's General Fund "fund balance" limitation.
- The City was awarded the second tranche of American Rescue Plan Act (ARPA) grant funding of \$8,043,675 to aid in public health and economic recovery from the COVID-19 pandemic. Also, the remaining amount of unused grant funds carried over from the prior year added \$7,472,333 to the budget in the current year.

Several General Fund revenue and expenditure categories were significantly higher or lower than their final budgeted amounts. These variances are briefly summarized as follows:

- Taxes and Special Assessments – Revenues – Actual amount was higher than the budgeted amount by \$7,171,019 (17.74%). Actual sales tax revenues were higher than budgeted revenues by \$6,467,903 and property taxes were higher than budgeted revenues by \$505,220.
- Licenses and Permits – Revenues – Actual amount was higher than the budgeted amount by \$528,007 (29.92%). Actual revenues were higher than budgeted revenues due to building permits exceeding budget by \$364,162 and landlord licenses exceeding budget by \$147,337. The housing (other than high density housing) and commercial markets in the area were reasonably strong although not as much as the prior year.
- Intergovernmental – Revenues – Actual amount was lower than the budgeted amount by \$7,344,818 (58.65%). Actual revenues were lower than budgeted revenues because the City amended its budget for the full \$8,043,675 second tranche of ARPA grant funding which was added to the budget but the City was only able to spend \$400,972 by the end of the fiscal year.

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- **Charges for Services – Revenues –** Actual amount was higher than the budgeted amount by \$1,336,292 (15.01%). The increase was due primarily to an increase in ambulance fees received of \$609,245 (29.58%) which resulted from a 13.65% increase in the number of transports. Plan check fees increased \$219,259 (47.46%) due to the City's conservative building related revenues budget philosophy of budgeting at a relatively conservative amount and letting any excess fall to fund reserves to eventually be used for capital projects in the following fiscal year. Cemetery lot sales and interment fees exceeded budget by \$277,677 (34.49%) as we continue to see a surge in burials and citizens planning ahead by purchasing lots in the newly opened section of the cemetery.
- **General Government – Expenditures –** Actual amounts were lower than budgeted by \$16,136,026 (50.79%). The following narrative provides details about this variance from budget:
 - Unspent CARES Act funds of \$5,154,207 were carried over and added to the budget even though actual expenditures for the current fiscal year were only \$14,710. The City received \$8,043,675 as the second tranche in ARPA grant funding which was added to the budget but the City was only able to spend \$198,584 for this category by fiscal year-end.
 - Wages and employee benefit costs were lower than budget by \$410,209. The variance is primarily due to vacant positions that occur naturally throughout the fiscal year.
 - Professional and technical services accounts were lower than budget by \$468,320 as expected service costs were either delayed or determined to not be necessary. The City's justice court has had very little need of a bailiff as much of the activity has been via electronic means rather than in person. Also, transports to the county jail have been very negligible and thus, the time needed to perform these transports has not been needed.
 - Various contingency accounts were not used and thus, were lower than budget by \$458,147.
- **Public Safety – Expenditures –** Actual amounts were lower than budgeted by \$4,481,696 (12.74%).
 - Various vehicle and equipment costs totaling \$1,687,882 did not get purchased by the end of the fiscal year but have been budgeted.
 - Contracted Vineyard City future fire station start-up costs are being accumulated and thus, while being budgeted are not being spent as of yet. The accumulated budgeted funds currently total \$1,935,000 at the end of the current fiscal year.
 - Various drug task force accounts had budgeted funds that were unspent at fiscal year-end. The unspent funds totaled \$314,136.
- **Highways and Public Improvements – Expenditures –** Actual amounts were lower than budgeted by \$3,041,192 (34.49%). Most of this variance can be attributed to various street overlay/reconstruction projects, slurry seal projects, micro-surfacing, and street striping projects that were not completed by fiscal year end but are expected to be completed in the next fiscal year.

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- Parks, Recreation, and Arts – Expenditures – Actual amounts were lower than budgeted by \$7,037,992 (46.44%). The variance is due to ARPA grant funds being carried over from the prior year. The expenditure of these funds has now been identified and thus, the budget was increased for this category since they will be used to build a new park.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$299,396,522 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment (including vehicles and office equipment), infrastructure, intangibles, and construction in progress.

Major capital asset events during the current fiscal year include the following:

- Public safety purchased sixteen new vehicles totaling \$724,984 and a new fire engine at a cost of \$812,924. They also purchased new digital radios to replace old analog radios at a total cost of \$352,188.
- The parks division purchased three new riding mowers for \$43,963. They also completed the Westmore Park wall replacement project spending \$79,311 this fiscal year, completed Windsor Park ballfield renovations for \$28,040, and completed wood staining and rock repairs at Nielson's Grove and Timpanogos parks for \$29,298.
- The streets division completed the purchase of a paint machine for \$13,121 and purchased two new backhoes totaling \$232,928.
- Various road, street light, and landscaping projects completed or added to construction in process were approximately \$2,800,000.
- Recreation had fitness center reconstruction costs added to construction in progress totaling \$492,482, an outdoor pool drainage project totaling \$214,129, and boiler replacements at both the fitness center and outdoor pool totaling \$231,250.
- The library purchased a new piano for Library Hall for \$28,448 and new furniture for \$16,131. Construction costs added for the new Library Hall facility totaled \$100,000.
- Several facility projects took place in the current fiscal year at the public safety building, city center, and library. These projects totaled \$153,354.
- The water division had several waterline projects completed or added to construction in process totaling approximately \$2,700,000. They spent approximately \$1,755,000 on the automated meter read technology project that began near the end of FY 2018. They purchased three new backhoes for \$349,392, began construction of a new 10 million gallon culinary water storage tank with costs totaling \$327,258, and began work on a new well with costs totaling \$472,943.

City of Orem
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- The water reclamation division had several sewer line projects completed or added to construction in process totaling approximately \$3,727,000. They also began work on a lift station with costs totaling \$1,802,806. They purchased a new backhoe for \$116,464 and various other equipment totaling approximately \$146,000.
- The storm water division had several storm water line projects completed or added to construction in process totaling approximately \$1,310,000. New vehicle and equipment purchases include a sweeper for \$209,027, a backhoe for \$116,464, a riding mower for \$15,780, a GPS rover for \$25,910, and a sewer inspection camera for \$23,652.

City of Orem's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 72,570,455	\$ 72,551,355	\$ 6,496,507	\$ 6,481,577	\$ 79,066,962	\$ 79,032,932
Buildings and Systems	45,107,985	18,407,911	625,712	717,520	45,733,697	19,125,431
Improvements other than Buildings	14,889,238	14,343,508	3,826,731	4,270,845	18,715,969	18,614,353
Machinery and Equipment	10,022,985	7,962,650	4,520,120	4,644,973	14,543,105	12,607,623
Infrastructure	47,708,044	49,103,210	82,560,332	78,115,618	130,268,376	127,218,828
Construction in Progress	1,825,890	30,226,670	7,939,285	2,746,287	9,765,175	32,972,957
Intangibles	88,548	88,548	1,214,690	1,214,690	1,303,238	1,303,238
Total Capital Assets	<u>\$ 192,213,145</u>	<u>\$ 192,683,852</u>	<u>\$ 107,183,377</u>	<u>\$ 98,191,510</u>	<u>\$ 299,396,522</u>	<u>\$ 290,875,362</u>

Additional information on the City's capital assets can be found in the footnotes to this financial report on pages 77-78.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$73,125,000. Of this amount, \$27,655,000 comprises debt backed by the full faith and credit of the government and \$45,470,000 is debt (i.e. revenue bonds) secured solely by specific revenue sources such as sales taxes, franchise taxes, water revenues, water reclamation revenues, and/or storm water revenues.

City of Orem's Outstanding Bonded Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 27,655,000	\$ 28,655,000	\$ -	\$ -	\$ 27,655,000	\$ 28,655,000
Revenue Bonds	253,000	496,000	45,217,000	47,301,000	45,470,000	47,797,000
Total Bonds	<u>\$ 27,908,000</u>	<u>\$ 29,151,000</u>	<u>\$ 45,217,000</u>	<u>\$ 47,301,000</u>	<u>\$ 73,125,000</u>	<u>\$ 76,452,000</u>

The City's total bonded debt decreased by \$3,327,000 (4.35%) during the current fiscal year. No new bonded debt was issued during the fiscal year.

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The City of Orem maintains a "AAA" rating from Fitch Ratings and a "AA+" rating from Standard & Poor's for bond issuances for which they are responsible for providing a rating on.

State statutes limit the amount of general obligation debt for general purposes a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$449,564,661, which is significantly in excess of the City's outstanding general obligation debt for general purposes. In addition, state statutes allow for an additional 4% to be used for water, sewer, or electrical projects. Thus, the current limitation for general obligation debt for water, sewer, or electrical projects is \$479,529,626. The City currently has no outstanding general obligation debt for these types of projects. Thus, the resulting total debt limit is 8% of total taxable value or \$929,094,287. More detailed information can be found on pages 176-177.

Additional information on the City's long-term debt can be found in the footnotes to this financial report on pages 82-88.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Orem at June 30, 2022 was 2.3%. The City's unemployment rate compares favorably to the national rate of 3.6%. The City has a relatively high technology based workforce comparative to other areas of the county and state which can be impacted (for good or bad) to a slightly higher degree than many other workforce groups in the economy. This has been particularly beneficial during and following the recent pandemic as the need for technology-based solutions has been expedited. The table below provides current year comparative information as well as a historical perspective. (Source: U.S. Bureau of Labor Statistics).

HISTORICAL ANNUAL UNEMPLOYMENT RATES

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City	3.3%	3.1%	5.0%	3.0%	2.3%
County	3.4%	3.1%	4.5%	2.8%	2.3%
State	3.5%	3.2%	5.7%	3.1%	2.4%
Nation	4.2%	3.8%	11.1%	5.9%	3.6%

- The General Fund budget for the fiscal year ending June 30, 2023 reflects a decrease of \$4,708,873 or 6.55% in revenues, excluding appropriations of surplus, compared to the final actual revenues for the fiscal year ended June 30, 2022. The primary decreases in budgeted revenues are identified as follows:

City of Orem
Management's Discussion and Analysis
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- A decrease in intergovernmental revenues (primarily grants) of \$831,369 as the city does not budget for grants until they have actually been awarded
- A decrease in sales tax revenues of \$788,779 as the city believes FY 2022 was inflated due to consumers being more willing to get out and spend after dealing with the pandemic
- A decrease in building fees of \$638,683 due to a conservative budgeting philosophy for this revenue type
- A decrease of \$569,245 in ambulance revenues as the city does not anticipate the same transport volume in FY 2023 as there was in FY 2022
- A decrease in property taxes of \$523,163 as conservative estimates are used to come up with this budget amount each year because the timing of obtaining this information from the county does not allow the city enough time to include it within the final adopted budget.
- The General Fund budget for the fiscal year ending June 30, 2023 reflects a decrease of \$1,713,857 or 2.38% in expenditures compared to the final actual expenditures for the fiscal year ended June 30, 2022. Most of this is due to the personnel cost increases and additional capital projects and acquisitions in the FY 2023 budget.
- Despite some negative impacts of high fuel costs, inflationary pressures, and supply shortages, the state and the city continue to compare favorably to national indices. Sales tax revenues continue to increase in comparison to the prior year while other revenue sources are comparable or gradually improving when compared to the prior fiscal year. These revenue sources as well as others are monitored very closely so the City can identify what future spending may be able to be added should positive revenue trends continue.

All of these factors were considered in preparing the City's budget for the 2022-2023 fiscal year.

Request For Information

This financial report provides a general overview of the City of Orem's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Brandon C. Nelson, CPA
City of Orem
Finance Director
56 North State Street, Orem, UT 84057
or via email at bcnelson@orem.org

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BASIC FINANCIAL STATEMENTS

City of Orem
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 56,091,790	\$ 60,112,872	\$ 116,204,662
Investments	14,166,164	-	14,166,164
Receivables (Net of Allowance for Uncollectibles)	957,160	5,185,156	6,142,316
Property and Other Taxes Receivable	12,526,768	-	12,526,768
Special Assessments Receivable	33,741	-	33,741
Intergovernmental Receivables	257,859	-	257,859
Notes Receivable	217,859	-	217,859
Leases Receivable	2,886,488	-	2,886,488
Prepaid Expenses	78,171	-	78,171
Inventory	402,448	-	402,448
Restricted Assets:			
Cash and Cash Equivalents:			
Debt Service	897,327	3,592,614	4,489,941
Capital Improvements	29,147,086	44,700,170	73,847,256
Other Purposes	6,806,789	-	6,806,789
Receivables:			
Debt Service	2,285,476	-	2,285,476
Capital Improvement Projects	2,149,578	-	2,149,578
Other Purposes	1,564,175	-	1,564,175
Investments:			
Debt Service	2,568,257	-	2,568,257
Capital Improvement Projects	3,938,600	-	3,938,600
Net Pension Assets	20,096,352	2,079,804	22,176,156
Capital Assets:			
Non-depreciable Capital Assets	74,484,894	15,650,482	90,135,376
Depreciable Capital Assets (net)	117,728,251	91,532,895	209,261,146
Total Assets	349,285,233	222,853,993	572,139,226
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss on Debt Refundings	53,576	485,641	539,217
Pensions	7,183,738	743,458	7,927,196
Total Deferred Outflows of Resources	7,237,314	1,229,099	8,466,413
Total Assets & Deferred Outflows of Resources	\$ 356,522,547	\$ 224,083,092	\$ 580,605,639
LIABILITIES			
Accounts Payable	\$ 1,020,397	\$ 2,740,314	\$ 3,760,711
Customer Deposits	8,289,676	115,771	8,405,447
Accrued Liabilities	1,523,402	314,234	1,837,636
Unearned Revenues	17,184,681	1,200,298	18,384,979
Accrued Interest Payable	283,653	705,498	989,151
Liabilities Payable from Restricted Assets	1,350,927	-	1,350,927
Noncurrent Liabilities:			
Due within One Year	5,074,809	3,425,231	8,500,040
Due in more than One Year	36,041,925	48,714,267	84,756,192
Total Liabilities	70,769,470	57,215,613	127,985,084
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenues - Property Taxes	9,385,476	-	9,385,476
Leases	2,886,488	-	2,886,488
Pensions	21,481,310	2,223,137	23,704,447
Total Deferred Inflows of Resources	33,753,274	2,223,137	35,976,411
NET POSITION			
Net Investment in Capital Assets	155,974,028	81,282,909	237,256,937
Restricted for:			
Debt Service	3,465,584	3,592,614	7,058,198
Capital Improvements	13,950,399	19,269,762	33,220,161
Pensions	20,096,352	2,079,804	22,176,156
Community Development	12,693,720	-	12,693,720
Unrestricted	45,819,720	58,419,253	104,238,973
Total Net Position	251,999,803	164,644,342	416,644,145
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 356,522,547	\$ 224,083,092	\$ 580,605,639

The notes to the financial statements are an integral part of this statement

City of Orem
Statement of Activities
For The Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			Capital Grants and Contributions
Governmental Activities:			
General Government	\$ 15,691,209	\$ 11,824,143	\$ -
Public Safety	27,353,214	8,211,979	238,839
Highways and Public Improvements	8,187,834	268,680	3,905,849
Parks, Recreation and Arts	8,910,111	1,877,951	1,493,807
Economic and Physical Development	1,204,626	80,023	87,501
Redevelopment	1,334,386	-	-
Interest on Long-term Debt	4,589,160	-	-
Total Governmental Activities	67,270,540	22,262,776	5,725,996
Business-type Activities:			
Water	15,541,478	17,818,803	1,303,497
Water Reclamation	8,309,770	12,986,274	646,256
Storm Water	3,261,027	5,515,349	262,653
Recreation	2,725,743	3,142,844	-
Solid Waste	4,241,603	4,624,294	-
Street Lighting	522,488	1,069,000	-
Total Business-type Activities	34,602,109	45,156,564	2,212,406
Total Primary Government	\$ 101,872,649	\$ 67,419,340	\$ 7,938,402

General Revenues:

- Sales Taxes
- Property Taxes
- Franchise Taxes
- Vehicle Taxes
- Other Taxes & Special Assessments
- Unrestricted Investment Earnings
- Gain (Loss) on Sale of Capital Assets
- Investments - FMV Change
- Transfers In (Out)
- Total General Revenues and Transfers
- Change in Total Net Position
- Total Net Position - Beginning
- Total Net Position - Ending

The notes to the financial statements are an integral part of this statement

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,867,066)	\$ -	\$ (3,867,066)
(17,859,778)	-	(17,859,778)
(4,013,305)	-	(4,013,305)
(5,411,572)	-	(5,411,572)
(327,267)	-	(327,267)
(1,282,853)	-	(1,282,853)
(4,589,160)	-	(4,589,160)
(37,351,001)	-	(37,351,001)
-	3,580,822	3,580,822
-	5,322,760	5,322,760
-	2,516,975	2,516,975
-	417,101	417,101
-	382,691	382,691
-	546,512	546,512
-	12,766,861	12,766,861
(37,351,001)	12,766,861	(24,584,140)
37,803,119	-	37,803,119
10,258,353	-	10,258,353
8,088,605	-	8,088,605
595,807	-	595,807
365,612	-	365,612
550,940	516,320	1,067,260
253,679	414,437	668,116
(1,480,830)	(381,539)	(1,862,369)
1,804,802	(1,804,802)	-
58,240,087	(1,255,584)	56,984,503
20,889,086	11,511,277	32,400,363
231,110,717	153,133,065	384,243,782
\$ 251,999,803	\$ 164,644,342	\$ 416,644,145

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City of Orem
Balance Sheet
Governmental Funds
June 30, 2022

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 24,363,123	\$ 1,143,948	\$ 25,222,602	\$ 438,672	\$ 51,168,345
Receivables (Net of Allowance for Uncollectibles)	952,910	-	-	4,250	957,160
Property Taxes Receivable	5,750,000	-	-	-	5,750,000
Other Taxes Receivable	6,776,768	-	-	-	6,776,768
Special Assessments Receivable	33,741	-	-	-	33,741
Intergovernmental Receivables	110,610	-	5,301	141,948	257,859
Due from Other Funds	152,778	-	-	-	152,778
Notes Receivable	-	-	-	217,859	217,859
Investments	14,166,164	-	-	-	14,166,164
Prepays	47,512	-	-	-	47,512
Leases Receivable	-	-	2,886,488	-	2,886,488
Restricted Cash and Cash Equivalents:					
Debt Service	854,187	43,140	-	-	897,327
Capital Improvement Projects	16,761,405	-	-	12,385,681	29,147,086
Other Purposes	2,328,413	-	-	4,478,376	6,806,789
Restricted Receivables:					
Debt Service	-	2,285,476	-	-	2,285,476
Capital Improvement Projects	799,578	-	-	1,350,000	2,149,578
Other Purposes	206,515	-	-	1,357,660	1,564,175
Restricted Investments:					
Debt Service	2,568,257	-	-	-	2,568,257
Capital Improvement Projects	3,938,600	-	-	-	3,938,600
Total Assets	\$ 79,810,561	\$ 3,472,564	\$ 28,114,391	\$ 20,374,446	\$ 131,771,962
LIABILITIES					
Accounts Payable	\$ 430,871	\$ -	\$ 39,782	\$ 493,831	\$ 964,484
Customer Deposits	8,289,676	-	-	-	8,289,676
Accrued Liabilities	1,464,056	-	-	5,429	1,469,485
Unearned Revenues	16,982,960	-	192,035	9,686	17,184,681
Liabilities Payable from Restricted Assets	1,350,927	-	-	-	1,350,927
Total Liabilities	28,518,490	-	231,817	508,946	29,259,253
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues - Property Taxes	5,750,000	2,285,476	-	1,350,000	9,385,476
Deferred Revenues - Receivables	435,130	-	-	309,131	744,261
Leases	-	-	2,886,488	-	2,886,488
Total Deferred Inflows of Resources	6,185,130	2,285,476	2,886,488	1,659,131	13,016,225
FUND BALANCES					
Nonspendable	47,512	-	-	-	47,512
Restricted	12,133,985	43,140	19,088	17,835,319	30,031,532
Assigned	10,888,833	1,143,948	24,976,998	371,050	37,380,829
Unassigned	22,036,611	-	-	-	22,036,611
Total Fund Balances	45,106,941	1,187,088	24,996,086	18,206,369	89,496,484
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 79,810,561	\$ 3,472,564	\$ 28,114,391	\$ 20,374,446	\$ 131,771,962

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources.	192,213,145
Net Pension Assets and Deferred Outflows of Resources are not available financial resources and are not reported in the governmental funds.	27,333,666
Other restricted assets are not available financial resources and are not reported in the governmental funds.	-
Certain revenue is unearned in governmental funds but not in the Statement of Net Position because it qualifies for recognition under the economic resources measurement focus.	744,261
Internal service funds are used by management to charge the cost of fleet management, self-insurance, purchasing/warehousing, information technology, and facilities maintenance. The current assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	4,358,174
Long-term liabilities, including bonds payable, compensated absences, and pensions, are not due and payable in the current period.	(40,380,965)
Other financial obligations not due and payable in the current period.	-
Interest payable on long-term obligations do not require current financial resources and are not reported in the governmental funds.	(283,653)
Deferred Inflows of Resources related to pensions do not require current financial resources and are not reported in the governmental funds.	(21,481,310)
Net Position of Governmental Activities	\$ 251,999,803

The notes to the financial statements are an integral part of this statement

City of Orem
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2022

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and Special Assessments	\$ 47,588,287	\$ 1,514,785	\$ -	\$ 8,013,371	\$ 57,116,443
Licenses and Permits	2,293,007	-	-	-	2,293,007
Intergovernmental	5,177,794	-	51,533	797,336	6,026,663
Charges for Services	10,239,937	-	-	119,859	10,359,796
Fines and Forfeitures	1,386,493	-	-	-	1,386,493
Charges for Services - Other Funds	5,200,482	-	-	-	5,200,482
Impact Fees	-	-	-	1,630,100	1,630,100
Investment Earnings	457,732	2,942	-	90,630	551,304
Miscellaneous Revenue	1,387,610	-	624,329	300,375	2,312,314
Total Revenues	<u>73,731,342</u>	<u>1,517,727</u>	<u>675,862</u>	<u>10,951,671</u>	<u>86,876,602</u>
EXPENDITURES					
Current:					
General Government	15,579,725	-	-	-	15,579,725
Public Safety	28,681,857	-	-	-	28,681,857
Highways and Public Improvements	3,004,029	-	-	216,480	3,220,509
Parks, Recreation and Arts	7,781,941	-	-	1,083,028	8,864,969
Economic and Physical Development	328,919	-	192,649	548,763	1,070,331
Redevelopment	-	-	-	1,229,620	1,229,620
Debt Service:					
Principal Retirement	-	1,243,000	-	115,000	1,358,000
Interest and Fiscal Charges	-	4,654,996	-	11,398	4,666,394
Leases - Principal	-	455,000	-	-	455,000
Leases - Interest	-	99,043	-	-	99,043
Capital Outlay	5,175,182	-	1,268,768	2,831,988	9,275,938
Total Expenditures	<u>60,551,653</u>	<u>6,452,039</u>	<u>1,461,417</u>	<u>6,036,277</u>	<u>74,501,386</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>13,179,689</u>	<u>(4,934,312)</u>	<u>(785,555)</u>	<u>4,915,394</u>	<u>12,375,216</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Asset Disposals	372,664	-	-	-	372,664
Investments - FMV Change	(1,448,128)	(2,905)	-	(29,797)	(1,480,830)
Transfers In	2,471,177	4,163,903	5,975,000	-	12,610,080
Transfers Out	(9,600,800)	-	-	(1,127,286)	(10,728,086)
Total Other Financing Sources (Uses)	<u>(8,205,087)</u>	<u>4,160,998</u>	<u>5,975,000</u>	<u>(1,157,083)</u>	<u>773,828</u>
Net Change in Fund Balances	<u>4,974,602</u>	<u>(773,314)</u>	<u>5,189,445</u>	<u>3,758,311</u>	<u>13,149,044</u>
Fund Balance - Beginning	<u>40,132,339</u>	<u>1,960,402</u>	<u>19,806,641</u>	<u>14,448,058</u>	<u>76,347,440</u>
Fund Balance - Ending	<u>\$ 45,106,941</u>	<u>\$ 1,187,088</u>	<u>\$ 24,996,086</u>	<u>\$ 18,206,369</u>	<u>\$ 89,496,484</u>

The notes to the financial statements are an integral part of this statement

City of Orem
Reconciliation of The Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities
For The Year Ended June 30, 2022

Amounts reported for Governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds		\$ 13,149,044
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Asset Purchases Capitalized	\$ 7,328,487	
Depreciation Expense	<u>(7,681,211)</u>	(352,724)
The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds.		
Principal Payments recorded as a reduction of the long-term liability	<u>\$ 1,813,000</u>	1,813,000
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.		
Amortization of Bond Refundings - Loss on Defeasance	\$ (38,865)	
Amortization of Bond Premiums (Discounts)	<u>209,650</u>	170,786
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Compensated Absences	\$ (228,731)	
Interest Expense	5,491	
Pension Expense	6,507,542	
Other Post Employment Benefits (OPEB) Expense	<u>27,684</u>	6,311,986
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Special Assessment Revenues	\$ (5,311)	
Charges for Services Revenues	173,977	
Gain (Loss) on Sale of Capital Assets	(118,985)	
Pension Revenues - Nonemployer Contributions	<u>536,707</u>	586,388
Internal service funds are used by management to charge the costs of fleet management, purchasing/warehousing, self-insurance, information technology, and facilities maintenance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>(789,394)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 20,889,086</u></u>

The notes to the financial statements are an integral part of this statement

City of Orem
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes and Special Assessments	\$ 40,417,268	\$ 40,417,268	\$ 47,588,287	\$ 7,171,019
Licenses and Permits	1,765,000	1,765,000	2,293,007	528,007
Intergovernmental	4,002,500	12,522,612	5,177,794	(7,344,818)
Charges for Services	8,903,645	8,903,645	10,239,937	1,336,292
Fines and Forfeitures	1,046,200	1,108,700	1,386,493	277,793
Charges for Services - Other Funds	5,164,577	5,200,482	5,200,482	-
Investment Earnings	375,000	375,000	457,732	82,732
Miscellaneous Revenues	935,024	977,568	1,387,610	410,042
Total Revenues	<u>62,609,214</u>	<u>71,270,275</u>	<u>73,731,342</u>	<u>2,461,067</u>
EXPENDITURES				
General Government:				
Legislative	450,813	546,620	523,802	22,818
Executive	3,878,872	4,344,880	3,735,233	609,647
Finance	3,994,843	3,963,636	3,722,311	241,325
Development Services	4,511,121	4,544,583	4,246,094	298,489
Legal Services	1,485,845	1,463,290	1,355,175	108,115
Other - Unclassified	4,062,746	16,906,779	2,051,147	14,855,632
Total General Government	<u>18,384,240</u>	<u>31,769,788</u>	<u>15,633,762</u>	<u>16,136,026</u>
Public Safety:				
Police	17,316,195	20,159,111	19,430,518	728,593
Fire	11,416,776	15,018,480	11,265,377	3,753,103
Total Public Safety	<u>28,732,971</u>	<u>35,177,591</u>	<u>30,695,895</u>	<u>4,481,696</u>
Highways and Public Improvements:				
Administration	547,114	590,821	559,866	30,955
Traffic and Streets	5,615,434	8,226,106	5,215,869	3,010,237
Total Highways and Public Improvements	<u>6,162,548</u>	<u>8,816,927</u>	<u>5,775,735</u>	<u>3,041,192</u>
Parks, Recreation and Arts	7,823,723	15,155,334	8,117,342	7,037,992
Economic and Physical Development	228,336	379,106	328,919	50,187
Total Expenditures	<u>61,331,818</u>	<u>91,298,746</u>	<u>60,551,653</u>	<u>30,696,906</u>
Excess of Revenues over Expenditures	<u>1,277,396</u>	<u>(20,028,471)</u>	<u>13,179,689</u>	<u>33,208,160</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Asset Disposals	100,000	104,609	372,664	268,055
Investments - FMV Change	-	-	(1,448,128)	(1,448,128)
Transfers In	2,515,405	2,559,043	2,471,177	(87,866)
Transfers Out	(3,892,801)	(9,617,800)	(9,600,800)	17,000
Total Other Financing Sources (Uses)	<u>(1,277,396)</u>	<u>(6,954,148)</u>	<u>(8,205,087)</u>	<u>(1,250,939)</u>
Net Change in Fund Balance	-	(26,982,619)	4,974,602	31,957,221
Fund Balance - Beginning	40,132,339	40,132,339	40,132,339	-
Fund Balance - Ending	<u>\$ 40,132,339</u>	<u>\$ 13,149,720</u>	<u>\$ 45,106,941</u>	<u>\$ 31,957,221</u>

The notes to the financial statements are an integral part of this statement

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City of Orem
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds					
	Water Fund Current Year	Water Fund Prior Year	Water Reclamation Fund Current Year	Water Reclamation Fund Prior Year	Storm Water Fund Current Year	Storm Water Fund Prior Year
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 29,013,216	\$ 25,799,101	\$ 16,894,625	\$ 12,752,781	\$ 9,628,212	\$ 8,959,914
Accounts Receivable (Net of Allowance for Doubtful Accounts)	2,703,846	2,506,792	1,342,120	1,310,119	546,553	515,152
Inventories	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-
Restricted Cash & Cash Equivalents:						
Debt Service	2,997,614	1,683,376	595,000	535,500	-	-
Capital Improvements	28,168,167	34,070,162	14,271,912	18,047,230	2,260,091	2,263,853
Total Current Assets	62,882,843	64,059,431	33,103,657	32,645,630	12,434,856	11,738,919
Noncurrent Assets:						
Capital Assets:						
Land	2,607,756	2,592,826	570,209	570,209	3,278,720	3,278,720
Buildings and Systems	903,086	903,086	3,097,885	3,097,885	679,293	679,293
Improvements other than Buildings	9,292,177	9,262,916	2,092,186	2,028,934	115,667	115,667
Machinery and Equipment	3,433,927	3,308,335	7,208,603	7,338,784	2,753,816	2,552,842
Infrastructure	68,199,287	65,046,853	53,576,444	52,059,097	23,280,545	20,440,087
Construction in Progress	3,465,946	1,059,465	4,343,544	180,807	129,796	1,495,724
Intangibles	997,276	997,276	195,900	195,900	21,514	21,514
Less Accumulated Depreciation	(38,493,900)	(35,954,607)	(37,036,714)	(35,481,102)	(10,999,769)	(10,218,680)
Total Capital Assets (Net of Accumulated Depreciation)	50,405,555	47,216,150	34,048,056	29,990,514	19,259,582	18,365,167
Net Pension Assets	460,692	-	1,139,943	111,544	478,140	-
Total Noncurrent Assets	50,866,247	47,216,150	35,187,999	30,102,058	19,737,722	18,365,167
Total Assets	113,749,090	111,275,581	68,291,656	62,747,688	32,172,578	30,104,086
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Debt Refundings	402,293	495,865	-	-	83,348	110,750
Pensions	164,681	129,340	407,490	112,543	170,917	76,142
Total Deferred Outflows of Resources	566,974	625,205	407,490	112,543	254,265	186,892
Total Assets & Deferred Outflows of Resources	\$ 114,316,064	\$ 111,900,786	\$ 68,699,146	\$ 62,860,231	\$ 32,426,843	\$ 30,290,978
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 1,155,309	\$ 985,745	\$ 1,157,939	\$ 947,662	\$ 34,873	\$ 154,554
Customer Deposits	115,771	103,180	-	-	-	-
Accrued Liabilities	38,465	130,454	197,972	105,704	16,631	53,250
Due to Other Funds	-	-	-	-	-	-
Accrued Vacation Leave	101,439	122,861	105,287	123,232	90,754	81,240
Claims and Judgments	-	-	-	-	-	-
Unearned Revenue	264,425	232,580	-	-	-	-
Accrued Interest Payable	520,023	277,208	135,117	49,728	50,358	33,295
Leases Payable - Current Portion	-	-	-	-	-	-
Bonds Payable - Current Portion	1,826,393	1,346,443	809,329	654,329	482,677	438,627
Total Current Liabilities	4,021,825	3,198,471	2,405,644	1,880,655	675,293	760,966
Noncurrent Liabilities:						
Accrued Vacation Leave	5,339	6,467	5,542	6,486	4,776	4,275
Claims and Judgments	-	-	-	-	-	-
Leases Payable - Long-term Portion	-	-	-	-	-	-
Bonds Payable - Long-term Portion	31,830,413	33,656,806	13,570,080	14,379,409	3,297,625	3,780,303
Net Pension Liability	-	62,641	-	47,471	-	36,879
Total Noncurrent Liabilities	31,835,752	33,725,914	13,575,622	14,433,366	3,302,401	3,821,457
Total Liabilities	35,857,577	36,924,385	15,981,266	16,314,021	3,977,694	4,582,423
DEFERRED INFLOWS OF RESOURCES						
Pensions	492,441	141,226	1,218,504	192,180	511,092	83,139
Total Deferred Inflows of Resources	492,441	141,226	1,218,504	192,180	511,092	83,139
NET POSITION						
Net Investment in Capital Assets	36,192,092	34,789,336	24,279,527	23,434,648	17,341,106	16,252,249
Restricted for Debt Service	2,997,614	1,683,376	595,000	535,500	-	-
Restricted for Capital Improvements	9,127,117	9,105,324	9,661,032	9,632,261	481,613	268,591
Restricted for Pensions	460,692	-	1,139,943	111,544	478,140	-
Unrestricted	29,188,531	29,257,139	15,823,874	12,640,077	9,637,198	9,104,576
Total Net Position	77,966,046	74,835,175	51,499,376	46,354,030	27,938,057	25,625,416
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 114,316,064	\$ 111,900,786	\$ 68,699,146	\$ 62,860,231	\$ 32,426,843	\$ 30,290,978

The notes to the financial statements are an integral part of this statement

Other Enterprise Funds Current Year	Other Enterprise Funds Prior Year	Total Current Year	Total Prior Year	Governmental Activities Internal Service Funds Current Year
\$ 4,576,819	\$ 4,644,750	\$ 60,112,872	\$ 52,156,546	\$ 4,923,445
592,637	598,105	5,185,156	4,930,168	-
-	-	-	-	402,448
-	-	-	-	30,659
-	-	3,592,614	2,218,876	-
-	-	44,700,170	54,381,245	-
5,169,456	5,242,855	113,590,812	113,686,835	5,356,552
39,822	39,822	6,496,507	6,481,577	-
1,509,500	1,509,500	6,189,764	6,189,764	150,000
399,238	399,238	11,899,268	11,806,755	53,413
146,127	146,127	13,542,473	13,346,088	679,735
3,958,579	2,967,393	149,014,855	140,513,430	-
-	10,291	7,939,285	2,746,287	-
-	-	1,214,690	1,214,690	88,548
(2,583,082)	(2,452,692)	(89,113,465)	(84,107,081)	(473,084)
3,470,184	2,619,679	107,183,377	98,191,510	498,612
1,029	-	2,079,804	111,544	1,551,705
3,471,213	2,619,679	109,263,181	98,303,054	2,050,317
8,640,669	7,862,534	222,853,993	211,989,889	7,406,869
-	-	485,641	606,615	-
370	41,433	743,458	359,458	554,679
370	41,433	1,229,099	966,073	554,679
\$ 8,641,039	\$ 7,903,967	\$ 224,083,092	\$ 212,955,962	\$ 7,961,548
\$ 392,193	\$ 380,019	\$ 2,740,314	\$ 2,467,980	\$ 55,913
-	-	115,771	103,180	-
61,166	154,826	314,234	444,234	53,917
-	-	-	-	152,778
9,352	48,890	306,832	376,223	158,868
-	-	-	-	575,802
935,873	933,909	1,200,298	1,166,489	-
-	-	705,498	360,231	-
-	-	-	-	1,100
-	-	3,118,399	2,439,399	-
1,398,584	1,517,644	8,501,346	7,357,736	998,378
492	2,573	16,149	19,801	8,360
-	-	-	-	1,589,663
-	-	-	-	20,084
-	-	48,698,118	51,816,518	-
-	20,065	-	167,056	-
492	22,638	48,714,267	52,003,375	1,618,107
1,399,076	1,540,282	57,215,613	59,361,111	2,616,485
1,100	45,241	2,223,137	461,786	1,658,642
1,100	45,241	2,223,137	461,786	1,658,642
3,470,184	2,619,679	81,282,909	77,095,912	477,428
-	-	3,592,614	2,218,876	-
-	-	19,269,762	19,006,176	-
1,029	-	2,079,804	111,544	1,551,705
3,769,650	3,698,765	58,419,253	54,700,557	1,657,288
7,240,863	6,318,444	164,644,342	153,133,065	3,686,421
\$ 8,641,039	\$ 7,903,967	\$ 224,083,092	\$ 212,955,962	\$ 7,961,548

City of Orem
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For The Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				
	Water Fund	Water Fund	Water Reclamation Fund	Water Reclamation Fund	Storm Water Fund
	Current Year	Prior Year	Current Year	Prior Year	Current Year
OPERATING REVENUES					
Charges for Services	\$ 15,888,234	\$ 18,754,194	\$ 12,536,692	\$ 12,100,616	\$ 5,417,303
Other Revenues	1,930,569	1,587,393	449,582	491,209	98,046
Total Operating Revenues	17,818,803	20,341,587	12,986,274	12,591,825	5,515,349
OPERATING EXPENSES					
Personnel Services	2,186,078	2,279,065	1,785,512	1,972,312	920,947
Supplies and Maintenance	1,163,483	908,761	755,194	815,941	254,989
Administrative Fee	1,448,462	1,428,617	851,767	827,017	367,343
Utilities	523,461	676,352	959,575	614,283	10,390
Contract Services	4,946,011	4,808,978	1,024,664	771,091	436,136
Equipment Lease and Rentals	31,517	44,197	3,033	-	4,712
Insurance	170,250	169,781	388,319	388,515	21,647
Charges in Lieu of Property Tax	71,787	71,787	52,665	52,665	29,316
Depreciation Expense	2,732,010	2,725,683	1,870,702	1,803,070	963,430
Miscellaneous	249,409	125,104	183,053	115,779	118,314
Total Operating Expenses	13,522,468	13,238,325	7,874,484	7,360,673	3,127,224
Operating Income (Loss)	4,296,335	7,103,262	5,111,790	5,231,152	2,388,125
NONOPERATING REVENUES AND EXPENSES					
Investment Earnings	368,948	194,609	78,316	92,119	49,339
Gain (Loss) on Sale of Capital Assets	226,917	-	90,808	15,179	91,000
Donations / Grants	-	-	-	-	-
Bond Issuance Costs	-	(254,244)	-	(85,221)	-
Impact Fee Expenditures	(1,055,688)	(1,064,966)	(198,953)	(433,339)	(23,788)
Interest Expense	(963,322)	(398,628)	(236,333)	(39,673)	(110,015)
Total Nonoperating Revenues & Expenses	(1,423,145)	(1,523,229)	(266,162)	(450,935)	6,536
Income (Loss) before Transfers and Contributions	2,873,190	5,580,033	4,845,628	4,780,217	2,394,661
Contributions - Impact Fees & Developers	1,303,497	1,948,777	646,256	1,420,572	262,653
Investments - FMV Change	(246,667)	114,702	(117,932)	58,566	(16,940)
Transfers In	176,811	174,571	-	-	-
Transfers Out	(975,960)	(969,610)	(228,606)	(221,666)	(327,733)
Change in Net Position	3,130,871	6,848,473	5,145,346	6,037,689	2,312,641
Total Net Position - Beginning	74,835,175	67,986,702	46,354,030	40,316,341	25,625,416
Total Net Position - Ending	\$ 77,966,046	\$ 74,835,175	\$ 51,499,376	\$ 46,354,030	\$ 27,938,057

The notes to the financial statements are an integral part of this statement

Storm Water Fund Prior Year	Other Enterprise Funds Current Year	Other Enterprise Funds Prior Year	Total Current Year	Total Prior Year	Governmental Activities Internal Service Funds Current Year
\$ 5,207,126	\$ 8,685,441	\$ 6,417,962	\$ 42,527,670	\$ 42,479,898	\$ 7,519,719
93,842	150,697	168,185	2,628,894	2,340,629	7,458
5,300,968	8,836,138	6,586,147	45,156,564	44,820,527	7,527,177
858,723	1,764,746	1,314,972	6,657,283	6,425,072	2,993,283
282,510	771,719	668,835	2,945,385	2,676,047	4,710,959
351,587	329,129	315,057	2,996,701	2,922,278	-
8,462	541,742	458,702	2,035,168	1,757,799	448,272
445,018	3,822,828	3,789,421	10,229,639	9,814,508	-
5,900	-	399	39,262	50,496	10,876
21,542	25,032	25,232	605,248	605,070	-
29,316	-	-	153,768	153,768	-
867,618	130,390	200,980	5,696,532	5,597,351	76,931
59,070	104,248	84,201	655,024	384,154	-
2,929,746	7,489,834	6,857,799	32,014,010	30,386,543	8,240,321
2,371,222	1,346,304	(271,652)	13,142,554	14,433,984	(713,144)
43,316	19,717	17,086	516,320	347,130	-
6,154	5,712	(145,337)	414,437	(124,004)	972
-	-	-	-	-	-
(15,328)	-	-	-	(354,793)	-
-	-	-	(1,278,429)	(1,498,305)	-
(71,409)	-	-	(1,309,670)	(509,710)	(30)
(37,267)	25,429	(128,251)	(1,657,342)	(2,139,682)	942
2,333,955	1,371,733	(399,903)	11,485,212	12,294,302	(712,202)
385,179	-	-	2,212,406	3,754,528	-
7,189	-	-	(381,539)	180,457	-
-	67,000	400,416	243,811	574,987	-
(319,683)	(516,314)	(557,537)	(2,048,613)	(2,068,496)	(77,192)
2,406,640	922,419	(557,024)	11,511,277	14,735,778	(789,394)
23,218,776	6,318,444	6,875,468	153,133,065	138,397,287	4,475,815
\$ 25,625,416	\$ 7,240,863	\$ 6,318,444	\$ 164,644,342	\$ 153,133,065	\$ 3,686,421

City of Orem
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds			
	Water Fund Current Year	Water Fund Prior Year	Water Reclamation Fund Current Year	Water Reclamation Fund Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers and Users	\$ 17,653,594	\$ 20,389,327	\$ 12,954,273	\$ 12,609,123
Receipts from Interfund Services Provided	-	-	-	-
Payments to Suppliers	(6,973,763)	(6,823,180)	(3,156,226)	(2,215,334)
Payments for Personnel	(2,508,076)	(2,539,835)	(2,056,626)	(2,245,281)
Payments for Interfund Services Used	(1,448,462)	(1,428,617)	(851,767)	(827,017)
Net Cash Provided (Used) by Operating Activities	6,723,293	9,597,695	6,889,654	7,321,491
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Investments - FMV Change	(246,667)	114,702	(117,932)	58,566
Transfers In	176,811	174,571	-	-
Transfers Out	(975,960)	(969,610)	(228,606)	(221,666)
Net Cash Provided (Used) by Noncapital Activities	(1,045,816)	(680,337)	(346,538)	(163,100)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(5,637,528)	(3,693,228)	(5,840,464)	(2,427,604)
Proceeds from Sales of Capital Assets	252,350	-	90,808	17,275
Receipts from Impact Fees Collected	988,527	1,318,087	558,476	530,948
Payments to Developers - Impact Fees	(1,055,688)	(1,064,966)	(198,953)	(433,339)
Proceeds from Bonds Issued	-	25,193,606	-	15,043,793
Bond Issuance Costs	-	(254,244)	-	(85,221)
Principal paid on Outstanding Debt	(1,078,374)	(1,059,754)	(594,000)	(7,137,000)
Interest paid on Outstanding Debt	(889,354)	(288,730)	(211,273)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,420,067)	20,150,771	(6,195,406)	5,508,852
CASH FLOW FROM INVESTING ACTIVITIES				
Investment Earnings	368,948	194,609	78,316	92,119
Net Cash Provided (Used) by Investing Activities	368,948	194,609	78,316	92,119
Net Increase (Decrease) in Cash and Cash Equivalents	(1,373,642)	29,262,738	426,026	12,759,362
Cash and Cash Equivalents - Beginning of Year	61,552,639	32,289,901	31,335,511	18,576,149
Cash and Cash Equivalents - End of Year	\$ 60,178,997	\$ 61,552,639	\$ 31,761,537	\$ 31,335,511
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 4,296,335	\$ 7,103,262	\$ 5,111,790	\$ 5,231,152
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	\$ 2,732,010	\$ 2,725,683	\$ 1,870,702	\$ 1,803,070
(Increase) Decrease in Receivables	(197,054)	(68,413)	(32,001)	17,298
(Increase) Decrease in Inventory	-	-	-	-
(Increase) Decrease in Prepaids	-	-	-	-
(Increase) Decrease in Pension Assets	(496,033)	241,653	(1,323,346)	63,171
Increase (Decrease) in Accounts Payable	169,564	(14,405)	210,277	542,940
Increase (Decrease) in Customer Deposits	12,591	(3,815)	-	-
Increase (Decrease) in Accrued Liabilities	(91,989)	19,732	92,268	3,865
Increase (Decrease) in Unearned Revenue	31,845	116,153	-	-
Increase (Decrease) in Accrued Vacation Leave	(22,550)	25,179	(18,889)	1,995
Increase (Decrease) in Pension Liabilities	288,574	(547,334)	978,853	(342,000)
Increase (Decrease) in Claims and Judgments	-	-	-	-
Total Adjustments	2,426,958	2,494,433	1,777,864	2,090,339
Net Cash Provided (Used) by Operating Activities	\$ 6,723,293	\$ 9,597,695	\$ 6,889,654	\$ 7,321,491
Noncash Investing, Capital, and Financing Activities:				
Contributions of Capital Assets from Developers	\$ 314,970	\$ 630,690	\$ 87,780	\$ 889,624

The notes to the financial statements are an integral part of this statement

Storm Water Fund Current Year	Storm Water Fund Prior Year	Other Enterprise Funds Current Year	Other Enterprise Funds Prior Year	Total Current Year	Total Prior Year	Governmental Activities Internal Service Funds
\$ 5,483,948	\$ 5,269,954	\$ 8,843,570	\$ 7,377,292	\$ 44,935,385	\$ 45,645,696	\$ -
-	-	-	-	-	-	7,527,177
(995,185)	(771,887)	(5,254,641)	(4,975,839)	(16,379,815)	(14,786,240)	(3,927,918)
(1,129,392)	(1,003,471)	(1,922,951)	(1,318,912)	(7,617,045)	(7,107,499)	(3,442,856)
(367,343)	(351,587)	(329,129)	(315,057)	(2,996,701)	(2,922,278)	-
2,992,028	3,143,009	1,336,849	767,484	17,941,824	20,829,679	156,403
(16,940)	7,189	67,000	400,416	(314,539)	580,873	-
-	-	67,000	400,416	243,811	574,987	-
(327,733)	(319,683)	(516,314)	(557,537)	(2,048,613)	(2,068,496)	(77,192)
(344,673)	(312,494)	(382,314)	243,295	(2,119,341)	(912,636)	(77,192)
(1,756,023)	(1,925,720)	(980,895)	(71,134)	(14,214,910)	(8,117,686)	(77,933)
99,517	12,445	5,712	6,432	448,387	36,152	972
153,313	227,889	-	-	1,700,316	2,076,924	-
(23,788)	-	-	-	(1,278,429)	(1,498,305)	-
-	2,015,612	-	-	-	42,253,011	-
-	(15,328)	-	-	-	(354,793)	-
(411,626)	(403,246)	-	-	(2,084,000)	(8,600,000)	(7,123)
(93,551)	(51,338)	-	-	(1,194,178)	(340,068)	(30)
(2,032,158)	(139,686)	(975,183)	(64,702)	(16,622,814)	25,455,235	(84,114)
49,339	43,316	19,717	17,086	516,320	347,130	-
49,339	43,316	19,717	17,086	516,320	347,130	-
664,536	2,734,145	(931)	963,163	(284,011)	45,719,408	(4,903)
11,223,767	8,489,622	4,644,750	4,082,003	108,756,667	63,437,675	4,928,348
\$ 11,888,303	\$ 11,223,767	\$ 4,643,819	\$ 5,045,166	\$ 108,472,656	\$ 109,157,083	\$ 4,923,445
\$ 2,388,125	\$ 2,371,222	\$ 1,346,304	\$ (271,652)	\$ 13,142,554	\$ 14,433,984	\$ (713,144)
\$ 963,430	\$ 867,618	\$ 130,390	\$ 200,980	\$ 5,696,532	\$ 5,597,351	\$ 76,931
(31,401)	(31,014)	5,468	(55,068)	(254,988)	(137,197)	-
-	-	-	-	-	-	(62,959)
-	-	-	-	-	-	56,332
(572,915)	128,134	40,034	60,518	(2,352,260)	493,476	(1,622,463)
(119,681)	79,931	12,174	38,635	272,334	647,101	94,034
-	-	-	-	12,591	(3,815)	-
(36,619)	6,873	(93,660)	82,635	(130,000)	113,105	(109,145)
-	-	1,964	846,213	33,809	962,366	-
10,015	13,855	(41,619)	6,350	(73,043)	47,379	(29,259)
391,074	(293,610)	(64,206)	(141,127)	1,594,295	(1,324,071)	1,202,149
-	-	-	-	-	-	1,263,927
603,903	771,787	(9,455)	1,039,136	4,799,270	6,395,695	869,547
\$ 2,992,028	\$ 3,143,009	\$ 1,336,849	\$ 767,484	\$ 17,941,824	\$ 20,829,679	\$ 156,403
\$ 109,340	\$ 157,290	\$ -	\$ -	\$ 512,090	\$ 1,677,604	\$ -

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NOTES TO THE FINANCIAL STATEMENTS

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies

A. Reporting Entity

The basic financial statements of the City of Orem (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The City of Orem was incorporated in 1919 and covers approximately 18.66 square miles. The City operates under a Council-Manager form of government. As required by GAAP, the City and its component units (entities for which the City is considered to be financially accountable) present this Annual Comprehensive Financial Report (ACFR). The City is considered to be financially accountable for an organization if the City appoints a voting majority of the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if the organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City).

The component units discussed below are included as part of the City's reporting entity as *blended* component units within its governmental funds.

- The Redevelopment Agency of the City of Orem (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop project areas within the City. The RDA is governed by a board of trustees composed of the Mayor and members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.
- The City of Orem Foundation is a nonprofit charitable foundation. The Internal Revenue Service (IRS) gave the City permission to form and operate the trust as an approved section 501(c)3 charitable foundation. This enables donors broader charitable donation capabilities since all donations may be fully tax deductible. Although it is a legally separate entity from the City, the City of Orem Foundation is reported as if it were part of the primary government because of the City's ability to impose its will upon its operations, its board of directors is substantively the same as the City's, and all of its services are for the benefit of the City. It is included in these financial statements as the Orem Foundation Trust Special Revenue Fund. Separate financial statements are not issued for this entity.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

The component unit discussed below is included as part of the City's reporting entity as a *blended* component unit within its proprietary funds.

- The Special Service Lighting District of the City of Orem (SSLD) was established to purchase, install, and maintain street lights, poles, and fixtures within the City. The SSLD collects fees to pay for the street lighting system and the electricity to operate it. The SSLD is governed by a board of directors composed of the Mayor and members of the City Council. Although a legally separate entity from the City, the SSLD is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the SSLD. The SSLD is included in these financial statements as the Street Lighting Fund. Separate financial statements are not issued for the SSLD.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than an "other financing source". Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expense in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (within sixty days) to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales and use taxes, franchise taxes, and earned but unreimbursed state, federal, and other grants associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.
- The *Debt Service Fund* is used to account for all general obligation debt of the City of Orem. Operating transfers are made from the General Fund to service the debt payments made by this fund. The source of fund revenue for retiring the general obligation debt is principally the power of the City to levy general property tax; however, certain debt is serviced by sales tax revenues.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

- The *Capital Projects Fund* is used to account for the acquisition or construction of major capital facilities and equipment of the City of Orem (other than those financed by proprietary funds) as well as the use of resources for the improvement, rehabilitation, or construction of roads (including sidewalks and intersections) and parks.

The City reports the following major proprietary funds:

- The *Water Fund* accounts for the activities of the City's water production, treatment, and distribution operations.
- The *Water Reclamation Fund* accounts for the City's sewer collection, treatment, and maintenance operations.
- The *Storm Water Fund* accounts for the operation and maintenance of the City's storm water system.

The City reports the following internal service funds:

- The *Self-insurance Fund* accounts for the insurance activities of the various funds throughout the City.
- The *Fleet Maintenance Fund* accounts for the costs of operating and maintaining vehicles and equipment owned by the City.
- The *Purchasing/Warehousing Fund* accounts for the centralized purchasing and warehousing operations of the City.
- The *Information Technology Fund* accounts for the technological needs of the City primarily related to computers, networks, servers, software programs, and phones.
- The *Facilities Maintenance Fund* accounts for the costs of operating, repairing, and maintaining City owned facilities.

The effect of interfund activity has, generally, been eliminated from the government-wide financial statements. Exceptions to this are payments to the General Fund by various enterprise funds for providing administrative and billing services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools having the general characteristics of demand deposit accounts. City policy allows for the investment of funds in the following types of investments (in compliance with the State of Utah's Money Management Act):

- Time certificates of deposit with federally insured depositories.
- Investment in the Utah Public Treasurer's Investment Fund (PTIF).
- Open-end managed money market mutual funds.
- Qualified repurchase agreements with qualified depositories, certified dealers, or certified depositories.
- Other investments allowed by the State of Utah's Money Management Act.

Investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The Utah Public Treasurer's Investment Fund (PTIF), Zions Bank Institutional Liquidity Management Fund (ILM), and Moreton Asset Management Fund all operate in accordance with state laws and regulations.

Cash equivalents are defined as short-term, highly liquid investments readily convertible to known amounts of cash and so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to" or "due from" other funds.

In the Water, Water Reclamation, Storm Water, Solid Waste, and Street Lighting funds, the City records utility revenues billed to customers on a monthly basis. Unbilled service accounts receivable at fiscal year-end have been accrued as revenues and receivables.

3. Leases Receivable

The City leases certain city property and recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated rate of return on investments as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

4. Inventories and Prepaid Items

Inventories of materials and supplies in the Purchasing/Warehousing internal service fund consist principally of materials used to repair the transmission, distribution, collection and treatment systems of the City's proprietary type services. These inventories are valued at cost and accounted for on a first-in, first-out basis (FIFO). The inventory of materials and supplies are charged to both enterprise and governmental funds when they are used/consumed by the specific fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

5. Restricted Assets

Restricted assets are primarily comprised of cash and receivables restricted for future payments of principal and interest on debt service, unexpended portions of bonds issued for capital construction purposes, and unexpended taxes and/or appropriations collected for very specific uses under state law.

6. Net Pension Assets

The Net Pension Assets of the City were determined by Utah Retirement Systems (URS) actuarial valuations and roll-forwards using generally accepted actuarial procedures and were based upon actual historical contributions and census data provided to URS. Net Pension Assets represent the net difference between assets of the plan and the actuarially determined liabilities.

7. Capital Assets

The City's capital assets, which includes property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

The City defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

7. Capital Assets (continued)

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	33 - 50
Buildings and Systems	25 - 33 ¹ / ₃
Machinery, Equipment, & Vehicles	5 - 20
Furniture and Equipment	5 - 20
Improvements other than Buildings	5 - 10

8. Deferred Outflows of Resources

These deferred amounts represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

9. Compensated Absences

For governmental funds, vested or accumulated vacation leave and compensatory time-off are not expected to be liquidated with expendable available financial resources and are thus excluded as a liability in each fund's balance sheet and as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balance. These balances would only be reported in a governmental fund's financial statements as a liability and expenditure if they have matured (are due).

For proprietary funds, vested or accumulated vacation leave and compensatory time-off is recorded as an expense and a liability of those funds as the benefits accrue to the employees.

The government-wide financial statements reflect the entire amount of vested and/or accumulated vacation leave and compensatory time-off for all governmental and proprietary funds and are thus recorded as a liability in the Statement of Net Position and as an expense in the Statement of Activities.

Employees are limited to two years of accumulated vacation leave. Employees earn twelve days of sick leave per year. While sick leave may be accumulated without limitation, no benefits accrue to the employees. Therefore, no liability exists and the costs of accumulated sick leave are charged to expenditures only when used.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) Pension Plan and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Leases Payable

The City is a lessee of certain equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably expected to exercise.

The City monitors changes in circumstances and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

12. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt, net pension liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums, discounts, and losses on bond refundings are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Deferred Inflows of Resources

These deferred amounts represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

12. Fund Balance / Net Position

Fund Balance

In the governmental fund financial statements, classifications comprising a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

Net Position

In the government-wide and proprietary fund financial statements, classifications are based upon the accessibility of the underlying resources. Restricted items, while generally expendable, are legally restricted by outside parties for a specific purpose.

13. Contributions from Developers

Contributions from developers in the proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

City of Orem
Notes to the Financial Statements
June 30, 2022

1. Summary of Significant Accounting Policies (continued)

E. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *total governmental fund balances* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheets.

Capital Related Items

When capital assets used in governmental activities are purchased or constructed, the cost of these capital assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes these capital assets among the assets of the City as a whole.

Cost of Capital Assets	\$ 345,488,556
Accumulated Depreciation	(153,275,411)
Net adjustment to increase <i>fund balance</i>	
- <i>total governmental funds</i> to arrive at	
<i>net position - governmental activities</i>	<u>\$ 192,213,145</u>

Long-term Liability Transactions

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the governmental fund financial statements. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Long-term liability balances at June 30, 2022 were as follows:

City of Orem
Notes to the Financial Statements
June 30, 2022

2. Reconciliation of Government-wide and Fund Financial Statements
(continued)

A. Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position
(continued)

<u>Long-term Liability Type</u>	
General Obligation Bonds	\$ 27,655,000
Leases	4,582,184
Less: Internal Service Funds - Current Portion	(1,100)
Sales Tax Revenue Bonds	253,000
Notes Payable	339,930
Bond Premiums Deferred	3,462,580
Compensated Absences	2,597,198
Less: Internal Service Funds - Current Portion	(158,868)
Net OPEB Liability	61,379
Claims and Judgments	2,165,465
Less: Internal Service Funds - Current Portion	(575,802)
Net adjustment to reduce <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 40,380,966</u>

B. Explanation of differences between Governmental Fund Operating Statements and the Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance - total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One of these differences is explained here in greater detail.

The second element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.”

The details of this difference are as follows:

City of Orem
Notes to the Financial Statements
June 30, 2022

2. Reconciliation of Government-wide and Fund Financial Statements
(continued)

B. Explanation of differences between Governmental Fund Operating Statements and the Statement of Activities

Principal payments:	
General Obligation Bonds	\$ 1,000,000
Sales Tax Revenue Bonds	243,000
Leases	455,000
Notes Payable	115,000
Subtotal	<u>1,813,000</u>
Net adjustment to increase <i>net changes in fund balance</i> - total governmental funds to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,813,000</u>

3. Stewardship, Compliance and Accountability

A. Budgetary Information

Prior to the first regularly scheduled meeting of the City Council in May, the City Manager and appointed Budget Officer, submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the proposed sources of revenues.

Between May 1st and June 22nd, the City Council reviews and adjusts the proposed budget. On or before June 22nd, a public hearing is held and the budget is legally adopted through passage of an ordinance, unless a property tax increase is proposed. If a property tax increase is proposed, a hearing must be held on or before August 31st, which does not conflict with other taxing entities that have proposed a property tax increase. At this time the final balanced budget is adopted.

The City Manager, in conjunction with the Budget Officer and the appropriate department head, has the budget authority to transfer budget appropriations within and between any divisions of any budgetary fund. However, the "fund level" is the legal level of control and the City Manager must obtain approval from the City Council to increase revenues or expenditures for any fund.

An individual department is composed of several divisions. Budget transfers may be made between divisions within a fund as long as they are in the same department. However, they may not transfer from one fund to another fund without City Council approval.

The City Council (administrators of the legal level of control), by resolution, have the authority to transfer budget appropriations between individual budgetary funds. A public hearing must be held to increase the total

City of Orem
Notes to the Financial Statements
June 30, 2022

3. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.

Annual budgets for the General Fund, all Special Revenue Funds, Debt Service Funds, and Capital Projects Funds were legally adopted by the City and are prepared on the modified-accrual method of accounting. Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

Tax Revenues

Property taxes are collected by the Utah County Treasurer and remitted to the City in two to three installments in December, January, and a final settlement generally in March of the new calendar year. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes beyond those received within 60 days after the fiscal year end has not been made, as the amounts are not deemed to be material.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30 and thus are due and payable to the City.

Franchise taxes are charged to various utility companies doing business within the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, or annual basis. All fees due and payable to the City at June 30 have been accrued.

4. Detailed Notes for all Funds

A. Deposits and Investments

The City's deposit and investment activities are governed by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7). The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State of Utah, and review the rules adopted under the authority of the Utah Money Management Act that relate to the deposit and investment of public funds.

The Money Management Act requires deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and which has

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

The City's deposits (including cash on hand) at June 30, 2022, are as follows:

Cash on Hand & On Deposit	Fair Value
Cash on Hand	\$ 39,571
Cash on Deposit - Checking	20,697,956
Cash on Deposit - Payroll	38,675
Total Cash on Hand & On Deposit	<u>\$ 20,776,202</u>

Custodial Credit Risk

The custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. Deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. The City has no formal policy regarding custodial credit risk for these deposits. As of June 30, 2022, \$20,974,358 of the City's bank balance of \$21,274,358 is exposed to custodial credit risk as uninsured and uncollateralized. The carrying amount of the deposits at June 30, 2022, is \$20,776,202.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities.

The Act authorizes investments in both negotiable and non-negotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, the City had the following recurring fair value measurements:

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities:				
Utah Public Treasurer's Investment Fund	\$ 177,878,898	\$ -	\$ 177,878,898	\$ -
Zions Bank Inst. Liquidity Management Fund	10,709,792	10,709,792	-	-
Moreton Asset Management Fund	12,142,721	12,142,721	-	-
Total Debt Securities	200,731,411	22,852,513	177,878,898	-
Total Investments by Fair Value Level	\$ 200,731,411	\$ 22,852,513	\$ 177,878,898	\$ -
Total Investments Measured at Fair Value	<u>\$ 200,731,411</u>			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- Utah Public Treasurers' Investment Fund – Application of the June 30, 2022, fair value factor, as calculated by the Utah State Treasurer, to the City's ending balance in the Fund.

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The City's policy for managing interest rate risk is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. The Act further limits the remaining term to maturity on all investments in obligations of the U.S. Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State of Utah to five (5) years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three (3) years.

The City's investments at June 30, 2022, are presented below:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Debt Securities:					
Utah Public Treasurer's Investment Fund	\$ 177,878,898	\$ 177,878,898	\$ -	\$ -	\$ -
Zions Bank Inst. Liquidity Management Fund	10,709,792	3,201,271	7,508,521	-	-
Moreton Asset Management Fund	12,142,721	2,832,152	9,310,569	-	-
Total Debt Securities	<u>\$ 200,731,411</u>	<u>\$ 183,912,321</u>	<u>\$ 16,819,090</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The City's debt investments ratings at June 30, 2022, are presented below:

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Debt Securities:					
Utah Public Treasurer's Investment Fund	\$ 177,878,898	\$ -	\$ -	\$ -	\$ 177,878,898
Zions Bank Inst. Liquidity Management Fund	10,709,792	4,051,741	740,542	5,863,598	53,911
Moreton Asset Management Fund	12,142,721	794,697	1,533,586	7,849,946	1,964,492
Total Debt Securities	<u>\$ 200,731,411</u>	<u>\$ 4,846,438</u>	<u>\$ 2,274,128</u>	<u>\$ 13,713,544</u>	<u>\$ 179,897,301</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

Most of the City's investments at June 30, 2022, were with the Utah Public Treasurer's Investment Fund (PTIF) and therefore, are not categorized as to custodial credit risk. The investments in the Zions Bank Institutional Liquidity Management Fund (ILM) have custodial credit risk exposure. Of the \$10,709,792 invested in the ILM Fund, none of the related securities are uninsured or unregistered. The investments in the Moreton Asset Management Fund have custodial credit risk exposure. Of the \$12,142,721 invested in the Moreton Asset Management Fund, none of the related securities are uninsured or unregistered.

Additional information regarding the Utah PTIF, Zions Bank ILM Fund, and Moreton Asset Management Fund is available in footnote 4.B. of these notes to the financial statements.

Concentration of Credit Risk

The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between five percent (5%) and ten percent (10%) depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the U.S. Government and its agencies. Most of the City's investments at June 30, 2022, were with the Utah PTIF and therefore, are not categorized as to concentration of credit risk.

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

There are no amounts invested directly in Zions Bank securities either as corporate notes or as securities within the ILM Fund. There are no amounts invested directly in Moreton securities either as corporate notes or as securities within the Moreton Asset Management Fund.

Additional information regarding the Utah PTIF, Zions Bank ILM Fund, and Moreton Asset Management Fund is available in footnote 4.B. of these notes to the financial statements.

B. External Investment Pools and Managed Investment Funds

External Investment Pools

Public Treasurer's Investment Fund (PTIF)

The City invests in this external investment pool which is administered by the Treasurer of the State of Utah. State agencies, municipalities, counties, and local governments within the state are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized, which are high-grade securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participants' balance is their investment deposited in the PTIF plus their share of income, gains and losses, net of administration fees, which are allocated to each participant on the ratio of each participant's share to the total funds in the PTIF.

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

B. External Investment Pools and Managed Investment Funds (continued)

External Investment Pools (continued)

Twice a year, at June 30 and December 31, the investments are valued at fair value to enable participants to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security's fair value in accordance with GASB 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2021) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2022, the City had \$178,616,840 invested in the PTIF which had a fair value of \$177,878,898 for an unrealized loss of \$737,942.

The following table shows statistical information about this investment pool:

Investment Type	Investment Percentage
Corporate Bonds and Notes	68.24 %
Money Market Accounts and Certificates of Deposit	19.77 %
U.S. Government Securities	11.99 %
Total	100.00 %

Managed Investment Funds

Zions Bank Institutional Liquidity Management Fund (ILM)

The City invests in this managed investment fund which is administered by the Investment Management and Capital Markets Division of Zions Bancorporation. The required minimum balance is \$5,000,000. There are no minimum/maximum transaction requirements.

The ILM is not registered with the SEC as an investment company. The ILM is a registered investment advisor and is certified by the Utah Money Management Council. The Utah Money Management Act details the investments that are authorized, which are high-grade securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

Deposits in the ILM are not insured or otherwise guaranteed by Zions Bank. The ILM issues statements on a monthly basis. It operates and reports on an amortized cost basis. The ILM balance is the City's investment plus income and gains less losses and administration fees.

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

B. External Investment Pools and Managed Investment Funds (continued)

Managed Investment Funds (continued)

As of June 30, 2022, the City had \$10,947,332 invested in the ILM which had a fair value of \$10,709,792 for an unrealized loss of \$237,540.

The following table shows statistical information about this fund:

Investment Type	Investment Percentage
Corporate Bonds and Notes	54.68 %
Money Market Accounts and Certificates of Deposit	7.50 %
U.S. Government Securities	37.82 %
Total	100.00 %

Moreton Asset Management Fund

The City invests in this managed investment fund which is administered by the Moreton Advisors group. The required minimum balance is \$5,000,000. There are no minimum/maximum transaction requirements.

The Moreton Asset Management Fund is not registered with the SEC as an investment company. The Moreton Asset Management Fund is a registered investment advisor and is certified by the Utah Money Management Council. The Utah Money Management Act details the investments that are authorized, which are high-grade securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

Deposits in the Moreton Asset Management Fund are not insured or otherwise guaranteed by Moreton. The Moreton Asset Management Fund issues statements on a monthly basis. It operates and reports on an amortized cost basis. The Moreton Asset Management Fund balance is the City's investment plus income and gains less losses and administration fees.

As of June 30, 2022, the City had \$12,373,916 invested in the Moreton Asset Management Fund which had a fair value of \$12,142,721 for an unrealized loss of \$231,195.

The following table shows statistical information about this fund:

Investment Type	Investment Percentage
Corporate Bonds and Notes	49.97 %
Money Market Accounts and Certificates of Deposit	45.15 %
U.S. Government Securities	4.88 %
Total	100.00 %

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

C. Customer Deposits

Enterprise fund deposits are deposits the City requires from residential or business customers who are receiving a utility connection but have a bankruptcy on record or have had their water turned off (or about to be turned off) for a third time in a twelve month period of time. The deposit is refundable after one year of satisfactory payment history.

D. Loans Receivable - CDBG and EDA Loans

The City uses monies from the Community Development Block Grant (CDBG) program to create housing rehabilitation and business development loans. Additional funds from the Economic Development Agency (EDA) and the Utah Revolving Loan Fund are used to supplement the business development loan program. The principal balance of the loans at June 30, 2022, as summarized below, has been shown in the government-wide Statement of Net Position as follows:

Housing Rehabilitation Loans	\$ 217,859
Business Development Loans	91,272
Total	<u>\$ 309,131</u>

E. Receivables

All receivables are expected to be collected within one year except for \$2,799,890 of leases receivable in the Capital Projects Fund and \$462,071 of notes receivable in the nonmajor funds.

Governmental funds report *deferred revenues* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report *unearned revenues* when revenue recognition is delayed in connection with resources that have been received, but not yet earned.

As of June 30, 2022, the various components of *deferred* and *unearned revenues* reported in the governmental funds were as follows:

	Unavailable	Unearned
Property Taxes Receivable	\$ 9,385,476	\$ 9,385,476
Accounts, Notes & Leases Receivable	3,287,250	2,886,488
Donations and Other Funds to be Used for Specific Programs	-	17,184,680
Grant & Other Money Used in Revolving Loan Programs	309,132	-
Special Assessments not yet Due	34,368	-
Total Deferred & Unearned Revenues for Governmental Funds	<u>\$ 13,016,226</u>	<u>\$ 29,456,644</u>

Receivables as of June 30, 2022, for the government's individual major funds, as well as nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

E. Receivables (continued)

	<u>Receivables</u>	<u>Allowance for Uncollectibles</u>	<u>Net Total Receivables</u>
<u>Governmental Activities</u>			
General:			
Property Taxes	\$ 5,750,000	\$ -	\$ 5,750,000
Other Taxes	6,529,919	-	6,529,919
Special Assessments	33,741	-	33,741
Intergovernmental	1,116,703	-	1,116,703
Accounts	955,280	(2,370)	952,910
	<u>14,385,643</u>	<u>(2,370)</u>	<u>14,383,273</u>
Debt Service:			
Property Taxes	2,285,476	-	2,285,476
Notes Receivable	39,851,171	(39,851,171)	-
	<u>42,136,647</u>	<u>(39,851,171)</u>	<u>2,285,476</u>
Capital Projects:			
Intergovernmental	5,301	-	5,301
Leases Receivable	2,886,488	-	2,886,488
	<u>2,891,789</u>	<u>-</u>	<u>2,891,789</u>
Nonmajor Funds:			
Property Taxes	1,350,000	-	1,350,000
Other Taxes	1,060,692	-	1,060,692
Intergovernmental	141,948	-	141,948
Notes Receivable	606,573	(91,746)	514,827
Accounts	4,250	-	4,250
	<u>3,163,463</u>	<u>(91,746)</u>	<u>3,071,717</u>
Subtotal - Governmental Activities	<u>62,577,542</u>	<u>(39,945,287)</u>	<u>22,632,255</u>
<u>Business-type Activities</u>			
Water:			
Accounts	2,724,429	(20,583)	2,703,846
Water Reclamation:			
Accounts	1,354,954	(12,834)	1,342,120
Storm Water:			
Accounts	551,999	(5,446)	546,553
Nonmajor Funds:			
Accounts	598,502	(5,866)	592,636
Subtotal - Business-type Activities	<u>5,229,884</u>	<u>(44,729)</u>	<u>5,185,155</u>
Totals	<u>\$ 67,807,426</u>	<u>\$ (39,990,016)</u>	<u>\$ 27,817,410</u>

Leases Receivable

The City leases certain properties to third parties. As of June 30, 2022, the City's receivable for lease payments is shown on the governmental funds balance sheet and the government-wide statement of net position. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. A general description of the lease agreements follows:

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

C. Receivables (continued)

Leases Receivable (continued)

The City has lease agreements with several cell tower companies who lease city property in order to locate and construct their cell tower facilities. All of the leases except the AT&T lease (which had an initial term of ten (10) years) have initial terms of five (5) years with options to extend for up to four additional five (5) year terms. In accordance with the provisions of GASB No. 87, the leases were retroactively measured and a discount rate of 1% was applied. Detailed information related to each of these leases is as follows:

On January 19, 1999, the City of Orem, as lessor, entered into a cell tower lease agreement with Verizon Wireless, the lessee, for property located at 745 South State Street. The lease, including extensions, will end on January 19, 2024. The lease payment is due annually and the city received \$22,182 for the fiscal year ended June 30, 2022.

On September 14, 1999, the City of Orem, as lessor, entered into a cell tower lease agreement with Sprint Spectrum, the lessee, for property located at 233 East Center Street. The lease, including extensions, will end on September 14, 2024. The lease payment is due annually and the city received \$22,182 for the fiscal year ended June 30, 2022.

On December 11, 2000, the City of Orem, as lessor, entered into a cell tower lease agreement with Crown Castle, the lessee, for property located at 969 East 200 North. The lease, including extensions, will end on December 11, 2025. The lease payment is due annually and the city received \$59,154 for the fiscal year ended June 30, 2022.

On February 12, 2018, the City of Orem, as lessor, renewed a cell tower lease agreement with SBA 2012 TC Assets LLC, the lessee, for property located at 920 North 1200 East. The renewed lease maintains the original lease term that ends on July 13, 2024 but begins a new initial term on July 14, 2024 and ending on July 13, 2049. The lease payment is due annually and the city received \$30,760 for the fiscal year ended June 30, 2022.

On January 2, 2019, the City of Orem, as lessor, renewed a cell tower lease agreement with SBA 2012 TC Assets LLC, the lessee, for property located at 701 South State Street. The renewed lease's initial term will begin December 16, 2022 and end on December 15, 2047. The lease payment is due annually and the city received \$30,760 for the fiscal year ended June 30, 2022.

On December 14, 2020, the City of Orem purchased property from the Alpine School District at 605 East 1400 South which included a cell tower and associated lease with AT&T, the lessee. The lease was transferred to the City of Orem, the lessor, with the same remaining term and payment amounts. The original lease term began on March 22, 2002 and, including extensions, will end on March 21, 2032. The lease payment is due annually and the city received \$26,293 for the fiscal year ended June 30, 2022.

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

F. Capital Assets

Governmental activities capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 72,551,355	\$ 19,100	\$ -	\$ 72,570,455
Intangibles	88,548	-	-	88,548
Construction in Progress	30,226,670	2,159,236	(30,560,016)	1,825,890
Total Capital Assets, not being depreciated	102,866,573	2,178,336	(30,560,016)	74,484,893
Capital Assets, being depreciated:				
Buildings and Systems	42,428,099	28,071,566	-	70,499,665
Improvements other than Buildings	40,920,396	2,123,911	-	43,044,307
Machinery and Equipment	25,123,124	4,192,578	(752,398)	28,563,304
Infrastructure	127,468,399	1,400,046	-	128,868,445
Total Capital Assets, being depreciated	235,940,018	35,788,101	(752,398)	270,975,721
Less Accumulated Depreciation for:				
Buildings and Systems	(24,020,188)	(1,371,492)	-	(25,391,680)
Improvements other than Buildings	(26,576,888)	(1,578,181)	-	(28,155,069)
Machinery and Equipment	(17,160,474)	(2,013,258)	633,413	(18,540,319)
Infrastructure	(78,365,189)	(2,795,212)	-	(81,160,401)
Total Accumulated Depreciation	(146,122,739)	(7,758,143)	633,413	(153,247,469)
Total Capital Assets, being depreciated, net	89,817,279	28,029,958	(118,985)	117,728,252
Governmental Activities Capital Assets, net	<u>\$ 192,683,852</u>	<u>\$ 30,208,294</u>	<u>\$ (30,679,001)</u>	<u>\$ 192,213,145</u>

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

F. Capital Assets (continued)

Business-type activities capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 6,481,577	\$ 14,930	\$ -	\$ 6,496,507
Intangibles	1,214,690	-	-	1,214,690
Construction in Progress	2,746,287	8,939,756	(3,746,758)	7,939,285
Total Capital Assets, not being depreciated	10,442,554	8,954,686	(3,746,758)	15,650,482
Capital Assets, being depreciated:				
Buildings and Systems	6,189,764	-	-	6,189,764
Improvements other than Buildings	11,806,755	92,513	-	11,899,268
Machinery and Equipment	13,346,088	925,134	(728,749)	13,542,473
Infrastructure	140,513,430	8,501,425	-	149,014,855
Total Capital Assets, being depreciated	171,856,037	9,519,072	(728,749)	180,646,360
Less Accumulated Depreciation for:				
Buildings and Systems	(5,472,244)	(91,808)	-	(5,564,052)
Improvements other than Buildings	(7,535,910)	(536,627)	-	(8,072,537)
Machinery and Equipment	(8,701,115)	(1,011,386)	690,148	(9,022,353)
Infrastructure	(62,397,812)	(4,056,711)	-	(66,454,523)
Total Accumulated Depreciation	(84,107,081)	(5,696,532)	690,148	(89,113,465)
Total Capital Assets, being depreciated, net	87,748,956	3,822,540	(38,601)	91,532,895
Business-type Activities Capital Assets, net	\$ 98,191,510	\$ 12,777,226	\$ (3,785,359)	\$ 107,183,377

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

F. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

	Depreciation Expense
<u>Governmental Activities</u>	
General Government	\$ 332,648
Public Safety	1,576,949
Highway and Streets	3,786,971
Parks, Recreation and Arts	1,749,782
Redevelopment	100,021
Economic and Physical Development	134,841
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	76,931
Subtotal - Governmental Activities	<u>7,758,143</u>
<u>Business-type Activities</u>	
Water	2,732,010
Water Reclamation	1,870,702
Storm Water	963,430
Recreation	20,342
Street Lighting	110,048
Subtotal - Business-type Activities	<u>5,696,532</u>
Total Depreciation Expense	<u><u>\$ 13,454,675</u></u>

Construction Commitments

The City has active construction projects as of June 30, 2022. The projects include street construction in areas with newly developed housing, widening and construction of existing streets and sidewalks, water, water reclamation, and storm water system improvements, and new construction and improvements to various public facilities. At year-end, the City's commitments with contractors and others are as follows:

<u>Project</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
Water Systems Improvements	\$ 7,053,637	\$ 34,164,741
Street Construction and Improvements	4,995,431	4,356,273
Public Facility Construction & Improvements	27,674	2,494,996
Park and Recreation Improvements	302,779	1,379,447
Water Reclamation Improvements	5,138,607	10,585,423
Storm Water Improvements	2,428,867	6,011,341
Total	<u><u>\$ 19,946,995</u></u>	<u><u>\$ 58,992,221</u></u>

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

G. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Interfund Transfers

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations.

Fiscal year interfund transfers are as follows:

Transfers Out	Transfers In					Total
	General Fund	Debt Service Fund	Capital Projects Fund	Water Fund	Recreation Fund	
Major Funds:						
General	\$ -	\$ 3,875,800	\$ 5,725,000	\$ -	\$ -	\$ 9,600,800
Debt Service	-	-	-	-	-	-
Water	975,960	-	-	-	-	975,960
Water Rclmntn	71,295	-	-	157,311	-	228,606
Storm Water	308,233	-	-	19,500	-	327,733
Nonmajor Governmental Funds:						
CARE Tax	36,750	-	-	-	-	36,750
Redevelopment	631,731	-	-	-	-	631,731
Orem Fndtn Tr.	10,122	-	250,000	-	67,000	327,122
Community Dev.	109,183	-	-	-	-	109,183
Senior Citizens	22,500	-	-	-	-	22,500
Nonmajor Enterprise Funds:						
Recreation	72,454	-	-	-	-	72,454
Solid Waste	73,582	-	-	-	-	73,582
Sreet Lighting	82,175	288,103	-	-	-	370,278
Internal Service Funds:						
Fleet Maint.	77,192	-	-	-	-	77,192
Total	\$ 2,471,177	\$ 4,163,903	\$ 5,975,000	\$ 176,811	\$ 67,000	\$ 12,853,891

H. Jointly Governed Organizations

The City in conjunction with other governmental entities, jointly governs several organizations. Each organization's board is comprised of one member from each participating entity. A brief description of the City's relationship with each organization follows:

Utah Risk Management Agency (URMA) - The City provides for its general liability risks and worker's compensation through a joint protection agreement

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

H. Jointly Governed Organizations (continued)

with URMA. During the year ended June 30, 2022, the City paid premiums of approximately \$234,000 to URMA.

North Pointe Solid Waste Special Service District (NPSWSSD) - The district is a component unit of Utah County and represents thirteen cities in the northern part of the county. NPSWSSD was created to process and dispose of municipal solid waste. The City disposes of its solid waste through an agreement with NPSWSSD, which operates a solid waste transfer station. The City is represented on the NPSWSSD board and has voting rights related to the operations and financing of NPSWSSD. NPSWSSD has a service contract for the ultimate disposal of waste at a landfill located in an adjacent county. During the year ended June 30, 2022, the City paid solid waste tipping fees of approximately \$965,000 to NPSWSSD. The City's waste, by weight, represents approximately 25% of all of the solid waste processed by NPSWSSD.

North Utah Valley Animal Services Special Service District (NUVAS) - The Utah County Board of Commissioners ("The Commission") created the district. The Commission delegated all powers to manage the district to an Administrative Control Board which has three members appointed by the Commission and a member from each of the fourteen participating cities. Each participating city delivers stray, homeless, endangered, injured or other animals to the district's shelter facility. NUVAS is charged with identifying and/or locating the animal's rightful owner. Personnel of the district also evaluate, house, treat and/or humanely dispose of any animal brought to them by the City. NUVAS also handles all licensing and licensing renewals. During the year ended June 30, 2022, the City paid participation fees of approximately \$129,000 to NUVAS.

Utah Telecommunication Open Infrastructure Agency (UTOPIA) – UTOPIA was formed under the Utah Interlocal Cooperation Act by its eighteen founding cities, of which, the City of Orem is a member. This agency has the assignment to design, finance, build, operate and maintain a fiber-to-home and fiber-to-business fiber optic communication network. UTOPIA will build the infrastructure but private companies will deliver the services over the network. During the year ended June 30, 2022, the City paid UTOPIA approximately \$33,000 in customer service fees. The City also paid \$3,355,337 in pledge funds into a debt service reserve fund which was used to pay UTOPIA debt obligations for the fiscal year. A corresponding long-term note receivable was also increased by this amount. See footnote 5.B. (Other information, contingent liabilities) for additional information.

Utah Infrastructure Agency (UIA) – UIA was formed under the Utah Interlocal Cooperation Act by its nine member cities, of which, the City of Orem is a member. This agency was organized to provide for the acquisition, construction, and installation of telecommunication and cable television lines to a customer's premises using a demand utility model. During the year ended

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

H. Jointly Governed Organizations (continued)

June 30, 2022, the City forwarded Contract Utility Enhancement (CUE) agreement receipts of approximately \$64,000 to UIA.

I. Leases Payable

The City has entered into certain lease agreements under which the related equipment will become the property of the City when the terms of the lease agreement are met. All City lease contracts contain a fiscal non-funding clause allowing the City Council the option of terminating the lease agreement at the end of any fiscal year. In the opinion of City management, the likelihood of this clause being exercised is remote.

The following is a schedule, by year, of future minimum lease payments of all leases as well as the present value of the net minimum lease payments as of June 30, 2022:

Year ending June 30,	Governmental Activities
2023	\$ 555,689
2024	555,033
2025	556,164
2026	556,222
2027	556,915
2028-2032	2,233,530
2033-2037	6,825
2038-2042	2,059
Total minimum lease payments	5,022,437
Less: Amount representing interest	(440,253)
Present value of net minimum lease payments	<u>\$ 4,582,184</u>

Equipment and related accumulated depreciation under leases is as follows:

	Governmental Activities
Cost of Equipment	\$ 6,225,368
Accumulated Depreciation	(1,160,036)
Difference	<u>\$ 5,065,332</u>

J. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects. All general obligation bonds issued are for governmental activities. The original amount of general obligation bonds issued in prior years was \$34,145,000.

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the government.

General obligation bonds outstanding at June 30, 2022, are as follows:

Purpose	Interest Rates	Amount
Governmental activities:		
2014 Road Construction-Refunding	0.25% to 3.00%	\$ 3,155,000
2019 Public Facilities Construction	3.625% to 5.00%	24,500,000
Total		<u>\$ 27,655,000</u>

General Obligation Bonds (continued)

Annual debt service requirements to maturity for the above reflected general obligation debt is as follows:

Year Ended June 30,	Governmental Activities		Totals
	Principal	Interest	
2023	\$ 1,025,000	\$ 1,259,425	\$ 2,284,425
2024	1,050,000	1,230,863	2,280,863
2025	1,080,000	1,201,613	2,281,613
2026	440,000	1,177,113	1,617,113
2027	480,000	1,154,112	1,634,112
2028-2032	3,035,000	5,377,813	8,412,813
2033-2037	4,340,000	4,502,562	8,842,562
2038-2042	6,085,000	3,208,938	9,293,938
2043-2047	8,350,000	1,415,812	9,765,812
2048-2052	1,770,000	32,081	1,802,081
Totals	<u>\$ 27,655,000</u>	<u>\$ 20,560,332</u>	<u>\$ 48,215,332</u>

Revenue Bonds

All of the City's water and storm sewer/water, water quality, franchise tax, and sales tax revenue bonds are payable solely by a pledge and assignment of their associated revenue sources. For additional information regarding the City's pledged-revenue coverage, see the table on page 171.

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Revenue Bonds (continued)

The City has the following revenue bonds outstanding at June 30, 2022:

Water and Storm Sewer Revenue Bonds – Series 2005B

In March of 2005, the City entered into an agreement to issue revenue bonds through the Utah State Department of Drinking Water of \$3,000,000. The proceeds of the bonds were used for the completion of improvements to the city's water and storm water systems. The terms of the bond contract require principal payable annually commencing in July 2006 with interest payable semi-annually in January and July through July 2025. The interest rate is fixed at 1.48%. Outstanding principal at June 30, 2022, is \$672,000.

Water and Storm Sewer Revenue Refunding Bonds – Series 2013

In July of 2013, the City issued revenue refunding bonds of \$12,801,000 through private placement. The proceeds were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the Series 2005A water and storm sewer revenue bonds. The terms of the bond contract require principal payable annually commencing in July 2014 and interest payable semi-annually in January and July through July 2025. The interest rate is fixed at 2.18%. Outstanding principal at June 30, 2022, is \$5,196,000.

Water and Storm Sewer Revenue Refunding Bonds – Series 2016

In October of 2016, the City issued revenue refunding bonds of \$4,380,000 through a public offering. The proceeds were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the Series 2008 water and storm sewer revenue bonds. The terms of the bond contract require principal payable annually commencing in July 2019 and interest payable beginning in January 2017 and payable semi-annually through July 2028. The interest rate varies between 2.00% and 4.50%. Outstanding principal at June 30, 2022, is \$4,080,000.

Sales Tax Revenue Refunding Bonds – Series 2017

In February of 2017, the City issued sales tax revenue refunding bonds of \$2,898,000 through a public offering. The proceeds were placed in a trust account and used to pay the remaining outstanding principal balance of the Series 2007 sales tax revenue refunding bonds. The terms of the bond contract require principal payable annually commencing in April 2018 with interest payable semi-annually in April and October through April 2023. The interest rate is fixed at 1.94%. Outstanding principal at June 30, 2022, is \$253,000.

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Revenue Bonds (continued)

Water, Sewer & Storm Water Revenue Bonds – Series 2021A

In April of 2021, the City issued revenue bonds of \$29,320,000 through a public offering for improvements to the City's water, sewer and storm sewer systems. The terms of the bond contract require principal payable annually commencing in July 2022 and interest payable semi-annually in January and July through July 2046. The interest rate varies between 3.00% and 5.00%. Outstanding principal at June 30, 2022, is \$29,320,000.

Water, Sewer & Storm Water Revenue Refunding Bonds – Series 2021B

In April of 2021, the City issued revenue parity bonds simultaneously with the Series 2021A bonds. The parity bonds were used to refinance the 2010 Water Quality Revenue Bonds issued through the State of Utah's Department of Environmental Quality. The new parity bonds maintain the same contract terms as the originally issued bonds which required principal to be paid annually in February until 2032. Payments on the bonds are paid from sewer charges to customers. The interest rate is fixed at 0.00%. Outstanding principal at June 30, 2022, is \$5,949,000.

Revenue bonds currently outstanding at June 30, 2022, are as follows:

Purpose	Interest Rates	Amount
Governmental Activities:		
Recreation Projects	1.94%	\$ 253,000
Business-type Activities:		
Water	1.48%-5.00%	28,891,301
Wastewater Treatment	0.00%-5.00%	12,929,000
Storm Water	1.48%-5.00%	3,396,699
		<u>45,217,000</u>
Total		<u>\$ 45,470,000</u>

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Revenue Bonds (continued)

Annual debt service requirements to maturity for the above reflected revenue bond debt is as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities		Totals
	Principal	Interest	Principal	Interest	
2023	\$ 253,000	\$ 4,908	\$ 2,763,000	\$ 1,495,389	\$ 4,516,297
2024	-	-	2,837,000	1,427,776	4,264,776
2025	-	-	2,897,000	1,357,736	4,254,736
2026	-	-	2,970,000	1,285,284	4,255,284
2027	-	-	2,875,000	1,205,475	4,080,475
2028-2032	-	-	9,720,000	4,888,975	14,608,975
2033-2037	-	-	5,695,000	3,679,900	9,374,900
2038-2042	-	-	6,960,000	2,418,000	9,378,000
2043-2047	-	-	8,500,000	876,600	9,376,600
Totals	<u>\$ 253,000</u>	<u>\$ 4,908</u>	<u>\$ 45,217,000</u>	<u>\$ 18,635,135</u>	<u>\$ 64,110,043</u>

Notes Payable

HUD Section 108 Loan

In November of 2005, the City entered into a loan agreement with the Department of Housing and Urban Development (HUD) in the amount of \$1,320,000 to promote, facilitate, and encourage industrial and business development within the City. The terms of the loan agreement require principal payable annually commencing in August 2006 and interest payable semi-annually in February and August through August 2025. The interest rate is variable. Outstanding principal at June 30, 2022, is \$339,930.

Notes payable currently outstanding at June 30, 2022, are as follows:

Purpose	Interest Rates	Amount
Governmental Activities:		
HUD Section 108 Loan -		
Economic Development	Variable	\$ 339,930
Total		<u>\$ 339,930</u>

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Notes Payable (continued)

Annual debt service requirements to maturity for the above reflected notes payable is as follows:

Year Ended June 30,	Governmental Activities		Totals
	Principal	Interest	
2023	\$ 50,000	\$ 8,396	\$ 58,396
2024	95,000	6,516	101,516
2025	95,000	4,005	99,005
2026	99,930	1,369	101,299
Totals	<u>\$ 339,930</u>	<u>\$ 20,286</u>	<u>\$ 360,216</u>

Changes in Long-term Liabilities

Changes in bonds payable, deferred items, capital leases, and compensated absences during the fiscal year ended June 30, 2022, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Bonds Payable:					
General Obligation Bonds	\$ 28,655,000	\$ -	\$ (1,000,000)	\$ 27,655,000	\$ 1,025,000
Revenue Bonds	496,000	-	(243,000)	253,000	253,000
Plus Issuance Premiums	3,672,230	-	(209,650)	3,462,580	207,371
Total Bonds Payable	32,823,230	-	(1,452,650)	31,370,580	1,485,371
Notes Payable	454,930	-	(115,000)	339,930	50,000
Leases Payable	5,044,307	-	(462,123)	4,582,184	466,100
Compensated Absences	2,397,724	372,185	(172,711)	2,597,198	2,467,338
Net Pension Liabilities	3,163,175	-	(3,163,175)	-	-
Other Long-term Liabilities	990,601	1,506,912	(270,669)	2,226,844	605,999
Governmental Activities					
Long-term Liabilities	<u>\$ 44,873,967</u>	<u>\$ 1,879,097</u>	<u>\$ (5,636,328)</u>	<u>\$ 41,116,736</u>	<u>\$ 5,074,808</u>
<u>Business-type Activities</u>					
Bonds Payable:					
Revenue Bonds	\$ 47,301,000	\$ -	\$ (2,084,000)	\$ 45,217,000	\$ 2,763,000
Plus Issuance Premiums	6,954,917	-	(355,399)	6,599,518	355,399
Total Bonds Payable	54,255,917	-	(2,439,399)	51,816,518	3,118,399
Compensated Absences	396,024	84,112	(157,155)	322,981	306,832
Net Pension Liabilities	167,056	-	(167,056)	-	-
Business-type Activities					
Long-term Liabilities	<u>\$ 54,818,997</u>	<u>\$ 84,112</u>	<u>\$ (2,763,610)</u>	<u>\$ 52,139,499</u>	<u>\$ 3,425,231</u>

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

J. Long-term Debt (continued)

Compensated Absences

City employees earn vacation based upon the employee's years of service. Employees, upon termination, may be paid up to 336 hours of earned vacation. Amounts of vacation vested and not paid have been accrued as a liability at June 30, 2022. The General Fund has typically been used in prior years to liquidate this liability for governmental funds.

While an employee may accumulate an unlimited number of sick hours, these hours are not paid out upon termination.

K. Equity Classification

Government-wide and Proprietary Fund Financial Statements

Equity is classified in the government-wide and proprietary fund financial statements as net position and is displayed in three components:

- 1) Net Investment in Capital Assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
- 2) Restricted Net Position – resources with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) are imposed by law through constitutional provisions or enabling legislation.
- 3) Unrestricted Net Position – consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets” as defined above.

Governmental Fund Financial Statements

Equity is classified in the governmental fund financial statements as fund balance. Governmental fund balances are further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned.

- 1) Nonspendable Fund Balance – this classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.
- 2) Restricted Fund Balance – this classification includes amounts that are restricted by enabling legislation. Other amounts are also reported in this classification if they are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

K. Equity Classification (continued)

Governmental Fund Financial Statements (continued)

governments, or (b) are imposed by law through constitutional provisions or enabling legislation.

- 3) Committed Fund Balance – this classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council, which is the City's highest level of decision-making authority. It also includes contractual obligations to the extent that existing resources are specifically committed for use in satisfying those contractual requirements.
- 4) Assigned Fund Balance – this classification includes amounts that are constrained by the City's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the City Manager. The City Manager received the authority to place constraints on city funds through an ordinance created by the City Council. It also includes all remaining amounts that are reported in governmental funds (other than the General Fund) which have specific purposes and that are not classified in one of the previous classifications.
- 5) Unassigned Fund Balance – this classification is generally the residual classification for the General Fund. However, it may be necessary to report a negative unassigned fund balance for other governmental funds if expenditures incurred for specific purposes exceeds the amounts restricted, committed, or assigned for those purposes. Thus, this classification is normally a positive amount within the General Fund and represents fund balance that has not been restricted, committed, or assigned for any specific purposes.

When restricted and unrestricted resources are available, it is the City's accounting policy to use restricted resources first.

When committed, assigned, or unassigned resources are available for use, it is the City's accounting policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

The City has not formally adopted any minimum fund balance policy. However, the State of Utah does require the City to maintain 5% of the current fiscal year's actual revenues as a minimum fund balance. The City is cognizant of and adheres to this requirement.

The following page provides greater detail of the fund balance classifications

City of Orem
Notes to the Financial Statements
June 30, 2022

4. Detailed Notes for all Funds (continued)

K. Equity Classification (continued)

and categories for all governmental funds for the fiscal year ended June 30, 2022. The governmental fund balance classifications and categories at the end of the current fiscal year are as follows:

Governmental Fund Financial Statements (continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds ¹	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Prepays	\$ 47,512	\$ -	\$ -	\$ -	\$ 47,512
	47,512	-	-	-	47,512
Restricted:					
Class "C" Roads	6,245,612	-	-	-	6,245,612
Utopia DSR Pledge	3,422,444	-	-	-	3,422,444
Task Force	2,440,929	-	-	-	2,440,929
Parks, Rec., & Arts	-	-	-	4,280,041	4,280,041
Fitness Center	-	-	-	384,450	384,450
Debt Service	-	43,140	-	-	43,140
Street Improvements	-	-	-	3,678,692	3,678,692
Capital Improvements	-	-	19,088	3,622,557	3,641,645
Public Safety Endow.	25,000	-	-	-	25,000
Redevelopment	-	-	-	5,330,478	5,330,478
Community Dev.	-	-	-	539,101	539,101
	12,133,985	43,140	19,088	17,835,319	30,031,532
Assigned:					
Vehicles	361,807	-	-	-	361,807
Public Safety Equip.	1,830,189	-	92,100	-	1,922,289
Public Safety Oper.	192,686	-	-	-	192,686
Fire - Vineyard Station	1,934,601	-	-	-	1,934,601
Library Media Funds	101,344	-	-	-	101,344
Library Equipment	80,371	-	225,335	-	305,706
Library Operations	44,528	-	-	-	44,528
Economic Dev. Funds	94,545	-	-	-	94,545
City Manager Oper.	386,737	-	-	-	386,737
Finance Operations	27,379	-	-	-	27,379
Public Works Oper.	64,394	-	-	-	64,394
Facility Improvements	-	-	1,202,901	-	1,202,901
CARES Act Funds	5,139,549	-	-	-	5,139,549
Street/Street Light Imp.	-	-	1,879,774	-	1,879,774
Park Improvements	-	-	2,201,308	-	2,201,308
Fitness Center	-	-	612,914	-	612,914
City Center	-	-	1,143,796	-	1,143,796
Debt Service	-	1,143,948	-	-	1,143,948
Community Programs	215,169	-	-	6,900	222,069
Murdock Canal	75,654	-	-	-	75,654
Capital Improvements	339,880	-	17,618,870	56,516	18,015,266
Senior Citizen Programs	-	-	-	307,634	307,634
	10,888,833	1,143,948	24,976,998	371,050	37,380,829
Unassigned	22,036,611	-	-	-	22,036,611
Total Fund Balances	\$ 45,106,941	\$ 1,187,088	\$ 24,996,086	\$ 18,206,369	\$ 89,496,484

¹ See pages 120-121 for a breakdown by individual fund

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains this fund to account for and finance its risks of loss. The City provides coverage for worker's compensation claims through the Workers Compensation Fund of Utah which was effective as of January 1, 2019. The Self-insurance fund also provides coverage up to \$15,000 for general liability and \$10,000 for property damage. The City is insured through the Utah Risk Management Agency (URMA) for liability and claims in excess of coverage provided by the Self-insurance Fund for liability and property claims. While URMA pays for any liability and property claims exceeding the deductible amount, these claims are repaid by the City through a five-year recapture program. Thus, each year the City pays its annual premium plus a recapture component. As of June 30, 2022, the outstanding recapture program liability is \$1,724,961. This liability is presented in the changes in long-term liabilities table (page 87) as part of the "other long-term liability" amount.

The City is insured by Safety National Insurance Company for worker's compensation claims in excess of coverage provided by the Self-insurance Fund. Only one claim has exceeded this coverage in the past five fiscal years. All funds of the City participate in the program and make payments to the Self-insurance Fund based on estimates of the amounts needed to pay prior and current year claims. As of June 30, 2022, the estimated reserves liability is \$440,504. This liability is presented in the changes in long-term liabilities table (page 87) as an "other long-term liability". The activity related to pre-January 1, 2019, worker's compensation claims (all retained risk) for the years ended June 30, 2021 and 2022 is as follows:

<u>Year ended June 30,</u>	<u>2021</u>	<u>2022</u>
Claim liability, beginning of year	\$ 330,081	\$ 244,524
Claims incurred during the year	-	-
Changes in estimates of claims of prior periods	59,963	249,364
Payments on claims during the year	(145,520)	(53,384)
Claim liability, end of year	<u>\$ 244,524</u>	<u>\$ 440,504</u>

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

B. Contingent Liabilities (continued)

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Utah Telecommunication Open Infrastructure Agency (UTOPIA)

The City is a member of UTOPIA, an interlocal, nonprofit agency. UTOPIA was formed under the Utah Interlocal Cooperation Act by its eighteen founding cities, of which the City is one of the eleven pledged members. This agency has the assignment to design, finance, build, operate and maintain a fiber-to-home and fiber-to-business fiber optic communication network. UTOPIA will build the infrastructure but private companies will deliver the services over the network. UTOPIA acts as the wholesaler, not the retailer.

In July 2004, UTOPIA issued an \$85,000,000 revenue bond. In June 2008, UTOPIA issued \$185,000,000 in new revenue bonds to pay and cancel the 2004 revenue bonds, pay and cancel other related debt, pay outstanding unfunded construction commitments, provide two years of capitalized interest and LOC payments, provide approximately \$10,000,000 in operational and construction funds, and to pay the costs of issuing the 2008 bonds.

In December 2011, UTOPIA refinanced the existing 2008 variable rate bonds and replaced them with a long-term relatively fixed rate debt structure (SWAP arrangement). The new debt structure eliminated the letter of credit fee and will result in an estimated savings of \$117 million over the life of the bonds. The new 2011 revenue bonds still have principal payments due quarterly commencing in December 2013 and continuing through June 2040 with interest payments due monthly commencing in January 2012 and continuing through June 2040.

Net revenues from the communication network will reimburse a debt service reserve fund for payments on the bond debt. To the extent that there are insufficient net revenues to pay the debt service, the eleven pledged members are required to reimburse the UTOPIA debt service reserve fund of any shortfall by their respective percentages up to a specific dollar amount. Each member city has pledged sales tax revenues to pay their respective percentage of any shortfall amount. None of the pledge requirements were modified by the 2011 bond refinancing. The City's liability limit (pledge) for the current fiscal year was set at a maximum of \$3,355,337. The pledge limit has an annual increase which is not to exceed 2%. The City's total remaining maximum pledge amount for all fiscal years through 2040 (end of the bond term) is \$72,875,663.

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

B. Contingent Liabilities (continued)

Utah Infrastructure Agency (UIA)

The City is a member of UIA, an interlocal, nonprofit agency. UIA was formed under the Utah Interlocal Cooperation Act by its nine member cities, of which the City is one of the eight contracting members.

This agency was organized to provide for the acquisition, construction, and installation of telecommunication and cable television lines to a customer's premises using a demand utility model.

The UIA network will be connected to the fiber optic network of UTOPIA (see previous page) pursuant to an Indefeasible Right of Use (IRU) agreement which provides UIA access to certain facilities of and capacity in the UTOPIA network. Construction of the UIA network began in May of 2011.

In May 2011, UIA issued \$29,390,000 in revenue bonds (\$20,275,000 tax exempt and \$9,115,000 taxable). In July 2013, UIA issued \$11,205,000 (all tax exempt) of revenue bonds. In October 2015, UIA issued \$24,295,000 (all tax exempt) of revenue bonds. The total of these bond issuances is \$64,890,000 and they were all refunded with the Series 2017 refunding bonds described below.

In December 2017, UIA issued \$77,405,000 (\$73,905,000 tax exempt and \$3,500,000 taxable) of revenue and refunding bonds. The bonds were issued to refund the Series 2011, 2013, and 2015 bonds and to obtain additional funding for infrastructure. The Series 2017 bonds have principal payments due annually commencing in October 2018 and continuing through October 2040 with interest payments due semi-annually in April and October beginning in April 2018. The interest rate on these bonds varies between 2% and 5%.

Service fee revenues from the UIA network will be used to make the debt service payments. To the extent there are insufficient service fee revenues to pay a debt service payment, the eight contracting members are required to pay to UIA any shortfall by their respective percentages up to a specific dollar amount. Each contracting city has pledged franchise tax revenues to pay their respective percentage of any shortfall amount. The City's liability limit (pledge) is set at \$1,223,786. The City did not have to make any pledge payments in Fiscal Year 2022.

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans

General Information and Plan Description

The City is an eligible plan participant whose pension plans are administered by and provided through the Utah Retirement Systems (URS). URS administers the following pension trust funds (collectively referred to as "The Systems"):

- Public Employees Noncontributory Retirement System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); and the Firefighters Retirement System (Firefighters System). Each of these systems is a cost-sharing, multiple-employer, public employee retirement system.
- Public Safety Retirement System (Public Safety System). This plan is a mixed agent and cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) and Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System). Both of these systems are cost-sharing, multiple-employer, public employee retirement systems.

The Tier 2 Retirement Systems became effective July 1, 2011. All eligible employees hired on or after July 1, 2011, who had no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the Utah State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board (Board), whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report which includes financial statements and required supplementary information for the Systems. The financial report may be obtained by writing to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, UT 84102 or by visiting the URS website at www.urs.org/general/publications.

Summary of Retirement Benefits by System

The Systems currently provide retirement benefits, annual cost of living adjustments, disability benefits, and death benefits.

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Summary of Retirement Benefits by System (continued)

A summary of retirement benefits are as follows:

Retirement System	Final Average Salary	Years of Service required and/or Age Eligible for Benefit	Benefit Percentage Per Year of Service	COLA **
Noncontributory System	Highest 3 Years	30 Years - Any Age 25 Years - Any Age * 20 Years - Age 60 * 10 Years - Age 62 * 4 Years - Age 65	2% / Yr - All Years	Up to 4%
Contributory System	Highest 5 Years	30 Years - Any Age 20 Years - Age 60 * 10 Years - Age 62 * 4 Years - Age 65	1.25% / Yr to June 1975 or 2% / Yr from July 1975 to the Present	Up to 4%
Public Safety System	Highest 3 Years	20 Years - Any Age 10 Years - Age 60 4 Years - Age 65	2.5% / Yr up to 20 Yrs and 2% / Yr over 20 Yrs	Up to 2.5% or 4.0% Depending on Employer
Firefighters System	Highest 3 Years	20 Years - Any Age 10 Years - Age 60 4 Years - Age 65	2.5% / Yr up to 20 Yrs and 2% / Yr over 20 Yrs	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 Years - Any Age 20 Years - Age 60 * 10 Years - Age 62 * 4 Years - Age 65	1.5% / Yr - All Years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 Years - Any Age 20 Years - Age 60 * 10 Years - Age 62 * 4 Years - Age 65	1.5% / Yr to June 2020 or 2% / Yr from July 2020 to the Present	Up to 2.5%

* Actuarial reductions apply.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges (compounded benefit). Cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year. However, unused CPI increases may be carried forward to subsequent years.

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Contributions

As a condition of participation in the Systems, the City and/or its employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022 are as follows:

<u>Retirement System</u>	<u>Employee Paid</u>	<u>Employer Paid for Employee</u>	<u>Employer Contribution Rates</u>	<u>Employer Rate for 401(k) Plan</u>
<u>Noncontributory System</u>				
Local Governmental - Tier 1	N/A	N/A	18.47%	N/A
<u>Contributory System</u>				
Local Governmental - Tier 1	6.00%	N/A	14.46%	N/A
Local Governmental - Tier 2	N/A	N/A	16.07%	0.89%
<u>Public Safety System</u>				
Noncontributory - Tier 1	N/A	N/A	38.97%	N/A
Contributory (74) - Tier 1	10.50%	N/A	28.98%	N/A
Contributory (122) - Tier 2	N/A	2.27%	30.02%	N/A
<u>Firefighters System</u>				
Division B - Tier 1	N/A	16.71%	7.24%	N/A
Division B - Tier 2	N/A	2.27%	14.08%	N/A
<u>Tier 2 DC Only</u>				
Local Governmental	N/A	N/A	6.69%	10.00%
Public Safety	N/A	N/A	16.02%	14.00%
Firefighters	N/A	N/A	0.08%	14.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Contributions (continued)

For the fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

<u>Retirement System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 1,710,258	N/A
Contributory System	66,834	-
Public Safety System	1,430,902	-
Firefighters System	213,374	-
Tier 2 Public Employees System	923,464	-
Tier 2 Public Safety and Firefighter System	1,094,035	-
Tier 2 DC Only	103,706	N/A
Tier 2 DC Public Safety & Firefighter System	42,562	N/A
Total Contributions	<u>\$ 5,585,135</u>	<u>\$ -</u>

Contributions reported are the URS approved required contributions by the System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Pension Assets, Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions

At June 30, 2022, the City had a net pension asset of \$22,176,156 and a net pension liability of \$0.

<u>Retirement System</u>	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	1.1572151%	\$ 6,627,495	\$ -
Contributory System	3.8917187%	2,817,382	-
Public Safety System	7.7844955%	2,787,789	-
Firefighters System	3.6032095%	9,746,409	-
Tier 2 Public Employees System	0.2621427%	110,949	-
Tier 2 Public Safety and Firefighter System	1.7041526%	86,132	-
Total Net Pension Asset / Liability		<u>\$ 22,176,156</u>	<u>\$ -</u>

The net pension asset and liability were measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021, and rolled forward using generally accepted actuarial procedures. The proportion

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Pension Assets, Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions (continued)

of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2022, the City had pension expenses of (\$2,650,844). The following table details this total pension expense by retirement system:

Retirement System	Pension Expense
Noncontributory System	\$ (1,021,884)
Contributory System	(1,013,237)
Public Safety System	566,504
Firefighters System	(2,022,475)
Tier 2 Public Employees System	385,286
Tier 2 Public Safety & Firefighter System	454,962
Total	<u>\$ (2,650,844)</u>

At June 30, 2022, the City had deferred outflows and inflows of resources related to pensions from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:		
Noncontributory System	\$ 694,159	\$ -
Contributory System	-	-
Public Safety System	1,759,846	-
Firefighters System	246,054	56,252
Tier 2 Public Employees System	53,901	14,295
Tier 2 Public Safety & Firefighter System	73,808	14,150
	<u>2,827,768</u>	<u>84,697</u>
Changes in assumptions:		
Noncontributory System	622,015	42,779
Contributory System	-	-
Public Safety System	485,650	82,036
Firefighters System	589,224	-
Tier 2 Public Employees System	103,451	1,049
Tier 2 Public Safety & Firefighter System	96,654	15,308
	<u>1,896,994</u>	<u>141,172</u>

(table continues on next page)

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Pension Assets, Liabilities, Expense, Deferred Outflows of Resources, and
Deferred Inflows of Resources related to Pensions (continued)

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected & actual earnings on pension plan investments:		
Noncontributory System	-	8,923,032
Contributory System	-	2,307,778
Public Safety System	-	6,001,963
Firefighters System	-	5,649,224
Tier 2 Public Employees System	-	274,140
Tier 2 Public Safety & Firefighter System	-	263,269
	-	23,419,406
Changes in proportion and difference between contributions and proportionate share of contributions:		
Noncontributory System	2,375	43,534
Contributory System	-	-
Public Safety System	148,382	14,039
Firefighters System	75,296	-
Tier 2 Public Employees System	59,598	-
Tier 2 Public Safety & Firefighter System	29,978	1,600
	315,629	59,173
Contributions subsequent to the measurement date:		
Noncontributory System	832,575	-
Contributory System	31,786	-
Public Safety System	739,238	-
Firefighters System	106,894	-
Tier 2 Public Employees System	559,025	-
Tier 2 Public Safety & Firefighter System	617,287	-
	2,886,805	-
Total Deferred Outflows / Inflows of Resources:		
Noncontributory System	2,151,124	9,009,345
Contributory System	31,786	2,307,778
Public Safety System	3,133,116	6,098,038
Firefighters System	1,017,468	5,705,476
Tier 2 Public Employees System	775,975	289,484
Tier 2 Public Safety & Firefighter System	817,727	294,327
	<u>\$ 7,927,196</u>	<u>\$ 23,704,448</u>

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Pension Assets, Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions (continued)

Contributions made by the City to URS prior to our fiscal year end but after the measurement date of December 31, 2021, are reported as deferred outflows of resources related to pensions in the amount of \$2,886,805 (see breakdown by retirement system in the previous table). These contributions will be recognized as a reduction of the net pension liability in the following fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (3,241,740)
2023	(6,402,871)
2024	(5,400,589)
2025	(3,860,838)
2026	33,411
Thereafter	208,570

The following table outlines the net deferred outflows (inflows) of resources that will be recognized in pension expense for each retirement system:

Year Ended Dec. 31,	Non- Contributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety & Firefighter System
2022	\$ (1,497,542)	\$ (557,060)	\$ (30,129)	\$ (1,048,474)	\$ (51,481)	\$ (57,054)
2023	(2,550,931)	(806,251)	(1,276,880)	(1,633,918)	(66,007)	(68,884)
2024	(2,159,730)	(568,723)	(1,394,134)	(1,176,763)	(47,874)	(53,365)
2025	(1,482,592)	(375,744)	(1,003,017)	(935,748)	(27,552)	(36,185)
2026	-	-	-	-	21,466	11,945
Thereafter	-	-	-	-	98,914	109,656

Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement period:

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Actuarial Assumptions (continued)

Inflation	2.50%
Salary Increases	3.25% to 9.25%, Average, including Inflation
Investment Rate of Return	6.85%, Net of Pension Plan Investment Expense, including Inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2021. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age, as appropriate with improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees and public safety members, respectively.

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five (5) year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	37%	6.58%	2.43%
Debt Securities	20%	(0.28)%	-0.06%
Real Assets	15%	5.77%	0.87%
Private Equity	12%	9.85%	1.18%
Absolute Return	16%	2.91%	0.47%
Cash and Cash Equivalents	0%	(1.01)%	0.00%
Totals	100%		4.89%
Inflation			2.50%
Expected Arithmetic Nominal Return			7.39%

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Actuarial Assumptions (continued)

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.35% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based upon those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to changes in the Discount Rate

The proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.85%) or 1.00% higher (7.85%) than the current rate is presented in the following table:

	1.00% Decrease (5.85%)	Discount Rate (6.85%)	1.00% Increase (7.85%)
<u>Retirement System</u>			
Noncontributory System	\$ 3,563,804	\$ (6,627,495)	\$ (15,130,147)
Contributory System	(1,124,062)	(2,817,382)	(4,252,465)
Public Safety System	5,117,299	(2,787,789)	(9,229,180)
Firefighters System	(3,952,938)	(9,746,409)	(14,499,651)
Tier 2 Public Employees System	661,056	(110,949)	(703,688)
Tier 2 Public Safety & Firefighter System	690,994	(86,132)	(703,063)
Total	<u>\$ 4,956,153</u>	<u>\$ (22,176,156)</u>	<u>\$ (44,518,194)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report (www.urs.org).

Funding and Allocation Method

The City used each active URS participating employee's current wage and years of service to calculate a weighted amount. These weighted amounts were used to establish a percentage of each system's total applicable net liability or asset (as provided by URS). Each employee is then assigned their applicable

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

C. Pension Plans (continued)

Funding and Allocation Method (continued)

amount based upon the prior calculations and grouped according to their job assignment. The total amount for all employees associated with a governmental fund is recorded as a governmental activity in the government-wide statements. Obligations for these employees are generally liquidated through the General Fund. Amounts for all employees associated with a proprietary fund are identified and all associated transactions are recorded within the applicable proprietary fund. Each proprietary fund is responsible to liquidate its own pension obligations.

D. Employee Retirement Plans other than Pension Plans

401(k) Defined Contribution Plan

The City's 401(k) defined contribution plan is administered by ICMA Retirement Corporation (ICMA-RC). The payroll covered by the defined contribution plan for the year ended June 30, 2022, was \$34,799,232. The City's expense for this plan for the year ended June 30, 2022 was approximately \$276,000 or 0.79% of the total participants' salary.

The contribution rates were previously fixed by the City Council and the contributions were remitted on a timely basis. All employees are fully vested for the contributions made by the City.

In the early 1980's, the City elected to withdraw from the Utah Retirement Systems (URS) pension plan and contribute these funds to each employee's 401(k) account. However, State lawmakers soon mandated that all employees were required to join the URS except certain classes of employees. The City Council was allowed to identify which employees qualified. They elected to allow department heads, the City Manager, and City Council members the option of whether or not to participate in the URS. There are currently three employees, the Mayor, and all six City Council members who have elected to not participate in the URS.

The City also participates in the URS 401(k) defined contribution savings plan which is generally a supplemental plan to the basic pension benefits of the URS, but may be used as a primary retirement plan. Employee and employer contributions to the URS 401(k) defined contribution savings plan for the fiscal years ended June 30 were as follows:

Contribution Type	2022	2021	2020
Employer Contributions	\$ 297,360	\$ 274,072	\$ 267,198
Employee Contributions	\$ -	\$ -	\$ -

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

D. Employee Retirement Plans other than Pension Plans (continued)

457 Deferred Compensation Plan

The deferred compensation plan was created in 1981 as a Social Security replacement program for the employees of the City. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City participates in four plans. The assets associated with these plans are not included in the basic financial statements, as they are not legal assets of the City.

All elected officials and permanent employees may also elect to participate in the City's deferred compensation plan and all temporary employees are required to participate in a deferred compensation plan. Under this plan, participants defer a percentage of their compensation up to 7.5% for executive management personnel and up to 5.5% for all other employees (except for the City Manager, whose participation in the plan is determined through negotiation with the City Council, and employees required to pay Medicare insurance premiums) for employees hired prior to March 1986. For those hired after March 1986 the percentage is 6.0% and 4.0% respectively. The City matches the amount deferred by the participants, not to exceed the maximums listed previously or the IRS legal limit. The payroll covered by the deferred compensation plan for the year ended June 30, 2022, was \$34,799,232. The City's expense for this plan for the year ended June 30, 2022, was approximately \$1,462,000 or 4.20% of the total participants' salary. The contribution rates were determined by the City Council and the contributions were remitted on a timely basis.

The City also participates in the URS 457 defined contribution savings plan which is generally a supplemental plan to the basic pension benefits of the URS, but may be used as a primary retirement plan. Employee and employer contributions to the URS 457 defined contribution savings plan for the fiscal years ended June 30 were as follows:

Contribution Type	2022	2021	2020
Employer Contributions	\$ 127,147	\$ 103,249	\$ 88,353
Employee Contributions	\$ 158,445	\$ 133,345	\$ 106,929

E. Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The City provides postemployment healthcare benefits through a single-employer defined benefit plan to all employees who retired from the City prior to January 1, 2007, and who were qualified to retire from any of the Utah State Retirement Systems. The benefit, benefit level, employee and

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

Plan Description (continued)

employer contributions are governed by City policy and can be amended at any time. The plan is not accounted for as a trust fund and no assets are being accumulated in a trust that meet the criteria in paragraph 4 of Statement 75. The plan does not issue a separate financial report.

Employees who retire(d) on or after January 1, 2007, are not eligible to participate in this plan unless retiree health insurance is offered as an option to an employee under a voluntary separation plan which are unusual and infrequent. Otherwise, no new entrants to the plan will occur. As of June 30, 2022, there are four (4) retirees or retirees spouses participating in the plan.

The City currently pays for postemployment benefits other than pensions on a "pay-as-you-go" basis. Contribution amounts for the City and the plan members may be amended at any time and for any reason. For the fiscal year ended June 30, 2022, total plan premiums paid were \$60,399. The City contributed \$6,491 (22.00% of total premiums) and retiree plan members receiving benefits contributed \$23,019 (78.00% of total premiums). The activity of the plan is reported in the City's General Fund and all obligations are liquidated through the General Fund.

Total OPEB Liability

The City's total OPEB liability of \$61,379 was determined by an actuarial valuation as of January 1, 2021, and measurement date of December 31, 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise noted:

Inflation	2.30%
Salary Increases	N/A
Discount Rate	2.06%
Healthcare Cost Trend Rates	5.80% scaling down to 4.30% over 22 years.
Retirees' Share of Benefit- Related Costs	55% of projected health insurance premiums

The discount rate was based on the 20-year Bond Buyer General Obligation Municipal Index as of June 30, 2022.

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

Actuarial Assumptions and Other Inputs (continued)

Mortality rates were based on 2010 Pub General Healthy Retiree with 100% of MP Ultimate scale for retirees and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale for disabled participants.

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the period January 1, 2021 to December 31, 2021.

Changes in the Total OPEB Liability

The following table shows the changes in the City's total OPEB liability:

	Total OPEB Liability
Total OPEB Liability as of January 1, 2021	\$ 89,063
Changes for the Year:	
Service Cost	-
Interest on Total OPEB Liability	1,600
Effect of Economic/Demographic Gains/Losses	28,597
Changes in Assumptions or Other Inputs	(27,684)
Expected Benefit Payments	(30,197)
Net Changes	(27,684)
Total OPEB Liability as of January 1, 2022	\$ 61,379

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City, calculated using the discount rate of 2.06%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (1.06%) or 1.00% higher (3.06%) than the current rate:

	1.00% Decrease (1.06%)	Discount Rate (2.06%)	1.00% Increase (3.06%)
Total OPEB Liability at January 1, 2022	\$ 62,012	\$ 61,379	\$ 60,762

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates, as well as what the City's total

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

OPEB liability would be if it were calculated using trend rates that are 1.00% lower or 1.00% higher than the current rate:

	1.00% Decrease	Current Trend Rate	1.00% Increase
Total OPEB Liability at January 1, 2022	\$ 61,067	\$ 61,379	\$ 61,693

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2022, the City had OPEB expenses of \$8,545.

The following table details this total OPEB expense:

Description	OPEB Expense
Service Cost	\$ -
Interest on Total OPEB Liability	1,600
Effect of Plan Changes	-
Recognition of Deferred Outflows/Inflows of Resources:	
Recognition of Economic/Demographic Gains/Losses	20,200
Recognition of Assumption Changes or Inputs	(13,255)
Total	<u>\$ 8,545</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (continued)

At June 30, 2022, the City reported the following deferred outflows of resources or inflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Deferred Outflows / Inflows of Resources		
Differences between expected and actual experience	\$ -	\$ 9,532
Changes in assumptions	(9,228)	8
Total OPEB Deferred Outflows / Inflows of Resources	<u>\$ (9,228)</u>	<u>\$ 9,540</u>

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

E. Other Postemployment Benefits (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ 312
2023	-
2024	-
2025	-
2026	-
Thereafter	-

F. Segment Information for Enterprise Funds

The City has issued revenue bonds to finance certain improvements to its culinary water distribution system, water reclamation plant, and storm sewer system. Because each of these activities is accounted for in separate funds and all of those funds are reported as major funds in the fund financial statements, segment disclosures herein are not required.

G. Redevelopment Agency of the City of Orem

The following Redevelopment Agency information is presented as required by Utah State Code Section 17A-2-1217(3).

For the year ended June 30, 2022, the following activity occurred in the City's Redevelopment Agency:

<u>Tax Increment Collected From Other Taxing Agencies For The Project Area</u>	<u>Total Received</u>	<u>Orem City's Portion</u>
Orem 85-01: Orem Tek Development	\$ 416,036	197,753
Orem 85-02: Timpanogos Technological Center	-	-
Orem 85-03A: University Parkway Development	-	-
Orem 85-03B: University Parkway Development	-	-
Orem 85-04: Economic Zone in Central Orem	-	-
Orem 87-10: Boyer Project on Center and State Street	221,205	103,882
Orem 90-08: 800 North and State Street Economic Zone	117,759	52,782
Orem CDA: University Place	1,244,154	164,161
Total	<u>\$ 1,999,154</u>	<u>\$ 518,578</u>
 Outstanding Loans to Finance RDA Projects	 <u>\$ -</u>	

City of Orem
Notes to the Financial Statements
June 30, 2022

5. Other Information (continued)

G. Redevelopment Agency of the City of Orem (continued)

During the year ending June 30, 2022, the RDA expended monies in the categories below as follows:

Economic Development	\$ 1,229,620
Capital Outlay	4,745
Total	<u>\$ 1,234,365</u>

The Redevelopment Agency did not pay tax increment funds to any taxing agencies for projects during the current fiscal year.

The Redevelopment Agency has one contractual arrangement in the University Place CDA area. The contract was entered into to help fund infrastructure improvements being made as part of an economic development plan for the area. The agreement specifies that 90% of the property taxes collected for this project area are to be remitted to the property owner, 5% to be held within the RDA for future improvements in the project area, and 5% to be paid to the city for administration costs. The agreement term is for twenty years and ends in Fiscal Year 2038.

The amounts remitted to the property owner for the past five fiscal years is as follows:

Fiscal Year	Tax Increment Remitted
2022	\$ 1,119,739
2021	1,034,885
2020	872,923
2019	805,299
2018	-

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of the Proportionate Share of the Net Pension Liability Utah Retirement Systems (URS) Last Ten Fiscal Years ¹

System	Proportion of the Net Pension Liability / Asset	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability/Asset
<u>Noncontributory System</u>					
As of December 31, 2021	1.1572151%	\$ (6,627,495)	\$ 9,911,510	-66.9%	108.7%
As of December 31, 2020	1.1576503%	\$ 593,808	\$ 10,188,153	5.8%	99.2%
As of December 31, 2019	1.1763291%	\$ 4,433,430	\$ 10,490,803	42.3%	93.7%
As of December 31, 2018	1.1710300%	\$ 8,623,141	\$ 10,235,192	84.2%	87.0%
As of December 31, 2017	1.1480441%	\$ 5,029,925	\$ 9,994,622	50.3%	91.9%
As of December 31, 2016	1.1669202%	\$ 7,493,056	\$ 10,377,805	72.2%	87.3%
As of December 31, 2015	1.1507910%	\$ 6,511,735	\$ 10,141,076	64.2%	87.8%
As of December 31, 2014	1.1640325%	\$ 5,054,503	\$ 10,427,520	48.5%	90.2%
<u>Contributory System</u>					
As of December 31, 2021	3.8917187%	\$ (2,817,382)	\$ 571,621	-492.9%	115.9%
As of December 31, 2020	4.6970700%	\$ (841,818)	\$ 774,803	-108.6%	103.9%
As of December 31, 2019	5.2166185%	\$ 341,879	\$ 934,782	36.6%	98.6%
As of December 31, 2018	5.0759551%	\$ 2,059,837	\$ 950,067	216.8%	91.2%
As of December 31, 2017	4.5962283%	\$ 374,014	\$ 932,647	40.1%	98.2%
As of December 31, 2016	4.2142704%	\$ 1,382,749	\$ 1,011,168	136.7%	92.9%
As of December 31, 2015	2.3846854%	\$ 1,676,087	\$ 1,016,082	165.0%	85.7%
As of December 31, 2014	1.9700731%	\$ 568,255	\$ 1,055,247	53.9%	94.0%
<u>Public Safety System</u>					
As of December 31, 2021	7.7844955%	\$ (2,787,789)	\$ 3,642,113	-76.5%	105.1%
As of December 31, 2020	7.0891923%	\$ 2,548,793	\$ 3,285,378	77.6%	94.5%
As of December 31, 2019	7.1030859%	\$ 3,527,392	\$ 3,397,985	103.8%	91.7%
As of December 31, 2018	7.3044190%	\$ 5,755,853	\$ 3,474,822	165.6%	85.6%
As of December 31, 2017	7.4094711%	\$ 3,580,282	\$ 3,643,056	98.3%	90.5%
As of December 31, 2016	7.8307470%	\$ 4,880,882	\$ 4,114,120	118.6%	86.1%
As of December 31, 2015	7.6878583%	\$ 3,751,301	\$ 4,043,837	92.8%	87.6%
As of December 31, 2014	7.8553996%	\$ 3,106,282	\$ 4,163,687	74.6%	89.0%
<u>Firefighters System</u>					
As of December 31, 2021	3.6032095%	\$ (9,746,409)	\$ 3,289,435	-296.3%	122.9%
As of December 31, 2020	3.6834896%	\$ (4,962,948)	\$ 3,158,996	-157.1%	112.0%
As of December 31, 2019	3.8802995%	\$ (2,426,403)	\$ 3,191,512	-76.0%	105.8%
As of December 31, 2018	3.7318322%	\$ 1,508,227	\$ 3,051,512	49.4%	96.1%
As of December 31, 2017	3.7993255%	\$ (852,323)	\$ 3,178,325	-26.8%	102.3%
As of December 31, 2016	3.8179852%	\$ 564,747	\$ 3,300,053	17.1%	98.4%
As of December 31, 2015	3.9201431%	\$ 667,045	\$ 3,306,160	20.2%	98.1%
As of December 31, 2014	4.1264713%	\$ (454,109)	\$ 3,468,618	-13.1%	101.3%

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REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of the Proportionate Share of the Net Pension Liability Utah Retirement Systems (URS) Last Ten Fiscal Years ¹

System	Proportion of the Net Pension Liability / Asset	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability/Asset
<u>Tier 2 Public Employees System</u>					
As of December 31, 2021	0.2621427%	\$ (110,949)	\$ 4,864,967	-2.3%	103.8%
As of December 31, 2020	0.2547670%	\$ 36,643	\$ 4,072,643	0.9%	98.3%
As of December 31, 2019	0.2455577%	\$ 55,228	\$ 3,413,091	1.6%	96.5%
As of December 31, 2018	0.2706777%	\$ 115,925	\$ 3,161,819	3.7%	90.8%
As of December 31, 2017	0.2959959%	\$ 26,097	\$ 2,894,899	0.9%	97.4%
As of December 31, 2016	0.3019157%	\$ 33,678	\$ 2,475,959	1.4%	95.1%
As of December 31, 2015	0.2589627%	\$ (565)	\$ 1,673,317	0.0%	100.2%
As of December 31, 2014	0.1982677%	\$ (6,008)	\$ 972,771	-0.6%	103.5%
<u>Tier 2 Public Safety and Firefighters System</u>					
As of December 31, 2021	1.7041526%	\$ (86,132)	\$ 4,075,293	-2.1%	102.8%
As of December 31, 2020	1.6833421%	\$ 150,987	\$ 3,343,708	4.5%	93.1%
As of December 31, 2019	1.6481079%	\$ 155,028	\$ 2,716,402	5.7%	89.6%
As of December 31, 2018	1.6322111%	\$ 40,896	\$ 2,183,063	1.9%	95.6%
As of December 31, 2017	1.6337586%	\$ (18,904)	\$ 1,724,051	-1.1%	103.0%
As of December 31, 2016	1.3680971%	\$ (11,876)	\$ 1,130,354	-1.1%	103.6%
As of December 31, 2015	1.2593445%	\$ (18,399)	\$ 749,442	-2.5%	110.7%
As of December 31, 2014	1.1227061%	\$ (16,608)	\$ 464,014	-3.6%	120.5%
Total - As of December 31, 2021		\$ (22,176,156)	\$ 26,354,939	-84.1%	
Total - As of December 31, 2020		\$ (2,474,535)	\$ 24,823,681	-10.0%	
Total - As of December 31, 2019		\$ 6,086,554	\$ 24,144,575	25.2%	
Total - As of December 31, 2018		\$ 18,103,879	\$ 23,056,475	78.5%	
Total - As of December 31, 2017		\$ 8,139,091	\$ 22,367,600	36.4%	
Total - As of December 31, 2016		\$ 14,343,236	\$ 22,409,459	64.0%	
Total - As of December 31, 2015		\$ 12,587,204	\$ 20,929,914	60.1%	
Total - As of December 31, 2014		\$ 8,252,315	\$ 20,551,857	40.2%	

¹ In accordance with paragraph 81.a of GASB 68, the City will need to disclose a ten (10) year history of their proportionate share of the Net Pension Liability or Asset in this schedule. However, this schedule will be populated prospectively.

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of Contributions Utah Retirement Systems (URS) Last Ten Fiscal Years ¹

System	Contributions in relation to the				Contribution as a % of Covered Payroll ²
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	
<u>Noncontributory System</u>					
As of June 30, 2022	\$ 1,710,258	\$ 1,710,258	\$ -	\$ 9,569,014	17.87%
As of June 30, 2021	\$ 1,776,850	\$ 1,776,850	\$ -	\$ 10,096,295	17.60%
As of June 30, 2020	\$ 1,835,859	\$ 1,835,859	\$ -	\$ 10,508,753	17.47%
As of June 30, 2019	\$ 1,849,063	\$ 1,849,063	\$ -	\$ 10,576,380	17.48%
As of June 30, 2018	\$ 1,826,860	\$ 1,826,860	\$ -	\$ 10,413,456	17.54%
As of June 30, 2017	\$ 1,733,503	\$ 1,733,503	\$ -	\$ 9,986,591	17.36%
As of June 30, 2016	\$ 1,742,920	\$ 1,742,920	\$ -	\$ 10,082,347	17.29%
As of June 30, 2015	\$ 1,785,144	\$ 1,785,144	\$ -	\$ 10,274,003	17.38%
As of June 30, 2014	\$ 1,720,949	\$ 1,720,949	\$ -	\$ 10,573,678	16.28%
<u>Contributory System</u>					
As of June 30, 2022	\$ 66,834	\$ 66,834	\$ -	\$ 462,197	14.46%
As of June 30, 2021	\$ 100,566	\$ 100,566	\$ -	\$ 695,479	14.46%
As of June 30, 2020	\$ 124,700	\$ 124,700	\$ -	\$ 862,379	14.46%
As of June 30, 2019	\$ 139,613	\$ 139,613	\$ -	\$ 965,512	14.46%
As of June 30, 2018	\$ 139,995	\$ 139,995	\$ -	\$ 968,153	14.46%
As of June 30, 2017	\$ 136,617	\$ 136,617	\$ -	\$ 944,788	14.46%
As of June 30, 2016	\$ 146,149	\$ 146,149	\$ -	\$ 1,010,709	14.46%
As of June 30, 2015	\$ 146,645	\$ 146,645	\$ -	\$ 1,014,143	14.46%
As of June 30, 2014	\$ 145,300	\$ 145,300	\$ -	\$ 1,094,124	13.28%
<u>Public Safety System</u>					
As of June 30, 2022	\$ 1,430,902	\$ 1,430,902	\$ -	\$ 3,793,021	37.72%
As of June 30, 2021	\$ 1,300,202	\$ 1,300,202	\$ -	\$ 3,450,026	37.69%
As of June 30, 2020	\$ 1,207,483	\$ 1,207,483	\$ -	\$ 3,173,176	38.05%
As of June 30, 2019	\$ 1,286,440	\$ 1,286,440	\$ -	\$ 3,324,661	38.69%
As of June 30, 2018	\$ 1,379,976	\$ 1,379,976	\$ -	\$ 3,609,633	38.23%
As of June 30, 2017	\$ 1,417,405	\$ 1,417,405	\$ -	\$ 3,768,298	37.61%
As of June 30, 2016	\$ 1,534,707	\$ 1,534,707	\$ -	\$ 4,080,078	37.61%
As of June 30, 2015	\$ 1,527,206	\$ 1,527,206	\$ -	\$ 4,050,464	37.70%
As of June 30, 2014	\$ 1,557,376	\$ 1,557,376	\$ -	\$ 4,247,643	36.66%
<u>Firefighters System</u>					
As of June 30, 2022	\$ 213,374	\$ 213,374	\$ -	\$ 3,259,624	6.55%
As of June 30, 2021	\$ 215,320	\$ 215,320	\$ -	\$ 3,240,242	6.65%
As of June 30, 2020	\$ 228,761	\$ 228,761	\$ -	\$ 3,179,830	7.19%
As of June 30, 2019	\$ 226,592	\$ 226,592	\$ -	\$ 3,129,730	7.24%
As of June 30, 2018	\$ 215,452	\$ 215,452	\$ -	\$ 3,200,968	6.73%
As of June 30, 2017	\$ 210,460	\$ 210,460	\$ -	\$ 3,160,058	6.66%
As of June 30, 2016	\$ 219,686	\$ 219,686	\$ -	\$ 3,249,791	6.76%
As of June 30, 2015	\$ 220,389	\$ 220,389	\$ -	\$ 3,344,592	6.59%
As of June 30, 2014	\$ 160,554	\$ 160,554	\$ -	\$ 3,601,273	4.46%
<u>Tier 2 Public Employees System *</u>					
As of June 30, 2022	\$ 923,464	\$ 923,464	\$ -	\$ 5,744,971	16.07%
As of June 30, 2021	\$ 699,664	\$ 699,664	\$ -	\$ 4,428,258	15.80%
As of June 30, 2020	\$ 580,300	\$ 580,300	\$ -	\$ 3,705,620	15.66%
As of June 30, 2019	\$ 519,001	\$ 519,001	\$ -	\$ 3,339,834	15.54%
As of June 30, 2018	\$ 479,329	\$ 479,329	\$ -	\$ 3,172,260	15.11%
As of June 30, 2017	\$ 402,025	\$ 402,025	\$ -	\$ 2,696,348	14.91%
As of June 30, 2016	\$ 300,882	\$ 300,882	\$ -	\$ 2,017,989	14.91%
As of June 30, 2015	\$ 185,143	\$ 185,143	\$ -	\$ 1,239,243	14.94%
As of June 30, 2014	\$ 113,677	\$ 113,677	\$ -	\$ 812,557	13.99%

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REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of Contributions Utah Retirement Systems (URS) Last Ten Fiscal Years ¹

System	Contractually Required Contribution	Contributions in relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll ²
Tier 2 Public Safety & Firefighters System *					
As of June 30, 2022	\$ 1,094,035	\$ 1,094,035	\$ -	\$ 4,544,860	24.07%
As of June 30, 2021	\$ 909,579	\$ 909,579	\$ -	\$ 3,747,569	24.27%
As of June 30, 2020	\$ 658,136	\$ 658,136	\$ -	\$ 3,056,839	21.53%
As of June 30, 2019	\$ 521,389	\$ 521,389	\$ -	\$ 2,434,086	21.42%
As of June 30, 2018	\$ 412,572	\$ 412,572	\$ -	\$ 2,002,958	20.60%
As of June 30, 2017	\$ 275,954	\$ 275,954	\$ -	\$ 1,415,167	19.50%
As of June 30, 2016	\$ 156,487	\$ 156,487	\$ -	\$ 867,683	18.04%
As of June 30, 2015	\$ 103,493	\$ 103,493	\$ -	\$ 585,142	17.69%
As of June 30, 2014	\$ 70,564	\$ 70,564	\$ -	\$ 366,223	19.27%
Tier 2 Public Employees DC Only System *					
As of June 30, 2022	\$ 103,706	\$ 103,706	\$ -	\$ 1,458,801	7.11%
As of June 30, 2021	\$ 84,258	\$ 84,258	\$ -	\$ 1,259,452	6.69%
As of June 30, 2020	\$ 65,955	\$ 65,955	\$ -	\$ 988,073	6.68%
As of June 30, 2019	\$ 51,752	\$ 51,752	\$ -	\$ 773,571	6.69%
As of June 30, 2018	\$ 42,785	\$ 42,785	\$ -	\$ 639,540	6.69%
As of June 30, 2017	\$ 31,690	\$ 31,690	\$ -	\$ 473,700	6.69%
As of June 30, 2016	\$ 27,955	\$ 27,955	\$ -	\$ 417,869	6.69%
As of June 30, 2015	\$ 20,253	\$ 20,253	\$ -	\$ 300,442	6.74%
As of June 30, 2014	\$ 9,492	\$ 9,492	\$ -	\$ 170,441	5.57%
Tier 2 Public Safety & Firefighter DC Only System *					
As of June 30, 2022	\$ 42,563	\$ 42,563	\$ -	\$ 325,101	13.09%
As of June 30, 2021	\$ 34,194	\$ 34,194	\$ -	\$ 239,719	14.26%
As of June 30, 2020	\$ 34,667	\$ 34,667	\$ -	\$ 317,640	10.91%
As of June 30, 2019	\$ 28,973	\$ 28,973	\$ -	\$ 309,371	9.37%
As of June 30, 2018	\$ 33,792	\$ 33,792	\$ -	\$ 307,332	11.00%
As of June 30, 2017	\$ 35,814	\$ 35,814	\$ -	\$ 272,236	13.16%
As of June 30, 2016	\$ 34,337	\$ 34,337	\$ -	\$ 260,874	13.16%
As of June 30, 2015	\$ 20,094	\$ 20,094	\$ -	\$ 137,956	14.57%
As of June 30, 2014	\$ -	\$ -	\$ -	\$ -	0.00%
Total - As of June 30, 2022	\$ 5,585,136	\$ 5,585,136	\$ -	\$ 29,157,589	19.15%
Total - As of June 30, 2021	\$ 5,120,633	\$ 5,120,633	\$ -	\$ 27,157,040	18.86%
Total - As of June 30, 2020	\$ 4,735,861	\$ 4,735,861	\$ -	\$ 25,792,310	18.36%
Total - As of June 30, 2019	\$ 4,622,823	\$ 4,622,823	\$ -	\$ 24,853,145	18.60%
Total - As of June 30, 2018	\$ 4,530,761	\$ 4,530,761	\$ -	\$ 24,314,300	18.63%
Total - As of June 30, 2017	\$ 4,243,468	\$ 4,243,468	\$ -	\$ 22,717,186	18.68%
Total - As of June 30, 2016	\$ 4,163,123	\$ 4,163,123	\$ -	\$ 21,987,340	18.93%
Total - As of June 30, 2015	\$ 4,008,367	\$ 4,008,367	\$ -	\$ 20,945,985	19.14%
Total - As of June 30, 2014	\$ 3,777,912	\$ 3,777,912	\$ -	\$ 20,865,939	18.11%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

¹ In accordance with GASB 68 (paragraph 81.b), the City will need to disclose a ten (10) year history in this schedule. However, this schedule will be populated prospectively.

² Contributions as a percentage of covered payroll may be different than the Board certified rate due to rounding or other administrative issues..

REQUIRED SUPPLEMENTARY INFORMATION

City of Orem Schedule of Changes in Total OPEB Liability & Related Ratios Last Ten Fiscal Years ¹

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total OPEB Liability					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Total OPEB Liability	1,178	5,892	4,716	2,700	1,600
Changes of Benefit Terms	-	-	-	-	-
Effect of Economic/Demographic Gains or Losses	-	-	8,233	-	28,597
Changes in Assumptions or Other Inputs	-	-	37,530	58	(27,684)
Expected Benefit Payments	(85,419)	(15,892)	(49,382)	(71,322)	(30,197)
Net Change in Total OPEB Liability	(84,241)	(10,000)	1,097	(68,564)	(27,684)
Total OPEB Liability - Beginning	\$ 250,771	\$ 166,530	\$ 156,530	\$ 157,627	\$ 89,063
Total OPEB Liability - Ending	\$ 166,530	\$ 156,530	\$ 157,627	\$ 89,063	\$ 61,379
 Covered-Employee Payroll	 N/A	 N/A	 N/A	 N/A	 N/A
Total OPEB Liability as a % of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A

¹ In accordance with GASB 75, the City will need to disclose a ten (10) year history in this schedule. However, this schedule will be populated prospectively.

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

Utah Retirement Systems Pensions

Accumulated Assets

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

Changes in Assumptions

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

Other Post Employment Benefits (OPEB)

Accumulated Assets

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Changes in Assumptions

The discount rate was changed to 2.06% (from 2.16%) since this is the discount rate that will be used to measure the Total OPEB Liability for purposes of GASB 75.

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OTHER STATEMENTS & SCHEDULES

Combining Financial Statements Nonmajor Governmental Funds

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities and equipment other than those financed by proprietary funds.

Capital Projects-Impact Fees Fund – This fund is used to account for the acquisition, construction, and/or improvement of major capital facilities of the City as part of funding provided by impact fees collected from developers.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

CARE Tax Fund – This fund is used to account for the preparation and implementation of plans to improve, rehabilitate and/or develop cultural arts and recreation facilities within the City.

Telecommunication Billing Fund – This fund is used to account for billing activities related to the Utopia Infrastructure Agency (UIA) contract utility enhancement agreements.

Transportation Sales Tax Fund – This fund is used to account for revenues and expenditures related to permissible transportation needs such as streets, sidewalks, curb and gutters, traffic safety features, traffic signs and signals, street lighting, and trails for non-motorized vehicles connecting an origin with a destination.

Redevelopment Fund – This fund is used to account for the preparation and implementation of plans to improve, rehabilitate and redevelop project areas within the City.

Community Development & Rehabilitation Fund – This fund is used to account for a variety of efforts to assist development. It is financed principally by federal entitlements from the U.S. Department of Housing and Urban Development, Community Development Block Grants. Grants and loans are made from this fund to assist housing rehabilitation, business development, and equipment and services that aid the indigent, handicapped, elderly, etc.

Orem Foundation Trust Fund – This fund is used to account for the financial transactions of the Orem Foundation Trust, an approved IRS Section 501(c)3 charitable organization. All funds received are used to support and enhance services and programs provided by the City.

Senior Citizens Fund – This fund is used to account for the financial transactions of those activities related to the Senior Citizen Friendship Center and its senior citizen patrons.

City of Orem
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Funds		Special Revenue Funds		
	Capital Projects - Impact Fees Fund	Total	CARE Tax Fund	Tele- Communication Billing Fund	Transportation Sales Tax Fund
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 45,480	\$ -
Accounts Receivable	-	-	-	-	-
Intergovernmental Receivables	-	-	-	-	-
Notes Receivable	-	-	-	-	-
Restricted Cash and Cash Equivalents:					
Capital Improvement Projects	3,177,007	3,177,007	1,611,068	-	2,262,049
Other Purposes	-	-	3,204,912	-	914,290
Restricted Receivables:					
Capital Improvement Projects	-	-	-	-	-
Other Purposes	-	-	557,931	205,696	502,761
Total Assets	\$ 3,177,007	\$ 3,177,007	\$ 5,373,911	\$ 251,176	\$ 3,679,100
LIABILITIES					
Accounts Payable	\$ 19,516	\$ 19,516	\$ 244,354	\$ 184,974	\$ -
Accrued Liabilities	-	-	-	-	408
Unearned Revenues	-	-	-	9,686	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	19,516	19,516	244,354	194,660	408
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues - Property Taxes	-	-	-	-	-
Deferred Revenues - Receivables	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Restricted:					
Parks, Recreation, & Arts	-	-	4,280,041	-	-
Fitness Center	-	-	384,450	-	-
Street Improvements	-	-	-	-	3,678,692
Capital Improvements	3,157,491	3,157,491	465,066	-	-
Redevelopment	-	-	-	-	-
Community Development	-	-	-	-	-
Assigned:					
Community Programs	-	-	-	-	-
Capital Improvements	-	-	-	56,516	-
Senior Citizen Programs	-	-	-	-	-
Total Fund Balances	3,157,491	3,157,491	5,129,557	56,516	3,678,692
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,177,007	\$ 3,177,007	\$ 5,373,911	\$ 251,176	\$ 3,679,100

Special Revenue Funds

Redevelopment Agency Fund	Community Development & Rehabilitation Fund	Orem Foundation Trust Fund	Senior Citizens Fund	Total	Total Nonmajor Governmental Funds
\$ -	\$ 78,089	\$ 6,900	\$ 308,203	\$ 438,672	\$ 438,672
4,250	-	-	-	4,250	4,250
-	141,948	-	-	141,948	141,948
-	217,859	-	-	217,859	217,859
5,335,557	-	-	-	9,208,674	12,385,681
-	359,174	-	-	4,478,376	4,478,376
1,350,000	-	-	-	1,350,000	1,350,000
-	91,272	-	-	1,357,660	1,357,660
<u>\$ 6,689,807</u>	<u>\$ 888,342</u>	<u>\$ 6,900</u>	<u>\$ 308,203</u>	<u>\$ 17,197,439</u>	<u>\$ 20,374,446</u>
\$ 9,329	\$ 35,089	\$ -	\$ 569	\$ 474,315	\$ 493,831
-	5,021	-	-	5,429	5,429
-	-	-	-	9,686	9,686
-	-	-	-	-	-
<u>9,329</u>	<u>40,110</u>	<u>-</u>	<u>569</u>	<u>489,430</u>	<u>508,946</u>
1,350,000	-	-	-	1,350,000	1,350,000
-	309,131	-	-	309,131	309,131
<u>1,350,000</u>	<u>309,131</u>	<u>-</u>	<u>-</u>	<u>1,659,131</u>	<u>1,659,131</u>
-	-	-	-	4,280,041	4,280,041
-	-	-	-	384,450	384,450
-	-	-	-	3,678,692	3,678,692
-	-	-	-	465,066	3,622,557
5,330,478	-	-	-	5,330,478	5,330,478
-	539,101	-	-	539,101	539,101
-	-	6,900	-	6,900	6,900
-	-	-	-	56,516	56,516
-	-	-	307,634	307,634	307,634
<u>5,330,478</u>	<u>539,101</u>	<u>6,900</u>	<u>307,634</u>	<u>15,048,878</u>	<u>18,206,369</u>
<u>\$ 6,689,807</u>	<u>\$ 888,342</u>	<u>\$ 6,900</u>	<u>\$ 308,203</u>	<u>\$ 17,197,439</u>	<u>\$ 20,374,446</u>

City of Orem
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2022

	Capital Projects Funds		Special Revenue Funds		
	Capital Projects - Impact Fees Fund	Total	CARE Tax Fund	Tele- Communication Billing Fund	Transportation Sales Tax Fund
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	3,152,289	-	2,861,927
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Impact Fees	1,630,100	1,630,100	-	-	-
Investment Earnings	12,254	12,254	15,725	18,801	13,651
Miscellaneous Revenues	-	-	-	1,628	-
Total Revenues	<u>1,642,354</u>	<u>1,642,354</u>	<u>3,168,014</u>	<u>20,429</u>	<u>2,875,578</u>
EXPENDITURES					
Current:					
Highways and Public Improvements	-	-	-	-	216,480
Parks, Recreation and Arts	-	-	1,049,371	-	-
Economic and Physical Development	27,280	27,280	-	15,445	-
Redevelopment	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	735,059	-	2,004,683
Total Expenditures	<u>27,280</u>	<u>27,280</u>	<u>1,784,430</u>	<u>15,445</u>	<u>2,221,163</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,615,074</u>	<u>1,615,074</u>	<u>1,383,584</u>	<u>4,984</u>	<u>654,415</u>
OTHER FINANCING SOURCES (USES)					
Investments - FMV Change	-	-	(24,825)	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	(36,750)	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>(61,575)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,615,074	1,615,074	1,322,009	4,984	654,415
Fund Balances - Beginning	<u>1,542,417</u>	<u>1,542,417</u>	<u>3,807,548</u>	<u>51,532</u>	<u>3,024,277</u>
Fund Balances - Ending	<u>\$ 3,157,491</u>	<u>\$ 3,157,491</u>	<u>\$ 5,129,557</u>	<u>\$ 56,516</u>	<u>\$ 3,678,692</u>

Special Revenue Funds					
Redevelopment Agency Fund	Community Development & Rehabilitation Fund	Orem Foundation Trust Fund	Senior Citizens Fund	Total	Total Nonmajor Governmental Funds
\$ 1,999,155	\$ -	\$ -	\$ -	\$ 1,999,155	\$ 1,999,155
-	-	-	-	6,014,216	6,014,216
-	797,336	-	-	797,336	797,336
-	80,023	-	39,836	119,859	119,859
-	-	-	-	-	1,630,100
28,079	429	-	1,691	78,376	90,630
13,200	-	282,842	2,705	300,375	300,375
<u>2,040,434</u>	<u>877,788</u>	<u>282,842</u>	<u>44,232</u>	<u>9,309,317</u>	<u>10,951,671</u>
-	-	-	-	216,480	216,480
-	-	-	33,657	1,083,028	1,083,028
-	506,038	-	-	521,483	548,763
1,229,620	-	-	-	1,229,620	1,229,620
-	115,000	-	-	115,000	115,000
-	11,398	-	-	11,398	11,398
4,745	87,501	-	-	2,831,988	2,831,988
<u>1,234,365</u>	<u>719,937</u>	<u>-</u>	<u>33,657</u>	<u>6,008,997</u>	<u>6,036,277</u>
<u>806,069</u>	<u>157,851</u>	<u>282,842</u>	<u>10,575</u>	<u>3,300,320</u>	<u>4,915,394</u>
(1,434)	(3,538)	-	-	(29,797)	(29,797)
(631,731)	(109,183)	(327,122)	(22,500)	(1,127,286)	(1,127,286)
<u>(633,165)</u>	<u>(112,721)</u>	<u>(327,122)</u>	<u>(22,500)</u>	<u>(1,157,083)</u>	<u>(1,157,083)</u>
172,904	45,130	(44,280)	(11,925)	2,143,237	3,758,311
<u>5,157,574</u>	<u>493,971</u>	<u>51,180</u>	<u>319,559</u>	<u>12,905,641</u>	<u>14,448,058</u>
<u>\$ 5,330,478</u>	<u>\$ 539,101</u>	<u>\$ 6,900</u>	<u>\$ 307,634</u>	<u>\$ 15,048,878</u>	<u>\$ 18,206,369</u>

**GOVERNMENTAL FUNDS
SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

**DEBT SERVICE FUNDS
DEBT SERVICE FUND**

**CAPITAL PROJECTS FUNDS
CAPITAL PROJECTS FUND
CAPITAL PROJECTS-IMPACT FEES FUND**

**SPECIAL REVENUE FUNDS
CARE TAX FUND
TELECOMMUNICATION BILLING FUND
TRANSPORTATION SALES TAX FUND
REDEVELOPMENT AGENCY FUND
COMMUNITY DEVELOPMENT & REHABILITATION FUND
OREM FOUNDATION TRUST FUND
SENIOR CITIZENS FUND**

City of Orem
Debt Service - Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	\$ 1,480,321	\$ 1,480,321	\$ 1,514,785	\$ 34,464
Investment Earnings	-	-	2,942	2,942
Total Revenues	<u>1,480,321</u>	<u>1,480,321</u>	<u>1,517,727</u>	<u>37,406</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	1,243,000	1,243,000	1,243,000	-
Interest and Fiscal Charges	4,655,098	4,655,098	4,654,996	102
Capital Lease Payments - Principal	455,000	455,000	455,000	-
Capital Lease Payments - Interest	99,044	99,044	99,043	1
Total Expenditures	<u>6,452,142</u>	<u>6,452,142</u>	<u>6,452,039</u>	<u>103</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(4,971,821)</u>	<u>(4,971,821)</u>	<u>(4,934,312)</u>	<u>37,509</u>
OTHER FINANCING SOURCES (USES)				
Investments - FMV Change	-	-	(2,905)	(2,905)
Transfers In	4,163,904	4,163,904	4,163,903	(1)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,163,904</u>	<u>4,163,904</u>	<u>4,160,998</u>	<u>(2,906)</u>
Net Change in Fund Balance	<u>(807,917)</u>	<u>(807,917)</u>	<u>(773,314)</u>	<u>34,603</u>
Fund Balance - Beginning	<u>1,960,402</u>	<u>1,960,402</u>	<u>1,960,402</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,152,485</u>	<u>\$ 1,152,485</u>	<u>\$ 1,187,088</u>	<u>\$ 34,603</u>

City of Orem
Capital Projects - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 283,566	\$ 51,533	\$ (232,033)
Miscellaneous Revenues	275,000	325,000	624,329	299,329
Total Revenues	275,000	608,566	675,862	67,296
EXPENDITURES				
Current:				
Economic and Physical Development	15,000	907,581	192,649	714,932
Capital Outlay	460,000	25,073,297	1,268,768	23,804,529
Total Expenditures	475,000	25,980,878	1,461,417	24,519,461
Excess (Deficiency) of Revenues over (under) Expenditures	(200,000)	(25,372,312)	(785,555)	24,586,757
OTHER FINANCING SOURCES (USES)				
Transfers In	200,000	5,975,000	5,975,000	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	200,000	5,975,000	5,975,000	-
Net Change in Fund Balance	-	(19,397,312)	5,189,445	24,586,757
Fund Balance - Beginning	19,806,641	19,806,641	19,806,641	-
Fund Balance - Ending	\$ 19,806,641	\$ 409,329	\$ 24,996,086	\$ 24,586,757

City of Orem
Capital Projects-Impact Fees - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Impact Fees	\$ 1,025,000	\$ 1,025,000	\$ 1,630,100	605,100
Investment Earnings	-	-	12,254	12,254
Total Revenues	1,025,000	1,025,000	1,642,354	617,354
EXPENDITURES				
Current:				
Economic and Physical Development	-	30,040	27,280	2,760
Capital Outlay	1,025,000	1,387,438	-	1,387,438
Total Expenditures	1,025,000	1,417,478	27,280	1,390,198
Excess (Deficiency) of Revenues over (under) Expenditures	-	(392,478)	1,615,074	2,007,552
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(392,478)	1,615,074	2,007,552
Fund Balance - Beginning	1,542,417	1,542,417	1,542,417	-
Fund Balance - Ending	\$ 1,542,417	\$ 1,149,939	\$ 3,157,491	\$ 2,007,552

City of Orem
CARE Tax - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Sales Taxes	\$ 2,400,000	\$ 2,400,000	\$ 3,152,289	\$ 752,289
Investment Earnings	20,000	20,000	15,725	(4,275)
Total Revenues	<u>2,420,000</u>	<u>2,420,000</u>	<u>3,168,014</u>	<u>748,014</u>
EXPENDITURES				
Current:				
Arts and Recreation Development	2,585,500	3,044,971	1,049,371	1,995,600
Capital Outlay	-	735,059	735,059	-
Total Expenditures	<u>2,585,500</u>	<u>3,780,030</u>	<u>1,784,430</u>	<u>1,995,600</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(165,500)</u>	<u>(1,360,030)</u>	<u>1,383,584</u>	<u>2,743,614</u>
OTHER FINANCING SOURCES (USES)				
Investments - FMV Change	-	-	(24,825)	(24,825)
Transfers In	-	-	-	-
Transfers Out	<u>(34,500)</u>	<u>(36,750)</u>	<u>(36,750)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(34,500)</u>	<u>(36,750)</u>	<u>(61,575)</u>	<u>(24,825)</u>
Net Change in Fund Balance	(200,000)	(1,396,780)	1,322,009	2,718,789
Fund Balance - Beginning	<u>3,807,548</u>	<u>3,807,548</u>	<u>3,807,548</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,607,548</u>	<u>\$ 2,410,768</u>	<u>\$ 5,129,557</u>	<u>\$ 2,718,789</u>

City of Orem
Telecommunication Billing Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ 38,000	\$ 38,000	\$ 18,801	\$ (19,199)
Miscellaneous Revenues	2,000	2,000	1,628	(372)
Total Revenues	40,000	40,000	20,429	(19,571)
EXPENDITURES				
Current:				
Miscellaneous Expenditures	40,000	40,000	15,445	24,555
Total Expenditures	40,000	40,000	15,445	24,555
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	4,984	4,984
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	4,984	4,984
Fund Balance - Beginning	51,532	51,532	51,532	-
Fund Balance - Ending	\$ 51,532	\$ 51,532	\$ 56,516	\$ 4,984

City of Orem
Transportation Sales Tax - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Sales Taxes	\$ 2,300,000	\$ 2,300,000	\$ 2,861,927	\$ 561,927
Investment Earnings	7,000	7,000	13,651	6,651
Total Revenues	<u>2,307,000</u>	<u>2,307,000</u>	<u>2,875,578</u>	<u>568,578</u>
EXPENDITURES				
Current:				
Highways & Public Improvements	288,811	292,811	216,480	76,331
Capital Outlay	2,018,189	4,267,111	2,004,683	2,262,428
Total Expenditures	<u>2,307,000</u>	<u>4,559,922</u>	<u>2,221,163</u>	<u>2,338,759</u>
Excess (Deficiency) of Revenues over (under) Expenditures	-	(2,252,922)	654,415	2,907,337
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(2,252,922)	654,415	2,907,337
Fund Balance - Beginning	<u>3,024,277</u>	<u>3,024,277</u>	<u>3,024,277</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,024,277</u>	<u>\$ 771,355</u>	<u>\$ 3,678,692</u>	<u>\$ 2,907,337</u>

City of Orem
Redevelopment Agency - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	\$ 1,100,000	\$ 1,106,659	\$ 1,250,813	\$ 144,154
Property Taxes - Tax Increment	455,000	448,341	748,342	300,001
Investment Earnings	-	-	28,079	28,079
Miscellaneous Revenues	-	-	13,200	13,200
Total Revenues	<u>1,555,000</u>	<u>1,555,000</u>	<u>2,040,434</u>	<u>485,434</u>
EXPENDITURES				
Current:				
Redevelopment	1,045,000	1,265,019	1,229,620	35,399
Capital Outlay	-	4,630,024	4,745	4,625,279
Total Expenditures	<u>1,045,000</u>	<u>5,895,043</u>	<u>1,234,365</u>	<u>4,660,678</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>510,000</u>	<u>(4,340,043)</u>	<u>806,069</u>	<u>5,146,112</u>
OTHER FINANCING SOURCES (USES)				
Investments - FMV Change	-	-	(1,434)	(1,434)
Transfers In	-	-	-	-
Transfers Out	(624,523)	(631,731)	(631,731)	-
Total Other Financing Sources (Uses)	<u>(624,523)</u>	<u>(631,731)</u>	<u>(633,165)</u>	<u>(1,434)</u>
Net Change in Fund Balance	(114,523)	(4,971,774)	172,904	5,144,678
Fund Balance - Beginning	<u>5,157,574</u>	<u>5,157,574</u>	<u>5,157,574</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,043,051</u>	<u>\$ 185,800</u>	<u>\$ 5,330,478</u>	<u>\$ 5,144,678</u>

City of Orem
Community Development and Rehabilitation - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 732,000	\$ 1,029,211	\$ 797,336	\$ (231,875)
Charges for Services	165,000	165,000	80,023	(84,977)
Investment Earnings	500	500	429	(71)
Total Revenues	<u>897,500</u>	<u>1,194,711</u>	<u>877,788</u>	<u>(316,923)</u>
EXPENDITURES				
Current:				
Economic and Physical Development	429,556	954,470	506,038	448,432
Capital Outlay	200,000	423,601	87,501	336,100
Debt Service:				
Principal Retirement	80,000	80,000	115,000	(35,000)
Interest and Fiscal Charges	10,953	11,403	11,398	5
Total Expenditures	<u>720,509</u>	<u>1,469,474</u>	<u>719,937</u>	<u>749,537</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>176,991</u>	<u>(274,763)</u>	<u>157,851</u>	<u>432,614</u>
OTHER FINANCING SOURCES (USES)				
Investments - FMV Change	-	-	(3,538)	(3,538)
Transfers In	-	-	-	-
Transfers Out	(176,991)	(180,049)	(109,183)	70,866
Total Other Financing Sources (Uses)	<u>(176,991)</u>	<u>(180,049)</u>	<u>(112,721)</u>	<u>67,328</u>
Net Change in Fund Balance	-	(454,812)	45,130	499,942
Fund Balance - Beginning	<u>493,971</u>	<u>493,971</u>	<u>493,971</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 493,971</u>	<u>\$ 39,159</u>	<u>\$ 539,101</u>	<u>\$ 499,942</u>

City of Orem
Orem Foundation Trust - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous Revenues	\$ 267,000	\$ 275,942	\$ 282,842	\$ 6,900
Total Revenues	267,000	275,942	282,842	6,900
EXPENDITURES				
Current:				
City Programs	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	267,000	275,942	282,842	6,900
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(267,000)	(327,122)	(327,122)	-
Total Other Financing Sources (Uses)	(267,000)	(327,122)	(327,122)	-
Net Change in Fund Balance	-	(51,180)	(44,280)	6,900
Fund Balance - Beginning	51,180	51,180	51,180	-
Fund Balance - Ending	\$ 51,180	\$ -	\$ 6,900	\$ 6,900

City of Orem
Senior Citizens - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 16,400	\$ 16,400	\$ 39,836	\$ 23,436
Investment Earnings	750	750	1,691	941
Miscellaneous Revenues	20,850	20,850	2,705	(18,145)
Total Revenues	38,000	38,000	44,232	6,232
EXPENDITURES				
Current:				
Tours	12,450	20,290	20,286	4
Miscellaneous Expenditures	25,550	17,710	13,371	4,339
Total Expenditures	38,000	38,000	33,657	4,343
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	10,575	10,575
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(22,500)	(22,500)	-
Total Other Financing Sources (Uses)	-	(22,500)	(22,500)	-
Net Change in Fund Balance	-	(22,500)	(11,925)	10,575
Fund Balance - Beginning	319,559	319,559	319,559	-
Fund Balance - Ending	\$ 319,559	\$ 297,059	\$ 307,634	\$ 10,575

Combining Financial Statements Nonmajor Proprietary Funds

Recreation Fund – This fund is to account for the services provided by the City's Fitness Center. The Fitness Center complex includes an indoor swimming pool, indoor track, basketball court, handball courts, racquetball courts, an outdoor swimming pool/water park (Scera Park), and other facilities. A variety of classes and open play are made available to residents and non-residents on a fee basis.

Solid Waste Fund – This fund is to account for the collection of residential garbage within the City. Residential garbage collection services are provided by a private contractor through a contract with the City. Businesses and commercial concerns within the City are not serviced, but may contract with private firms for these same services.

Street Lighting Fund – This fund is to account for providing the residents and businesses of the City with a new street lighting system. Lease Revenue Bonds were issued to cover the purchase and installation of the system. Payment and costs of these bonds are not accounted for here, but are in the Debt Service Fund.

City of Orem
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2022

	Recreation Fund Current Year	Recreation Fund Prior Year	Solid Waste Fund Current Year	Solid Waste Fund Prior Year
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,632,908	\$ 1,283,235	\$ 1,216,327	\$ 922,337
Accounts Receivable (Net of Allowance for Doubtful Accounts)	1,859	33,378	498,691	477,449
Total Current Assets	<u>1,634,767</u>	<u>1,316,613</u>	<u>1,715,018</u>	<u>1,399,786</u>
Noncurrent Assets:				
Capital Assets:				
Land	39,822	39,822	-	-
Buildings and Systems	1,509,500	1,509,500	-	-
Improvements other than Buildings	399,238	399,238	-	-
Machinery and Equipment	5,780	5,780	-	-
Infrastructure	-	-	-	-
Construction in Progress	-	-	-	-
Less Accumulated Depreciation	(1,750,774)	(1,730,432)	-	-
Total Capital Assets (Net of Accumulated Depreciation)	<u>203,566</u>	<u>223,908</u>	<u>-</u>	<u>-</u>
Net Pension Assets	<u>767</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>204,333</u>	<u>223,908</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,839,100</u>	<u>1,540,521</u>	<u>1,715,018</u>	<u>1,399,786</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	275	34,320	-	-
Total Deferred Outflows of Resources	<u>275</u>	<u>34,320</u>	<u>-</u>	<u>-</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 1,839,375</u>	<u>\$ 1,574,841</u>	<u>\$ 1,715,018</u>	<u>\$ 1,399,786</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 67,721	\$ 57,852	\$ 313,403	\$ 311,783
Accrued Liabilities	57,863	143,771	-	-
Accrued Vacation Leave	6,347	36,349	-	-
Unearned Revenues	935,873	933,909	-	-
Total Current Liabilities	<u>1,067,804</u>	<u>1,171,881</u>	<u>313,403</u>	<u>311,783</u>
Noncurrent Liabilities:				
Accrued Vacation Leave	334	1,913	-	-
Net Pension Liability	-	16,621	-	-
Total Noncurrent Liabilities	<u>334</u>	<u>18,534</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,068,138</u>	<u>1,190,415</u>	<u>313,403</u>	<u>311,783</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	820	37,474	-	-
Total Deferred Inflows of Resources	<u>820</u>	<u>37,474</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	203,566	223,908	-	-
Restricted for Pensions	767	-	-	-
Unrestricted	566,084	123,044	1,401,615	1,088,003
Total Net Position	<u>770,417</u>	<u>346,952</u>	<u>1,401,615</u>	<u>1,088,003</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 1,839,375</u>	<u>\$ 1,574,841</u>	<u>\$ 1,715,018</u>	<u>\$ 1,399,786</u>

Street Lighting Fund Current Year	Street Lighting Fund Prior Year	Total Nonmajor Proprietary Funds Current Year	Total Nonmajor Proprietary Funds Prior Year
\$ 1,727,584	\$ 2,439,178	\$ 4,576,819	\$ 4,644,750
92,087	87,278	592,637	598,105
<u>1,819,671</u>	<u>2,526,456</u>	<u>5,169,456</u>	<u>5,242,855</u>
-	-	39,822	39,822
-	-	1,509,500	1,509,500
-	-	399,238	399,238
140,347	140,347	146,127	146,127
3,958,579	2,967,393	3,958,579	2,967,393
-	10,291	-	10,291
<u>(832,308)</u>	<u>(722,260)</u>	<u>(2,583,082)</u>	<u>(2,452,692)</u>
3,266,618	2,395,771	3,470,184	2,619,679
262	-	1,029	-
<u>3,266,880</u>	<u>2,395,771</u>	<u>3,471,213</u>	<u>2,619,679</u>
<u>5,086,551</u>	<u>4,922,227</u>	<u>8,640,669</u>	<u>7,862,534</u>
95	7,113	370	41,433
<u>95</u>	<u>7,113</u>	<u>370</u>	<u>41,433</u>
<u>\$ 5,086,646</u>	<u>\$ 4,929,340</u>	<u>\$ 8,641,039</u>	<u>\$ 7,903,967</u>
\$ 11,069	\$ 10,384	\$ 392,193	\$ 380,019
3,303	11,055	61,166	154,826
3,005	12,541	9,352	48,890
-	-	935,873	933,909
<u>17,377</u>	<u>33,980</u>	<u>1,398,584</u>	<u>1,517,644</u>
158	660	492	2,573
-	3,444	-	20,065
<u>158</u>	<u>4,104</u>	<u>492</u>	<u>22,638</u>
<u>17,535</u>	<u>38,084</u>	<u>1,399,076</u>	<u>1,540,282</u>
280	7,767	1,100	45,241
<u>280</u>	<u>7,767</u>	<u>1,100</u>	<u>45,241</u>
3,266,618	2,395,771	3,470,184	2,619,679
262	-	1,029	-
<u>1,801,951</u>	<u>2,487,718</u>	<u>3,769,650</u>	<u>3,698,765</u>
<u>5,068,831</u>	<u>4,883,489</u>	<u>7,240,863</u>	<u>6,318,444</u>
<u>\$ 5,086,646</u>	<u>\$ 4,929,340</u>	<u>\$ 8,641,039</u>	<u>\$ 7,903,967</u>

City of Orem
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For The Year Ended June 30, 2022

	Recreation Fund Current Year	Recreation Fund Prior Year	Solid Waste Fund Current Year
OPERATING REVENUES			
Charges for Services	\$ 3,141,867	\$ 1,159,477	\$ 4,604,688
Other Revenues	977	254	19,606
Total Operating Revenues	<u>3,142,844</u>	<u>1,159,731</u>	<u>4,624,294</u>
OPERATING EXPENSES			
Personnel Services	1,613,225	1,158,454	-
Supplies and Maintenance	541,130	483,762	151,385
Administrative Fee	21,665	21,333	235,040
Utilities	444,406	333,020	-
Contract Services	42,076	23,495	3,771,159
Equipment Lease and Rentals	-	-	-
Insurance	24,461	24,664	-
Depreciation	20,342	109,874	-
Miscellaneous	18,438	6,480	84,019
Total Operating Expenses	<u>2,725,743</u>	<u>2,161,082</u>	<u>4,241,603</u>
Operating Income (Loss)	<u>417,101</u>	<u>(1,001,351)</u>	<u>382,691</u>
NONOPERATING REVENUES AND EXPENSES			
Investment Earnings	6,106	3,116	4,503
Gain (Loss) on Sale of Capital Assets	5,712	(149,992)	-
Total Nonoperating Revenues & Expenses	<u>11,818</u>	<u>(146,876)</u>	<u>4,503</u>
Income (Loss) before Transfers	<u>428,919</u>	<u>(1,148,227)</u>	<u>387,194</u>
Transfers In	67,000	400,416	-
Transfers Out	(72,454)	(80,303)	(73,582)
Change in Net Position	<u>423,465</u>	<u>(828,114)</u>	<u>313,612</u>
Total Net Position - Beginning	<u>346,952</u>	<u>1,175,066</u>	<u>1,088,003</u>
Total Net Position - Ending	<u>\$ 770,417</u>	<u>\$ 346,952</u>	<u>\$ 1,401,615</u>

Solid Waste Fund Prior Year	Street Lighting Fund Current Year	Street Lighting Fund Prior Year	Total Nonmajor Proprietary Funds Current Year	Total Nonmajor Proprietary Funds Prior Year
\$ 4,361,147	\$ 938,886	\$ 897,338	\$ 8,685,441	\$ 6,417,962
9,612	130,114	158,319	150,697	168,185
<u>4,370,759</u>	<u>1,069,000</u>	<u>1,055,657</u>	<u>8,836,138</u>	<u>6,586,147</u>
-	151,521	156,518	1,764,746	1,314,972
159,366	79,204	25,707	771,719	668,835
225,482	72,424	68,242	329,129	315,057
-	97,336	125,682	541,742	458,702
3,765,926	9,593	-	3,822,828	3,789,421
-	-	399	-	399
-	571	568	25,032	25,232
-	110,048	91,106	130,390	200,980
76,618	1,791	1,103	104,248	84,201
<u>4,227,392</u>	<u>522,488</u>	<u>469,325</u>	<u>7,489,834</u>	<u>6,857,799</u>
<u>143,367</u>	<u>546,512</u>	<u>586,332</u>	<u>1,346,304</u>	<u>(271,652)</u>
2,862	9,108	11,108	19,717	17,086
-	-	4,655	5,712	(145,337)
<u>2,862</u>	<u>9,108</u>	<u>15,763</u>	<u>25,429</u>	<u>(128,251)</u>
<u>146,229</u>	<u>555,620</u>	<u>602,095</u>	<u>1,371,733</u>	<u>(399,903)</u>
-	-	-	67,000	400,416
<u>(106,354)</u>	<u>(370,278)</u>	<u>(370,880)</u>	<u>(516,314)</u>	<u>(557,537)</u>
39,875	185,342	231,215	922,419	(557,024)
<u>1,048,128</u>	<u>4,883,489</u>	<u>4,652,274</u>	<u>6,318,444</u>	<u>6,875,468</u>
<u>\$ 1,088,003</u>	<u>\$ 5,068,831</u>	<u>\$ 4,883,489</u>	<u>\$ 7,240,863</u>	<u>\$ 6,318,444</u>

City of Orem
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For The Year Ended June 30, 2022

	Recreation Fund Current Year	Recreation Fund Prior Year	Solid Waste Fund Current Year	Solid Waste Fund Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 3,176,327	\$ 1,973,066	\$ 4,603,052	\$ 4,350,314
Payments to Suppliers	(1,061,888)	(830,013)	(4,004,943)	(4,001,487)
Payments for Personnel	(1,749,465)	(1,151,663)	-	-
Payments for Interfund Services Used	(21,665)	(21,333)	(235,040)	(225,482)
Net Cash Provided (Used) by Operating Activities	343,309	(29,943)	363,069	123,345
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	67,000	400,416	-	-
Transfers Out	(72,454)	(80,303)	(73,582)	(106,354)
Net Cash Provided (Used) by Noncapital Activities	(5,454)	320,113	(73,582)	(106,354)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	-	-	-	-
Proceeds from Sales of Capital Assets	5,712	1,777	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	5,712	1,777	-	-
CASH FLOW FROM INVESTING ACTIVITIES				
Investment Earnings	6,106	3,116	4,503	2,862
Net Cash Provided (Used) by Investing Activities	6,106	3,116	4,503	2,862
Net Increase (Decrease) in Cash and Cash Equivalents	349,673	295,063	293,990	19,853
Cash and Cash Equivalents - Beginning of Year	1,283,235	988,172	922,337	902,484
Cash and Cash Equivalents - End of Year	<u>\$ 1,632,908</u>	<u>\$ 1,283,235</u>	<u>\$ 1,216,327</u>	<u>\$ 922,337</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 417,101	\$ (1,001,351)	\$ 382,691	\$ 143,367
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	\$ 20,342	\$ 109,874	\$ -	\$ -
(Increase) Decrease in Receivables	31,519	(32,878)	(21,242)	(20,445)
(Increase) Decrease in Prepaids	-	-	-	-
(Increase) Decrease in Pension Assets	33,278	49,780	-	-
Increase (Decrease) in Accounts Payable	9,869	29,092	1,620	423
Increase (Decrease) in Accrued Liabilities	(85,908)	79,097	-	-
Increase (Decrease) in Unearned Revenue	1,964	846,213	-	-
Increase (Decrease) in Accrued Vacation Leave	(31,581)	6,424	-	-
Increase (Decrease) in Pension Liabilities	(53,275)	(116,194)	-	-
Total Adjustments	(73,792)	971,408	(19,622)	(20,022)
Net Cash Provided (Used) by Operating Activities	<u>\$ 343,309</u>	<u>\$ (29,943)</u>	<u>\$ 363,069</u>	<u>\$ 123,345</u>

Street Lighting Fund Current Year	Street Lighting Fund Prior Year	Total Nonmajor Proprietary Funds Current Year	Total Nonmajor Proprietary Funds Prior Year
\$ 1,064,191 (187,810) (173,486) (72,424)	\$ 1,053,912 (144,339) (167,249) (68,242)	\$ 8,843,570 (5,254,641) (1,922,951) (329,129)	\$ 7,377,292 (4,975,839) (1,318,912) (315,057)
630,471	674,082	1,336,849	767,484
- (370,278)	- (370,880)	67,000 (516,314)	400,416 (557,537)
(370,278)	(370,880)	(449,314)	(157,121)
(980,895) -	(71,134) 4,655	(980,895) 5,712	(71,134) 6,432
(980,895)	(66,479)	(975,183)	(64,702)
9,108	11,108	19,717	17,086
9,108	11,108	19,717	17,086
(711,594)	247,831	(67,931)	562,747
2,439,178	2,191,347	4,644,750	4,082,003
\$ 1,727,584	\$ 2,439,178	\$ 4,576,819	\$ 4,644,750
\$ 546,512	\$ 586,332	1,346,304	(271,652)
\$ 110,048 (4,809) - 6,756 685 (7,752) - (10,038) (10,931) 83,959	\$ 91,106 (1,745) - 10,738 9,120 3,538 - (74) (24,933) 87,750	130,390 5,468 - 40,034 12,174 (93,660) 1,964 (41,619) (64,206) (9,455)	200,980 (55,068) - 60,518 38,635 82,635 846,213 6,350 (141,127) 1,039,136
\$ 630,471	\$ 674,082	\$ 1,336,849	\$ 767,484

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Fleet Maintenance Fund – This fund accounts for the repair and maintenance of vehicles and equipment for all City operations. It is financed by charges made to other funds for use of its services. Supplies and materials are charged at cost to the specific fund. Personnel, administration and overhead costs are charged on an estimated basis established at the beginning of each fiscal year.

Purchasing/Warehousing Fund – This fund accounts for the central purchasing and warehousing functions for the City. It provides the service to all governmental and proprietary funds. It is financed by charges made to the other funds. Funds are charged for supplies and materials at cost. Personnel, administrative and overhead costs are charged on an estimated allocation basis established at the beginning of each fiscal year.

Self-Insurance Fund – This fund accounts for the costs of insurance premiums and claims made against the City. Monies are accumulated in this fund to pay premiums for liability and property damage insurance and other claims. The City participates in the Utah Risk Management Mutual Association for its liability and property damage insurance. Insurance for large vehicles and equipment is purchased from private insurers. The fund also accounts for the insurance benefits of employees (i.e., state unemployment insurance, workers compensation insurance). The fund is financed by allocated charges made to the other funds for liability and property damage insurance. Charges for employee insurance benefits are made directly to each fund as a part of the payroll system. See footnote 5.A. for additional information regarding this fund.

Information Technology Fund – This fund accounts for the technological needs of the City including, but not limited to, computers, servers, networks, telephone systems, cell phone services, software, internet services, and all maintenance needs related thereto. It provides these services to all governmental and proprietary funds. It is financed by charges made to the other funds. Funds are charged for supplies and materials at cost. Personnel, administrative and overhead costs are charged on an estimated allocation basis established at the beginning of each fiscal year.

Facilities Maintenance Fund – This fund accounts for the repair and maintenance of all city facilities. It is financed by charges made to other funds for use of its services. Supplies and materials are charged at cost to the specific fund. Personnel, administrative and overhead costs are charged on an estimated allocation basis established at the beginning of each fiscal year.

City of Orem
Internal Service Funds
Combining Statement of Net Position
June 30, 2022

	Fleet Maintenance	Purchasing / Warehousing	Self- Insurance	Information Technology	Facilities Maintenance	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 466,898	\$ 71,371	\$ 2,944,693	\$ 1,440,483	\$ -	\$ 4,923,445
Inventories	-	402,448	-	-	-	402,448
Prepays	-	-	8,750	21,909	-	30,659
Total Current Assets	<u>466,898</u>	<u>473,819</u>	<u>2,953,443</u>	<u>1,462,392</u>	<u>-</u>	<u>5,356,552</u>
Noncurrent Assets:						
Capital Assets:						
Buildings	-	150,000	-	-	-	150,000
Improvements other than Buildings	-	-	-	-	53,413	53,413
Machinery and Equipment	196,584	39,442	-	339,820	103,889	679,735
Intangibles	-	-	-	88,548	-	88,548
Less Accumulated Depreciation	(175,499)	(117,531)	-	(147,273)	(32,781)	(473,084)
Total Capital Assets (Net of Accumulated Depreciation)	<u>21,085</u>	<u>71,911</u>	<u>-</u>	<u>281,095</u>	<u>124,521</u>	<u>498,612</u>
Net Pension Assets	<u>109,049</u>	<u>22,821</u>	<u>50,826</u>	<u>1,241,543</u>	<u>127,466</u>	<u>1,551,705</u>
Total Noncurrent Assets	<u>130,134</u>	<u>94,732</u>	<u>50,826</u>	<u>1,522,638</u>	<u>251,987</u>	<u>2,050,317</u>
Total Assets	<u>597,032</u>	<u>568,551</u>	<u>3,004,269</u>	<u>2,985,030</u>	<u>251,987</u>	<u>7,406,869</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	<u>38,981</u>	<u>8,158</u>	<u>18,167</u>	<u>443,808</u>	<u>45,565</u>	<u>554,679</u>
Total Deferred Outflows of Resources	<u>38,981</u>	<u>8,158</u>	<u>18,167</u>	<u>443,808</u>	<u>45,565</u>	<u>554,679</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 636,013</u>	<u>\$ 576,709</u>	<u>\$ 3,022,436</u>	<u>\$ 3,428,838</u>	<u>\$ 297,552</u>	<u>\$ 7,961,548</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 947	\$ 262	\$ 3,420	\$ 35,249	\$ 16,035	\$ 55,913
Accrued Liabilities	6,852	4,726	1,979	21,430	18,930	53,917
Due to Other Funds	-	-	-	-	152,778	152,778
Accrued Vacation Leave	39,716	14,206	7,944	79,074	17,928	158,868
Claims and Judgments	-	-	575,802	-	-	575,802
Lease Payable - Current	1,100	-	-	-	-	1,100
Total Current Liabilities	<u>48,615</u>	<u>19,194</u>	<u>589,145</u>	<u>135,753</u>	<u>205,671</u>	<u>998,378</u>
Noncurrent Liabilities:						
Accrued Vacation Leave	2,090	747	418	4,161	944	8,360
Claims and Judgments	-	-	1,589,663	-	-	1,589,663
Lease Payable - Long-term	20,084	-	-	-	-	20,084
Total Noncurrent Liabilities	<u>22,174</u>	<u>747</u>	<u>1,590,081</u>	<u>4,161</u>	<u>944</u>	<u>1,618,107</u>
Total Liabilities	<u>70,789</u>	<u>19,941</u>	<u>2,179,226</u>	<u>139,914</u>	<u>206,615</u>	<u>2,616,485</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	<u>116,564</u>	<u>24,394</u>	<u>54,328</u>	<u>1,327,105</u>	<u>136,251</u>	<u>1,658,642</u>
Total Deferred Inflows of Resources	<u>116,564</u>	<u>24,394</u>	<u>54,328</u>	<u>1,327,105</u>	<u>136,251</u>	<u>1,658,642</u>
NET POSITION						
Net Investment in Capital Assets	(99)	71,911	-	281,095	124,521	477,428
Restricted for Pensions	109,049	22,821	50,826	1,241,543	127,466	1,551,705
Unrestricted	339,710	437,642	738,056	439,181	(297,301)	1,657,288
Total Net Position	<u>448,660</u>	<u>532,374</u>	<u>788,882</u>	<u>1,961,819</u>	<u>(45,314)</u>	<u>3,686,421</u>
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 636,013</u>	<u>\$ 576,709</u>	<u>\$ 3,022,436</u>	<u>\$ 3,428,838</u>	<u>\$ 297,552</u>	<u>\$ 7,961,548</u>

City of Orem
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended June 30, 2022

	Fleet Maintenance	Purchasing / Warehousing	Self- Insurance	Information Technology	Facilities Maintenance	Total
OPERATING REVENUES:						
Charges for Services to Other Funds	\$ 850,000	\$ 380,000	\$ 2,147,719	\$ 2,442,000	\$ 1,700,000	\$ 7,519,719
Other Revenues	-	-	-	7,458	-	7,458
Total Operating Revenues	<u>850,000</u>	<u>380,000</u>	<u>2,147,719</u>	<u>2,449,458</u>	<u>1,700,000</u>	<u>7,527,177</u>
OPERATING EXPENSES:						
Personnel Services	484,588	233,510	103,221	1,189,392	982,572	2,993,283
Supplies, Maintenance and Claims	238,637	101,692	3,074,812	850,975	444,843	4,710,959
Utilities	-	-	-	-	448,272	448,272
Equipment Lease & Rentals	-	-	-	10,876	-	10,876
Depreciation Expense	9,666	6,704	-	48,592	11,969	76,931
Total Operating Expenses	<u>732,891</u>	<u>341,906</u>	<u>3,178,033</u>	<u>2,099,835</u>	<u>1,887,656</u>	<u>8,240,321</u>
Operating Income (Loss)	<u>117,109</u>	<u>38,094</u>	<u>(1,030,314)</u>	<u>349,623</u>	<u>(187,656)</u>	<u>(713,144)</u>
NONOPERATING REVENUES (EXPENSES):						
Gain (Loss) on Sales of Fixed Assets	-	-	-	972	-	972
Interest Expense and Fiscal Charges	-	-	-	(30)	-	(30)
Total Nonoperating Revenues (Expenses)	-	-	-	942	-	942
Income (Loss) before Operating Transfers	117,109	38,094	(1,030,314)	350,565	(187,656)	(712,202)
Transfers In	-	-	-	-	-	-
Transfers Out	<u>(77,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,192)</u>
Change in Net Position	39,917	38,094	(1,030,314)	350,565	(187,656)	(789,394)
Total Net Position - Beginning	<u>408,743</u>	<u>494,280</u>	<u>1,819,196</u>	<u>1,611,254</u>	<u>142,342</u>	<u>4,475,815</u>
Total Net Position - Ending	<u>\$ 448,660</u>	<u>\$ 532,374</u>	<u>\$ 788,882</u>	<u>\$ 1,961,819</u>	<u>\$ (45,314)</u>	<u>\$ 3,686,421</u>

City of Orem
Internal Service Funds
Combining Statement of Cash Flows
For The Year Ended June 30, 2022

	Fleet Maintenance	Purchasing / Warehousing	Self- Insurance	Information Technology	Facilities Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Interfund Services Provided	\$ 850,000	\$ 380,000	\$ 2,147,719	\$ 2,449,458	\$ 1,700,000	\$ 7,527,177
Payments to Suppliers	(260,974)	(171,076)	(1,842,770)	(833,530)	(819,568)	(3,927,918)
Payments for Personnel	(539,466)	(235,398)	(123,396)	(1,511,267)	(1,033,329)	(3,442,856)
Net Cash Provided (Used) by Operating Activities	49,560	(26,474)	181,553	104,661	(152,897)	156,403
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers In	-	-	-	-	-	-
Transfers Out	(77,192)	-	-	-	-	(77,192)
Net Cash Provided (Used) by Noncapital Financing Activities	(77,192)	-	-	-	-	(77,192)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:						
Acquisition of Capital Assets	-	-	-	(8,847)	(69,086)	(77,933)
Proceeds from the Sale of Capital Assets	-	-	-	972	-	972
Principal paid on Outstanding Debt	(980)	-	-	(6,143)	-	(7,123)
Interest paid on Outstanding Debt	-	-	-	(30)	-	(30)
Net Cash Provided (Used) in Capital Financing Activities	(980)	-	-	(14,048)	(69,086)	(84,114)
CASH FLOW FROM INVESTING ACTIVITIES						
Investment Earnings	-	-	-	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(28,612)	(26,474)	181,553	90,613	(221,983)	(4,903)
Cash and Cash Equivalents - Beginning of Year	495,510	97,845	2,763,140	1,349,870	221,983	4,928,348
Cash and Cash Equivalents - End of Year	\$ 466,898	\$ 71,371	\$ 2,944,693	\$ 1,440,483	\$ -	\$ 4,923,445
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 117,109	\$ 38,094	\$ (1,030,314)	\$ 349,623	\$ (187,656)	\$ (713,144)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	9,666	6,704	-	48,592	11,969	76,931
(Increase) Decrease in Accounts Receivable	-	-	-	-	-	-
(Increase) Decrease in Inventory	-	(62,959)	-	-	-	(62,959)
(Increase) Decrease in Prepaids	-	-	(8,750)	65,082	-	56,332
(Increase) Decrease in Pension Assets	(120,765)	(27,384)	(61,005)	(1,261,046)	(152,263)	(1,622,463)
Increase (Decrease) in Accounts Payable	(1,163)	(244)	(19,206)	13,533	101,114	94,034
Increase (Decrease) in Accrued Liabilities	(21,174)	(6,181)	(3,929)	(50,294)	(27,567)	(109,145)
Increase (Decrease) in Accrued Vacation Leave	(7,703)	6,768	(906)	(25,408)	(2,010)	(29,259)
Increase (Decrease) in Pension Liabilities	73,590	18,728	41,736	964,579	103,516	1,202,149
Increase (Decrease) in Claims and Judgments	-	-	1,263,927	-	-	1,263,927
Total Adjustments	(67,549)	(64,568)	1,211,867	(244,962)	34,759	869,547
Net Cash Provided (Used) by Operating Activities	\$ 49,560	\$ (26,474)	\$ 181,553	\$ 104,661	\$ (152,897)	\$ 156,403

**SCHEDULES OF
CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

City of Orem
Schedules of Capital Assets Used in The Operations of Governmental Funds
Schedules By Source - Comparative¹
June 30, 2022 and 2021

	2022	2021
Governmental Funds Capital Assets:		
Land	\$ 72,570,455	\$ 72,551,355
Buildings	70,349,665	42,278,099
Improvements other than Buildings	42,990,893	40,920,396
Machinery and Equipment	27,911,510	24,490,860
Infrastructure	128,868,445	127,468,399
Construction in Progress	1,825,892	30,221,923
Total Governmental Funds Capital Assets	<u>\$ 344,516,860</u>	<u>\$ 337,931,032</u>
Investments in Governmental Funds Capital Assets by Source:		
General Fund	\$ 256,074,315	\$ 252,996,139
Capital Projects Fund	57,075,941	55,867,019
Federal Grants	615,669	635,635
Road Funds	21,787,561	19,556,366
Redevelopment	4,329,828	4,329,828
Community Development	4,633,546	4,546,045
Total Governmental Funds Capital Assets	<u>\$ 344,516,860</u>	<u>\$ 337,931,032</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Orem
Schedules of Capital Assets Used in The Operations of Governmental Funds
Schedule By Function and Activity¹
June 30, 2022

Function and Activity	Land	Buildings	Improvements Other Than Buildings
General Government:			
Executive	\$ -	\$ 2,075	\$ 81,479
Personnel Administration	-	-	-
Finance	-	-	26,263
Legal	-	-	-
Development Services	-	-	-
General Government	1,710,203	3,841,058	5,089,282
Engineering	-	-	-
Redevelopment	1,870,418	-	85,080
Community Development	-	8,105	2,390,378
Total General Government	<u>3,580,621</u>	<u>3,851,238</u>	<u>7,672,482</u>
Public Safety:			
Administration	-	5,377,906	28,407
Police Protection	-	-	145,296
Fire Protection	174,096	2,486,089	935,128
Emergency Services	-	1,580	-
Total Public Safety	<u>174,096</u>	<u>7,865,575</u>	<u>1,108,831</u>
Highways and Streets:			
Administration & Engineering	33,550	7,874,114	363,324
Street System	52,524,889	5,719,337	6,282,744
Street Lighting	-	-	1,421,854
Total Highways and Streets	<u>52,558,439</u>	<u>13,593,451</u>	<u>8,067,922</u>
Parks and Recreation	16,034,954	35,355,951	24,804,024
Library	222,345	9,683,450	1,337,634
Total Governmental Funds Capital Assets	<u>\$ 72,570,455</u>	<u>\$ 70,349,665</u>	<u>\$ 42,990,893</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Machinery and Equipment	Infrastructure	Construction in Progress	Total
\$ 740,864	\$ -	\$ -	\$ 824,418
8,013	-	-	8,013
344,119	-	-	370,382
21,498	-	-	21,498
179,778	-	-	179,778
176,997	291,427	-	11,108,967
411,198	-	-	411,198
-	2,374,330	-	4,329,828
-	2,234,832	231	4,633,546
<u>1,882,467</u>	<u>4,900,589</u>	<u>231</u>	<u>21,887,628</u>
1,550,466	-	-	6,956,779
6,894,967	-	-	7,040,263
8,986,934	253,496	-	12,835,743
77,072	-	-	78,652
<u>17,509,439</u>	<u>253,496</u>	<u>-</u>	<u>26,911,437</u>
326,623	-	-	8,597,611
4,355,007	121,738,270	1,740,067	192,360,314
-	1,136,156	-	2,558,010
<u>4,681,630</u>	<u>122,874,426</u>	<u>1,740,067</u>	<u>203,515,935</u>
3,051,739	839,934	85,594	80,172,196
786,235	-	-	12,029,664
<u>\$ 27,911,510</u>	<u>\$ 128,868,445</u>	<u>\$ 1,825,892</u>	<u>\$ 344,516,860</u>

City of Orem
Schedules of Capital Assets Used in The Operations of Governmental Funds
Schedule of Changes By Function and Activity¹
For The Year Ended June 30, 2022

Function and Activity	Governmental Funds Capital Assets June 30, 2021	Additions	Deductions	Governmental Funds Capital Assets June 30, 2022
General Government:				
Executive	\$ 824,418	\$ -	\$ -	\$ 824,418
Personnel Administration	8,013	-	-	8,013
Finance	376,302	-	(5,920)	370,382
Legal	21,498	-	-	21,498
Development Services	179,778	-	-	179,778
General Government	11,080,737	28,230	-	11,108,967
Engineering	385,392	25,806	-	411,198
Redevelopment	4,329,828	-	-	4,329,828
Community Development	4,546,044	87,502	-	4,633,546
Total General Government	<u>21,752,010</u>	<u>141,538</u>	<u>(5,920)</u>	<u>21,887,628</u>
Public Safety:				
Administration	6,643,105	313,674	-	6,956,779
Police Protection	6,663,180	692,862	(315,779)	7,040,263
Fire Protection	11,957,809	1,010,943	(133,009)	12,835,743
Emergency Services	78,652	-	-	78,652
Total Public Safety	<u>25,342,746</u>	<u>2,017,479</u>	<u>(448,788)</u>	<u>26,911,437</u>
Highways and Streets:				
Administration & Engineering	8,597,611	-	-	8,597,611
Street System	188,377,830	4,255,278	(272,794)	192,360,314
Street Lighting	2,558,010	-	-	2,558,010
Total Highways and Streets	<u>199,533,451</u>	<u>4,255,278</u>	<u>(272,794)</u>	<u>203,515,935</u>
Parks and Recreation	79,317,741	897,555	(43,100)	80,172,196
Library	11,985,084	44,580	-	12,029,664
Total Governmental Funds Capital Assets	<u>\$ 337,931,032</u>	<u>\$ 7,356,430</u>	<u>\$ (770,602)</u>	<u>\$ 344,516,860</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This section of the City of Orem's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	152
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	160
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity and Other Debt Information	171
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	181
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating and Other Information	186
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. Information related to any new GASB pronouncements required to be included within these statements is shown prospectively except in those cases in which prior year information was readily available.

City of Orem
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Governmental Activities:				
Net Investment in Capital Assets	\$ 116,156,331	\$ 119,632,622	\$ 125,400,639	\$ 126,818,760
Restricted:				
Debt Service	3,321,577	3,962,783	4,397,812	3,276,616
Capital Improvements	14,939,254	13,182,105	13,746,082	14,968,717
Pensions	-	-	474,700	18,819
Community Development	5,238,370	2,077,923	2,325,070	1,966,450
Subtotal - Restricted	23,499,201	19,222,811	20,943,664	20,230,602
Unrestricted	15,467,624	18,050,956	14,694,051	22,000,259
Total Governmental Activities Net Position	155,123,156	156,906,389	161,038,354	169,049,621
Business-type Activities:				
Net Investment in Capital Assets	52,401,013	51,205,761	55,221,666	56,904,569
Restricted:				
Debt Service	2,035,413	2,415,159	1,658,404	2,448,592
Capital Improvements	-	44,000	66,000	88,000
Pensions	-	-	2,025	145
Subtotal - Restricted	2,035,413	2,459,159	1,726,429	2,536,737
Unrestricted	13,503,553	17,867,439	18,391,654	20,298,964
Total Business-type Activities Net Position	67,939,979	71,532,359	75,339,749	79,740,270
Primary Government:				
Net Investment in Capital Assets	168,557,344	170,838,383	180,622,305	183,723,329
Restricted:				
Debt Service	5,356,990	6,377,942	6,056,216	5,725,208
Capital Improvements	14,939,254	13,226,105	13,812,082	15,056,717
Pensions	-	-	476,725	18,964
Community Development	5,238,370	2,077,923	2,325,070	1,966,450
Subtotal - Restricted	25,534,614	21,681,970	22,670,093	22,767,339
Unrestricted	28,971,177	35,918,395	33,085,705	42,299,223
Total Primary Government Net Position	\$ 223,063,135	\$ 228,438,748	\$ 236,378,103	\$ 248,789,891

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 131,968,221	\$ 133,402,160	\$ 134,356,643	\$ 138,676,061	\$ 154,447,536	\$ 155,974,028
3,124,343	3,344,100	5,845,268	4,928,893	4,171,302	3,465,584
12,172,402	12,037,092	15,739,000	18,992,324	10,967,133	13,950,399
11,876	871,227	-	2,426,403	5,693,222	20,096,352
2,465,412	3,609,728	3,832,719	4,048,008	10,406,252	12,693,720
17,774,033	19,862,147	25,416,987	30,395,628	31,237,909	50,206,055
23,803,593	27,529,253	29,921,317	36,678,544	45,425,272	45,819,720
173,545,847	180,793,560	189,694,947	205,750,233	231,110,717	251,999,803
59,715,600	63,143,175	69,151,941	74,134,249	77,095,912	81,282,909
1,860,333	1,995,491	2,121,261	2,157,258	2,218,876	3,592,614
110,000	194,727	983,589	1,057,806	19,006,176	19,269,762
-	-	-	-	111,544	2,079,804
1,970,333	2,190,218	3,104,850	3,215,064	21,336,596	24,942,180
27,455,917	37,657,454	47,291,346	61,047,974	54,700,557	58,419,253
89,141,850	102,990,847	119,548,137	138,397,287	153,133,065	164,644,342
191,683,821	196,545,335	203,508,584	212,810,310	231,543,448	237,256,937
4,984,676	5,339,591	7,966,529	7,086,151	6,390,178	7,058,198
12,282,402	12,231,819	16,722,589	20,050,130	29,973,309	33,220,161
11,876	871,227	-	2,426,403	5,804,766	22,176,156
2,465,412	3,609,728	3,832,719	4,048,008	10,406,252	12,693,720
19,744,366	22,052,365	28,521,837	33,610,692	52,574,505	75,148,235
51,259,510	65,186,707	77,212,663	97,726,518	100,125,829	104,238,973
\$ 262,687,697	\$ 283,784,407	\$ 309,243,084	\$ 344,147,520	\$ 384,243,782	\$ 416,644,145

City of Orem
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
Expenses						
Governmental Activities:						
General Government	\$ 11,534,649	\$ 12,398,443	\$ 10,948,663	\$ 11,148,210	\$ 13,160,153	\$ 13,153,262
Public Safety	21,305,592	20,927,444	20,363,836	21,750,059	23,578,262	23,214,380
Highways and Public Improvements	7,485,469	7,583,113	7,360,050	7,426,758	7,085,621	7,012,058
Parks, Recreation and Arts	8,961,377	8,415,399	8,448,553	8,704,800	9,471,883	10,561,367
Economic and Physical Development	778,954	815,708	513,855	867,172	950,630	1,504,742
Redevelopment	1,217,886	1,305,271	1,320,100	187,497	1,286,498	756,175
Interest on Long-term Debt	6,151,718	6,585,839	3,990,714	3,624,749	3,596,868	3,505,369
Total Governmental Activities Expenses	57,435,645	58,031,217	52,945,771	53,709,245	59,129,915	59,707,353
Business-type Activities:						
Water	10,405,264	10,765,320	10,460,803	10,335,616	11,021,079	12,570,988
Water Reclamation	6,164,406	6,597,101	6,268,592	6,716,546	6,723,394	7,117,138
Storm Water	2,338,213	2,401,066	2,444,269	2,460,540	2,371,647	2,567,634
Recreation	1,758,026	1,716,490	1,949,301	2,023,758	1,962,995	1,993,090
Solid Waste	2,999,632	3,207,627	3,139,688	3,174,442	3,283,310	3,617,304
Street Lighting	1,260,509	1,283,895	1,297,064	1,396,770	1,174,100	981,777
Total Business-type Activities Expenses	24,926,050	25,971,499	25,559,717	26,107,672	26,536,525	28,847,931
Total Primary Government Expenses	82,361,695	84,002,716	78,505,488	79,816,917	85,666,440	88,555,284
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	9,624,404	10,180,619	11,868,366	10,018,102	9,718,116	10,147,593
Public Safety	4,306,443	4,276,822	5,229,158	5,904,235	5,768,195	6,006,638
Parks, Recreation and Arts	820,453	856,832	751,427	936,415	2,008,377	1,495,408
All Others	163,099	76,768	118,984	117,234	186,321	332,034
Operating Grants and Contributions	1,273,162	1,271,755	1,332,898	1,333,496	1,195,663	1,537,093
Capital Grants and Contributions	2,613,082	2,413,909	4,017,121	2,789,074	3,171,938	3,876,983
Total Governmental Activities Program Revenues	18,800,643	19,076,705	23,317,954	21,098,556	22,048,610	23,395,749
Business-type Activities:						
Charges for Services:						
Water	11,021,745	13,201,526	13,425,701	13,336,792	15,547,544	18,355,800
Water Reclamation	7,146,508	7,520,706	8,007,161	7,281,870	8,619,099	9,678,758
Storm Water	3,091,807	3,103,768	3,170,615	3,451,551	4,001,972	4,350,123
Recreation	1,650,645	1,369,357	1,546,991	1,583,477	1,617,273	1,669,921
Solid Waste	3,237,559	3,369,722	3,400,359	3,515,859	3,571,929	3,692,573
Street Lighting	897,672	1,011,739	985,291	988,481	995,480	1,023,366
Capital Grants and Contributions	394,507	723,964	591,886	510,138	1,383,925	3,973,808
Total Business-type Activities Program Revenues	27,440,443	30,300,782	31,128,004	30,668,168	35,737,222	42,744,349
Total Primary Government Program Revenues	46,241,086	49,377,487	54,445,958	51,766,724	57,785,832	66,140,098
Net (Expense) Revenue						
Governmental Activities	(38,635,002)	(38,954,512)	(29,627,817)	(32,610,689)	(37,081,305)	(36,311,604)
Business-type Activities	2,514,393	4,329,283	5,568,287	4,560,496	9,200,697	13,896,418
Total Primary Government Net (Expense) Revenue	\$ (36,120,609)	\$ (34,625,229)	\$ (24,059,530)	\$ (28,050,193)	\$ (27,880,608)	\$ (22,415,186)
General Revenues and Other Changes in Net Position						
Governmental Activities:						
Taxes:						
Sales Taxes	18,944,647	19,818,967	20,727,557	21,405,733	22,750,706	24,361,704
Property Taxes	11,517,710	11,065,522	9,839,669	9,229,764	9,141,823	8,669,177
Franchise Taxes	7,816,921	7,956,780	7,698,687	7,853,723	7,894,110	7,961,936
Vehicle and Other Taxes	1,585,215	1,402,481	828,941	1,022,038	881,179	1,031,833
Unrestricted Investment Earnings & FMV Changes	274,462	421,721	402,246	688,384	603,500	778,978
Gain on Sale of Capital Assets	43,371	54,728	2,539,390	19,127	103,983	39,699
Transfers	(399,606)	500,649	532,903	403,187	202,230	715,990
Total Governmental Activities	39,782,720	41,220,848	42,569,393	40,621,956	41,577,531	43,559,317
Business-type Activities:						
Unrestricted Investment Earnings & FMV Changes	90,651	98,093	122,371	175,933	285,761	588,795
Gain (Loss) on Sale of Capital Assets	2,435	10,733	85,244	67,279	117,352	79,774
Transfers	399,606	(500,649)	(532,903)	(403,187)	(202,230)	(715,990)
Total Business-type Activities	492,692	(391,823)	(325,288)	(159,975)	200,883	(47,421)
Total Primary Government	40,275,412	40,829,025	42,244,105	40,461,981	41,778,414	43,511,896
Change in Net Position						
Governmental Activities	1,147,718	2,266,336	12,941,576	8,011,267	4,496,226	7,247,713
Business-type Activities	3,007,085	3,937,460	5,242,999	4,400,521	9,401,580	13,848,997
Total Primary Government	\$ 4,154,803	\$ 6,203,796	\$ 18,184,575	\$ 12,411,788	\$ 13,897,806	\$ 21,096,710

Fiscal Year			
2019	2020	2021	2022
\$ 15,017,456	\$ 15,221,971	\$ 16,072,497	\$ 15,691,209
25,463,111	26,294,148	26,234,854	27,353,214
7,688,525	7,573,688	7,296,421	8,187,834
9,613,483	8,734,158	4,444,646	8,910,111
887,655	709,334	1,068,973	1,204,626
1,004,364	1,258,821	1,151,383	1,334,386
4,122,763	4,732,568	4,571,442	4,589,160
63,797,357	64,524,688	60,840,216	67,270,540
13,361,446	13,039,211	14,956,163	15,541,478
7,517,084	7,540,672	7,918,906	8,309,770
2,837,289	3,119,773	3,016,483	3,261,027
2,041,021	1,258,441	2,311,074	2,725,743
3,764,859	4,277,997	4,227,392	4,241,603
474,442	481,587	469,325	522,488
29,996,141	29,717,681	32,899,343	34,602,109
93,793,498	94,242,369	93,739,559	101,872,649
11,286,060	10,198,818	10,747,410	11,824,143
6,405,407	7,804,339	7,568,475	8,211,979
1,506,624	240,568	2,318,692	1,877,951
350,681	1,467,081	397,409	348,703
1,392,846	6,228,568	3,753,790	1,930,767
5,246,807	4,513,950	6,270,294	5,725,996
26,188,425	30,453,324	31,056,070	29,919,539
18,934,096	20,821,417	20,341,587	17,818,803
11,519,137	13,070,784	12,591,825	12,986,274
4,775,819	5,050,924	5,300,968	5,515,349
1,609,329	746,080	1,159,731	3,142,844
3,845,141	4,098,072	4,370,759	4,624,294
1,214,710	914,292	1,055,657	1,069,000
4,196,701	3,179,941	3,754,528	2,212,406
46,094,933	47,881,510	48,575,055	47,368,970
72,283,358	78,334,834	79,631,125	77,288,509
(37,608,932)	(34,071,364)	(29,784,146)	(37,351,001)
16,098,792	18,163,829	15,675,712	12,766,861
\$ (21,510,140)	\$ (15,907,535)	\$ (14,108,434)	\$ (24,584,140)
24,944,421	28,151,590	33,250,164	37,803,119
9,701,393	10,432,989	10,598,204	10,258,353
7,887,332	7,865,944	7,923,070	8,088,605
886,489	965,636	846,548	961,419
2,289,679	2,060,562	432,708	(929,890)
163,730	323,466	594,136	253,679
637,275	326,463	1,499,800	1,804,802
46,510,319	50,126,650	55,144,630	58,240,087
1,088,658	1,037,245	527,587	134,781
7,115	(25,461)	32,279	414,437
(637,275)	(326,463)	(1,499,800)	(1,804,802)
458,498	685,321	(939,934)	(1,255,584)
46,968,817	50,811,971	54,204,696	56,984,503
8,901,387	16,055,286	25,360,484	20,889,086
16,557,290	18,849,150	14,735,778	11,511,277
\$ 25,458,677	\$ 34,904,436	\$ 40,096,262	\$ 32,400,363

City of Orem
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 183,807	\$ 146,343	\$ 70,707	\$ 57,122
Restricted	5,721,516	5,554,462	6,057,938	6,484,410
Committed	75,000	75,000	-	-
Assigned	1,500,374	1,893,107	3,125,711	3,562,553
Unassigned	6,092,838	10,073,358	12,747,875	11,474,137
Total General Fund	<u>13,573,535</u>	<u>17,742,270</u>	<u>22,002,231</u>	<u>21,578,222</u>
All Other Governmental Funds				
Nonspendable	2,473,532	-	-	-
Restricted	15,120,346	13,522,006	14,340,319	13,653,867
Committed	-	-	-	5,380,123
Assigned	3,518,562	2,380,417	6,546,914	11,071,273
Total All Other Governmental Funds	<u>21,112,440</u>	<u>15,902,423</u>	<u>20,887,233</u>	<u>30,105,263</u>
Total Governmental Funds				
Nonspendable	2,657,339	146,343	70,707	57,122
Restricted	20,841,862	19,076,468	20,398,257	20,138,277
Committed	75,000	75,000	-	5,380,123
Assigned	5,018,936	4,273,524	9,672,625	14,633,826
Unassigned	6,092,838	10,073,358	12,747,875	11,474,137
Total Governmental Funds	<u>\$ 34,685,975</u>	<u>\$ 33,644,693</u>	<u>\$ 42,889,464</u>	<u>\$ 51,683,485</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 51,517	\$ 42,132	\$ 36,328	\$ 49,995	\$ 413,604	\$ 47,512
7,292,911	8,333,431	8,673,237	8,722,475	10,183,252	12,133,985
-	-	-	-	-	-
2,844,275	3,559,271	4,836,744	10,203,415	11,110,974	10,888,833
12,829,323	13,449,103	13,948,108	12,376,113	18,424,509	22,036,611
23,018,026	25,383,937	27,494,417	31,351,998	40,132,339	45,106,941
1,000	-	-	-	-	-
10,416,729	10,615,357	42,158,789	30,145,964	14,860,840	17,897,547
-	-	-	-	-	-
12,327,020	13,678,638	17,592,552	19,204,402	21,354,261	26,491,996
22,744,749	24,293,995	59,751,341	49,350,366	36,215,101	44,389,543
52,517	42,132	36,328	49,995	413,604	47,512
17,709,640	18,948,788	50,832,026	38,868,439	25,044,092	30,031,532
-	-	-	-	-	-
15,171,295	17,237,909	22,429,296	29,407,817	32,465,235	37,380,829
12,829,323	13,449,103	13,948,108	12,376,113	18,424,509	22,036,611
\$ 45,762,775	\$ 49,677,932	\$ 87,245,758	\$ 80,702,364	\$ 76,347,440	\$ 89,496,484

City of Orem
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes and Special Assessments	\$ 40,595,860	\$ 40,004,715	\$ 43,549,348	\$ 39,473,431	\$ 40,804,822
Licenses and Permits	1,147,855	1,437,173	2,524,794	1,745,483	1,815,943
Intergovernmental	3,886,244	3,685,664	5,350,019	4,122,570	4,367,601
Charges for Services	6,026,996	6,387,452	7,624,838	7,671,801	7,944,803
Fines and Forfeitures	1,358,345	1,587,870	1,792,829	1,588,994	1,699,609
Charges for Services - Other Funds	4,447,898	4,498,406	4,042,299	3,666,672	3,739,141
Impact Fees	-	-	-	-	-
Investment Earnings	274,439	420,619	397,648	450,902	649,422
Miscellaneous Revenue	1,889,659	1,557,414	1,587,285	1,670,552	2,254,504
Total Revenues	59,627,296	59,579,313	66,869,060	60,390,405	63,275,845
Expenditures					
General Government	11,093,324	11,609,569	11,539,358	12,143,760	12,810,872
Public Safety	20,332,951	19,951,315	19,847,226	21,144,586	21,752,711
Highways and Public Improvements	2,974,008	2,934,326	2,828,824	2,922,708	3,029,415
Parks, Recreation and Arts	7,558,171	7,016,106	7,485,247	7,512,284	7,593,094
Economic and Physical Development	707,403	707,759	886,236	788,526	862,478
Redevelopment	1,128,457	1,215,842	1,231,600	99,182	1,195,421
Debt Service:					
Principal Retirement	3,130,714	3,814,621	5,486,955	4,369,370	3,515,873
Interest and Fiscal Charges	6,233,296	6,706,815	4,201,272	3,802,678	3,554,590
Lease Payments - Principal	98,213	108,318	108,376	114,173	109,494
Lease Payments - Interest	12,099	10,218	9,177	7,037	4,540
Capital Outlay	1,963,153	7,180,569	7,573,606	6,044,338	15,109,224
Total Expenditures	55,231,789	61,255,458	61,197,877	58,948,642	69,537,712
Excess of Revenues over					
(under) Expenditures	4,395,507	(1,676,145)	5,671,183	1,441,763	(6,261,867)
Other Financing Sources (Uses)					
Issuance of Bonds & Other Debt	-	-	10,174,331	-	2,898,000
Investments - FMV Change	-	-	-	240,135	(46,686)
Payment to Bond Refunding Agent	-	-	(9,792,760)	-	(2,861,199)
Proceeds from Asset Disposals	48,275	107,760	42,869	19,127	103,983
Proceeds from Lease Relinquishments	-	-	2,500,000	-	-
Leases	-	26,454	64,113	6,739,000	-
Transfers In	7,199,980	7,452,857	11,483,900	12,998,035	11,857,495
Transfers Out	(7,788,821)	(6,952,208)	(10,898,865)	(12,644,039)	(11,610,436)
Total Other Financing Sources (Uses)	(540,566)	634,863	3,573,588	7,352,258	341,157
Net Change in Fund Balances	\$ 3,854,941	\$ (1,041,282)	\$ 9,244,771	\$ 8,794,021	\$ (5,920,710)
Debt Service as a percentage					
of Noncapital Expenditures	17.4%	19.2%	17.7%	15.3%	12.8%

Fiscal Year				
2018	2019	2020	2021	2022
\$ 41,982,483	\$ 43,735,686	\$ 47,401,515	\$ 52,702,373	\$ 57,116,443
1,813,030	2,564,527	1,661,515	2,047,433	2,293,007
5,326,785	4,827,536	9,989,011	9,006,531	6,026,663
8,049,206	8,912,692	8,702,243	9,727,927	10,359,796
1,839,251	1,736,445	1,386,474	1,219,631	1,386,493
4,283,205	4,813,925	5,039,118	4,761,991	5,200,482
87,291	1,812,117	753,507	1,017,553	1,630,100
963,012	1,875,112	1,947,110	493,006	551,304
1,887,641	1,362,254	1,816,174	2,692,884	2,312,314
66,231,904	71,640,294	78,696,667	83,669,329	86,876,602
13,245,295	14,378,024	14,730,287	15,264,157	15,579,725
22,539,915	23,577,274	24,553,748	25,742,327	28,681,857
3,053,824	3,195,426	3,226,153	3,214,068	3,220,509
7,465,177	7,889,131	7,940,137	8,155,277	8,864,969
1,056,219	792,306	601,842	837,027	1,070,331
761,151	911,069	913,706	1,051,628	1,229,620
3,095,833	1,820,799	1,527,961	1,432,255	1,358,000
3,473,151	3,694,732	4,935,277	4,639,423	4,666,394
546,506	426,000	435,000	444,000	455,000
311,092	126,221	117,353	108,284	99,043
7,426,441	6,743,546	27,476,266	29,124,011	9,275,938
62,974,604	63,554,528	86,457,730	90,012,457	74,501,386
3,257,300	8,085,766	(7,761,063)	(6,343,128)	12,375,216
-	28,209,763	-	-	-
(186,953)	411,523	114,352	(62,113)	(1,480,830)
-	-	-	-	-
77,614	155,055	704,035	594,136	372,664
-	-	-	-	-
-	-	-	-	-
13,220,391	14,702,520	12,071,658	14,840,756	12,610,080
(12,453,195)	(13,996,801)	(11,672,376)	(13,384,575)	(10,728,086)
657,857	29,482,060	1,217,669	1,988,204	773,828
\$ 3,915,157	\$ 37,567,826	\$ (6,543,394)	\$ (4,354,924)	\$ 13,149,044

12.8%

10.0%

11.6%

11.3%

9.8%

City of Orem
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years
(Unaudited)

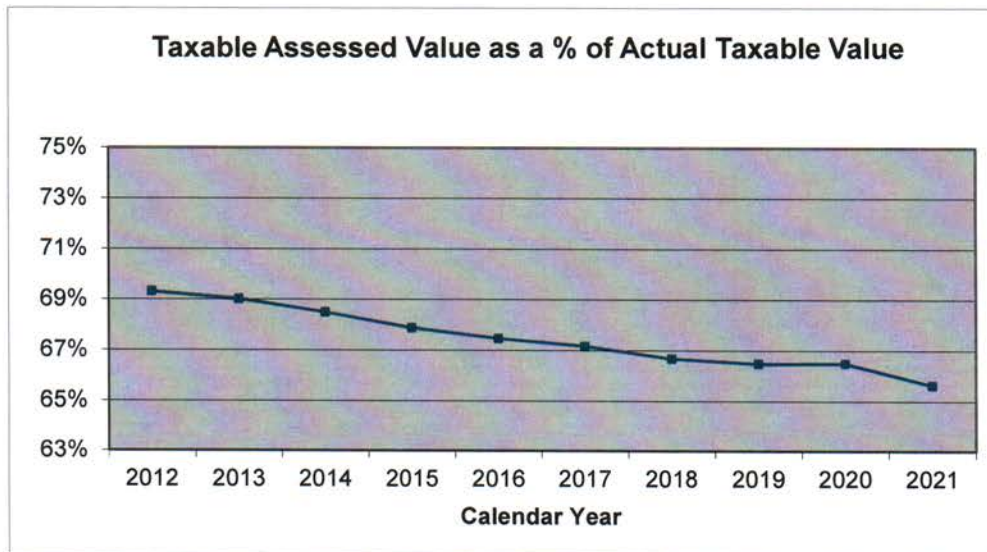
Calendar Year ¹	Taxable Assessed Value				
	Primary Residential Property	Other Residential Property	Commercial & Industrial Property	Agricultural Property	Unimproved Real Property
2012	\$ 2,284,573,816	\$ 4,073,304	\$ 1,451,256,784	\$ 544,039	\$ 136,586,644
2013	2,372,218,303	4,459,944	1,455,891,528	528,035	127,808,953
2014	2,625,764,385	7,388,684	1,540,311,362	486,609	147,878,177
2015	2,843,531,994	8,234,684	1,591,591,049	496,907	145,565,291
2016	3,107,389,501	11,331,034	1,666,181,801	936,304	160,189,356
2017	3,410,863,935	12,024,179	1,792,344,368	837,724	156,979,408
2018	3,775,842,951	12,752,600	1,888,362,910	931,418	164,540,170
2019	4,166,790,367	15,841,000	2,053,671,086	904,733	173,954,008
2020	4,477,283,315	26,847,485	2,218,165,060	1,371,812	188,660,779
2021	5,000,615,640	33,146,100	2,233,056,298	1,365,085	192,148,239

Source: Utah State Tax Commission - Property Tax Division

Notes: Property in the City of Orem is reassessed once every five years, on average. The county assesses property at approximately 55 percent of actual value for residential property and 100 percent of actual value for all other categories. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages.

¹ Assessed values are reported by the county on a calendar year basis rather than July 1 to June 30 fiscal year.

Personal Property	Fee in Lieu Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
\$ 310,397,550	\$ 43,171,491	\$ 4,230,603,628	0.001921	\$ 6,103,133,090	69.32%
328,234,567	44,814,165	4,333,955,495	0.001871	6,278,510,424	69.03%
322,456,519	43,654,474	4,687,940,210	0.001716	6,842,338,176	68.51%
299,822,251	45,221,895	4,934,464,071	0.001652	7,267,727,717	67.90%
302,375,000	46,114,051	5,294,517,047	0.001550	7,846,197,485	67.48%
316,299,118	44,919,303	5,734,268,035	0.001346	8,534,812,856	67.19%
319,419,105	44,102,879	6,205,952,033	0.001281	9,305,712,029	66.69%
339,452,728	43,518,173	6,794,132,095	0.001260	10,216,285,032	66.50%
363,773,499	41,018,229	7,317,120,179	0.001166	11,002,318,106	66.51%
367,699,460	41,677,494	7,869,708,316	0.001094	11,988,240,649	65.65%



City of Orem
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
(Unaudited)

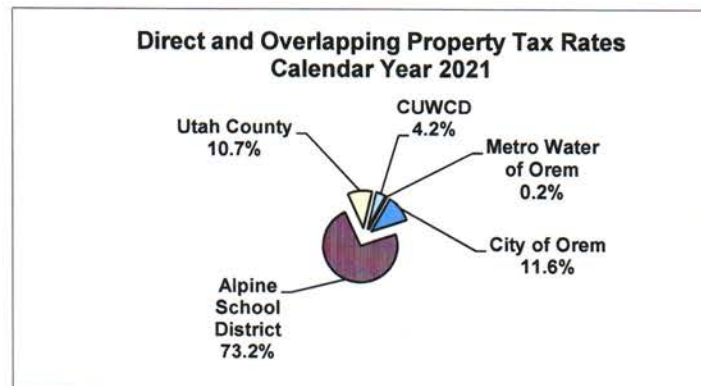
Calendar Year ²	City of Orem Direct Rates			Overlapping Rates ¹				Total
	General Fund	Debt Service Fund	Total Direct Rate	Alpine School District	Utah County	Central Utah Water Conservancy District	Metropolitan Water District of Orem	
2012	0.001355	0.000566	0.001921	0.008828	0.001324	0.000455	0.000040	0.012568
2013	0.001324	0.000547	0.001871	0.008699	0.001259	0.000446	0.000039	0.012314
2014	0.001217	0.000499	0.001716	0.008096	0.001149	0.000422	0.000036	0.011419
2015	0.001188	0.000464	0.001652	0.008177	0.001098	0.000405	0.000035	0.011367
2016	0.001123	0.000427	0.001550	0.007718	0.001049	0.000400	0.000033	0.010750
2017	0.001050	0.000296	0.001346	0.007167	0.000969	0.000400	0.000031	0.009913
2018	0.001001	0.000280	0.001281	0.007033	0.000911	0.000400	0.000030	0.009655
2019	0.000983	0.000277	0.001260	0.006699	0.000839	0.000400	0.000027	0.009225
2020	0.000925	0.000241	0.001166	0.006800	0.001202	0.000400	0.000025	0.009593
2021	0.000850	0.000244	0.001094	0.006904	0.001007	0.000400	0.000023	0.009428

Source: Utah State Tax Commission - Property Tax Division

Notes: The City's basic property tax rate is primarily increased by: 1) a majority vote of the City Council after holding public hearings, 2) the approval of general obligation debt by a majority of the City's residents, 3) through a judgment levy due to a court ordered reduction to an entity(s) property tax, and 4) the overall assessed property values of the City's residents are reduced by the County Assessor. Rates for debt service are set based on each year's requirements. The tax rate is applied directly to the taxable value of the property.

¹ Overlapping rates are those of local and county governments. These rates apply to all property owners within the City of Orem.

² Taxes are collected and reported by the County on a calendar year basis rather than July 1 to June 30 fiscal year.



City of Orem
Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Calendar Year 2021			Calendar Year 2012		
	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value
University Place	\$ 247,088,400	1	3.14%	\$ 114,769,075	1	2.71%
Woodtusk LLC	87,656,300	2	1.11%	----		----
Pacificorp	77,463,600	3	0.98%	48,425,636	3	1.14%
TCU Properties	76,748,900	4	0.98%	56,757,000	2	----
Midtown360 LLC	62,936,800	5	0.80%	----		----
Dominion Energy (Questar Gas)	50,459,700	6	0.64%	19,987,882	5	0.47%
Timpanogos Regional Hospital	48,186,500	7	0.61%	42,824,700	4	1.01%
Parkway Lofts LLC	46,200,000	8	0.59%	----		----
Pinnacle Apartments	39,625,000	9	0.50%	12,738,825	12	----
Wolverine Crossing LLC	32,773,300	11	0.42%	17,791,600	8	0.42%
University Crossing Shopping Ctr	29,615,600	10	0.38%	17,876,300	6	----
Carillon Square LLC	28,208,200	12	0.36%	----		----
Boyer Lake Point Shopping Ctr	----		----	17,819,200	7	0.42%
Retail Trust III (Walmart)	----		----	15,672,200	9	0.37%
Dickson Properties LLC	----		----	15,458,900	10	0.37%
CenturyLink (Qwest Corp.)	----		----	14,691,739	11	0.35%
Total	<u>\$ 826,962,300</u>		<u>10.51%</u>	<u>\$ 394,813,057</u>		<u>9.33%</u>

¹ Assessed values are reported by the County on a calendar year basis rather than July 1 to June 30 fiscal year.

City of Orem
Property Tax Levies and Collections
Last Ten Calendar Years
(Unaudited)

Calendar Year¹	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections by Tax Levy Year	Total Tax Collections
2012	\$ 7,370,522	\$ 6,788,600	92.10%	\$ 480,274	\$ 7,268,874
2013	7,374,914	6,815,131	92.41%	439,124	7,254,255
2014	7,387,198	6,793,773	91.97%	493,765	7,287,538
2015	7,529,322	6,935,505	92.11%	513,438	7,448,943
2016	7,586,065	7,059,043	93.05%	484,862	7,543,905
2017	7,204,690	6,754,817	93.76%	418,828	7,173,645
2018	7,252,003	6,740,722	92.95%	399,630	7,140,352
2019	7,480,867	6,825,355	91.24%	550,546	7,375,901
2020	7,297,759	6,667,581	91.36%	479,600	7,147,181
2021	8,448,992	7,789,321	92.19%	542,612	8,331,933

¹ Taxes are levied, collected, and reported by the County on a calendar or tax levy year basis rather than a July 1 to June 30 fiscal year.

Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes by Tax Levy Year	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
98.62%	\$ 101,648	1.38%
98.36%	120,659	1.64%
98.65%	99,660	1.35%
98.93%	80,379	1.07%
99.44%	42,160	0.56%
99.57%	31,045	0.43%
98.46%	111,651	1.54%
98.60%	104,966	1.40%
97.94%	150,578	2.06%
98.61%	117,059	1.39%

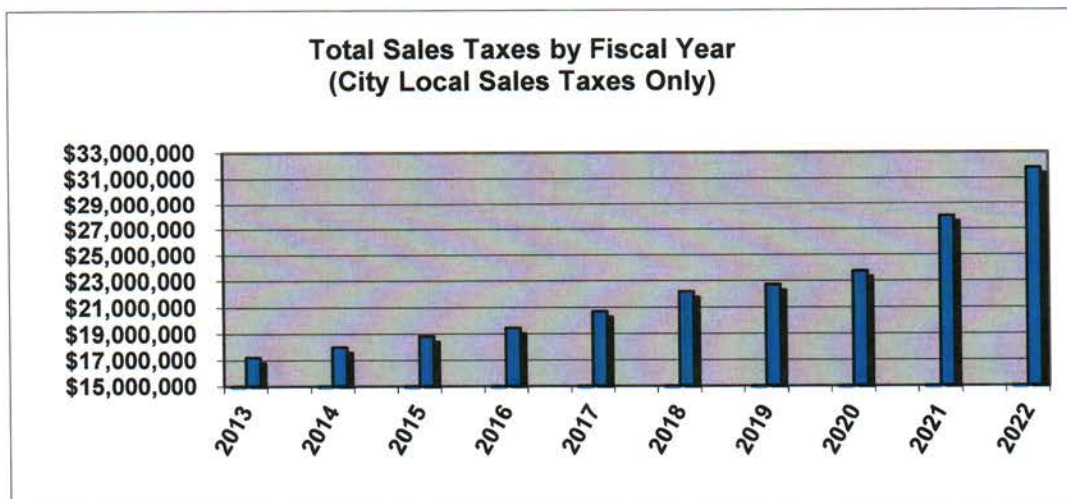
City of Orem
Sales Taxes by Category
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
General Merchandise and Groceries	\$ 5,030,506	\$ 5,140,689	\$ 5,277,987	\$ 5,333,279
Building Materials, Hardware, and Tools	1,576,835	1,661,997	1,801,399	1,952,417
Auto Dealers, Supplies, and Accessories	2,769,371	2,874,555	2,899,382	2,979,991
Home Furnishings, Appliances, & Electronics	1,614,843	1,685,399	1,786,258	1,822,364
Eating and Drinking Establishments	1,104,646	1,168,448	1,245,543	1,314,508
Clothing, Apparel, and Accessories	1,397,682	1,464,384	1,528,112	1,573,936
Professional Equipment and Supplies	1,207,903	1,378,551	1,429,657	1,526,283
Arts, Crafts, and Specialty Items	291,241	322,670	359,128	382,199
Amusement and Recreation	551,462	578,775	650,710	656,716
All Other Categories	1,688,683	1,732,104	1,852,879	1,921,222
Subtotal - City Local Sales Tax	17,233,172	18,007,572	18,831,055	19,462,915
Cultural Arts & Recreation Enhancement (CARE)	1,711,475	1,811,395	1,888,230	1,934,153
Transportation Infrastructure	-	-	-	-
Mass Transit - Additional	-	-	8,272	8,665
Total City Sales Taxes	<u>\$ 18,944,647</u>	<u>\$ 19,818,967</u>	<u>\$ 20,727,557</u>	<u>\$ 21,405,733</u>
Total City Sales Tax Rate ¹	1.10%	1.10%	1.10%	1.10%
% Increase (Decrease) from prior year, All	4.63%	4.62%	4.58%	3.27%
% Increase (Decrease) from prior year, City Local Sales Tax Only	4.74%	4.49%	4.57%	3.36%

Source: Internally generated, but based upon sales tax amounts reported to the City by the Utah State Tax Commission.

¹ See sales tax rate breakdown on page 170 for additional information regarding this rate.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 5,637,951	\$ 5,934,245	\$ 6,105,107	\$ 6,578,582	\$ 7,702,422	\$ 8,537,418
2,299,711	2,585,913	3,028,016	3,479,383	4,340,120	5,847,938
3,151,370	3,410,522	3,694,537	3,802,737	4,575,230	5,065,673
1,964,207	2,101,318	2,082,860	1,807,145	2,189,728	2,320,240
1,499,483	1,749,330	1,809,424	1,664,412	1,859,596	2,164,765
1,552,018	1,582,714	1,299,340	1,129,901	1,260,997	1,322,187
1,554,830	1,596,802	1,602,008	1,893,016	2,198,583	2,440,416
377,497	387,574	358,450	367,346	476,918	563,281
674,845	683,181	726,998	743,740	870,486	967,075
2,002,205	2,166,357	2,027,097	2,270,648	2,529,869	2,559,786
20,714,117	22,197,956	22,733,837	23,736,910	28,003,949	31,788,779
2,028,528	2,163,259	2,208,004	2,284,064	2,741,633	3,152,288
-	-	-	2,129,802	2,503,967	2,861,927
8,062	489	2,580	814	617	124
<u>\$ 22,750,707</u>	<u>\$ 24,361,704</u>	<u>\$ 24,944,421</u>	<u>\$ 28,151,590</u>	<u>\$ 33,250,166</u>	<u>\$ 37,803,118</u>
1.10%	1.10%	1.20%	1.20%	1.20%	1.20%
6.28%	7.08%	2.39%	12.86%	18.11%	13.69%
6.43%	7.16%	2.41%	4.41%	17.98%	13.52%



City of Orem
Other Sales Tax Revenue Information by Category
Current Year and Nine Years Ago
(Unaudited)

Fiscal Year 2022				
			Local	
	Number	Percentage	Sales Tax	Percentage
	of Filers	of Total	Revenue	of Total
General Merchandise and Groceries	1,915	19.86%	\$ 8,537,418	26.86%
Building Materials, Hardware, and Tools	542	5.62%	\$ 5,847,938	18.40%
Auto Dealers, Supplies, and Accessories	561	5.82%	\$ 5,065,673	15.94%
Home Furnishings, Appliances, & Electronics	367	3.81%	\$ 2,320,240	7.30%
Eating and Drinking Establishments	342	3.55%	\$ 2,164,765	6.81%
Clothing, Apparel, and Accessories	531	5.51%	\$ 1,322,187	4.16%
Professional Equipment and Supplies	1,748	18.13%	\$ 2,440,416	7.68%
Arts, Crafts, and Specialty Items	520	5.39%	\$ 563,281	1.77%
Amusement and Recreation	530	5.50%	\$ 967,075	3.04%
All Other Categories	2,586	26.82%	\$ 2,559,786	8.05%
Total	9,642	100.00%	\$ 31,788,779	100.00%

Fiscal Year 2013				
			Local	
	Number	Percentage	Sales Tax	Percentage
	of Filers	of Total	Revenue	of Total
General Merchandise and Groceries	516	10.85%	\$ 5,030,506	29.19%
Building Materials, Hardware, and Tools	277	5.83%	\$ 1,576,835	9.15%
Auto Dealers, Supplies, and Accessories	295	6.20%	\$ 2,769,371	16.07%
Home Furnishings, Appliances, & Electronics	235	4.94%	\$ 1,614,843	9.37%
Eating and Drinking Establishments	199	4.19%	\$ 1,104,646	6.41%
Clothing, Apparel, and Accessories	197	4.14%	\$ 1,397,682	8.11%
Professional Equipment and Supplies	843	17.73%	\$ 1,207,903	7.01%
Arts, Crafts, and Specialty Items	247	5.19%	\$ 291,241	1.69%
Amusement and Recreation	168	3.53%	\$ 551,462	3.20%
All Other Categories	1,778	37.39%	\$ 1,688,683	9.80%
Total	4,755	100.00%	\$ 17,233,172	100.00%

Source: Internally generated, but based upon sales tax amounts reported to the City by the Utah State Tax Commission.

City of Orem
Principal Sales Tax Payers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Local Sales Taxes ¹	Rank	Percentage of Total Local Sales Taxes ¹	Local Sales Taxes ¹	Rank	Percentage of Total Local Sales Taxes ¹
Costco Wholesale Corporation	N/A	1	N/A	N/A	1	N/A
Wal-Mart Supercenter	N/A	2	N/A	N/A	2	N/A
Brent Brown Toyota	N/A	3	N/A	N/A	4	N/A
Amazon.com Services LLC	N/A	4	N/A	----		----
Target	N/A	5	N/A	N/A	3	N/A
Mountainland Supply Company	N/A	6	N/A	----		----
Builders First Source	N/A	7	N/A	----		----
RC Willey Home Furnishings	N/A	8	N/A	N/A	7	N/A
Winco Foods	N/A	9	N/A	N/A	9	N/A
Ken Garff Honda of Orem	N/A	10	N/A	N/A	10	N/A
Pacificorp (Utah Power & Light)	N/A	11	N/A	N/A	5	N/A
USTC - Motor Vehicles	N/A	12	N/A	----		----
U.S. Synthetic Corporation	----		----	N/A	6	N/A
Ken Garff Nissan of Orem	----		----	N/A	8	N/A
Doterra	----		----	N/A	11	N/A
Ken Garff Motors	----		----	N/A	12	N/A
Total	\$ 8,452,648		30.18%	\$ 6,314,376		33.12%

Source: Utah State Tax Commission.

¹ Due to confidentiality issues, the amounts and percentages of the twelve largest revenue payers cannot be displayed. However, the aggregate total is displayed along with the individual rankings in an effort to provide the reader with information as to where the City's sales tax base originates.

City of Orem
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
(Unaudited)

City Direct Sales Tax Rates				
Fiscal Year	City Direct Rate	City Cultural Arts & Rec Rate ¹	City Transportation Infrastructure Rate ²	Total City Direct Rate
2013	1.00%	0.10%	0.00%	1.10%
2014	1.00	0.10	0.00	1.10
2015	1.00	0.10	0.00	1.10
2016	1.00	0.10	0.00	1.10
2017	1.00	0.10	0.00	1.10
2018	1.00	0.10	0.00	1.10
2019	1.00	0.10	0.10	1.20
2020	1.00	0.10	0.10	1.20
2021	1.00	0.10	0.10	1.20
2022	1.00	0.10	0.10	1.20

Overlapping Sales Tax Rates							
Fiscal Year	County Direct Rate	County Transportation Infrastructure Rate ²	County Mass Transit Rate	County Airport, Highway, & Public Transit Rate	State Direct Rate ³	State Mass Transit Rate	Total Sales Tax Rate ⁴
2013	0.25%	0.00%	0.30%	0.25%	4.70%	0.25%	6.85%
2014	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2015	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2016	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2017	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2018	0.25	0.00	0.30	0.25	4.70	0.25	6.85
2019	0.25	0.15	0.30	0.25	4.85	0.25	7.25
2020	0.25	0.15	0.30	0.25	4.85	0.25	7.25
2021	0.25	0.15	0.30	0.25	4.85	0.25	7.25
2022	0.25	0.15	0.30	0.25	4.85	0.25	7.25

Source: Utah State Tax Commission

¹ This additional sales tax rate, titled CARE tax, was voted on by the citizens of Orem and went into effect on April 1, 2006. It was reauthorized by citizen vote in November 2013 to continue for another ten years.

² This new sales tax rate was approved by Utah County. The new tax went into effect on April 1, 2019. The City directly receives a share of the new tax but did not begin to receive these funds until July 1, 2019, due to an agreement with Utah County. The additional tax is to be used to fund eligible transportation projects.

³ The State of Utah direct sales tax rate was increased effective April 1, 2019.

⁴ The total sales tax rate for non-prepared food and food ingredients was set at 3.00% statewide (1.00% City Direct Rate, 0.25% County Direct Rate, and 1.75% State Direct Rate) and went into effect on January 1, 2008.

City of Orem
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Sales Tax Revenue Bonds						
Fiscal Year	Local Sales Taxes	Debt Service		Coverage		
		Principal	Interest			
2013	\$ 17,233,172	\$ 746,000	\$ 268,182			16.99
2014	18,007,572	840,000	256,669			16.42
2015	18,831,055	853,000	243,444			17.17
2016	19,462,915	1,065,000	216,274			15.19
2017	20,714,117	1,125,000	106,824			16.82
2018	22,197,956	1,231,000	64,342			17.14
2019	22,733,837	459,000	32,340			46.27
2020	23,736,910	352,000	23,435			63.23
2021	28,003,949	360,000	16,606			74.36
2022	31,788,779	243,000	9,622			125.84

Water & Storm Sewer Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 12,864,859	\$ 9,256,350	\$ 3,608,509	\$ 917,000	\$ 940,512	1.94
2014	13,927,292	9,814,494	4,112,798	944,000	792,256	2.37
2015	14,141,179	9,588,439	4,552,740	1,228,000	619,984	2.46
2016	14,847,401	9,468,250	5,379,151	1,267,000	578,638	2.91
2017	17,169,942	10,000,616	7,169,326	1,326,000	412,011	4.13
2018	20,133,406	10,509,666	9,623,740	1,279,000	424,593	5.65
2019	21,342,117	11,212,585	10,129,532	1,380,000	396,703	5.70
2020	23,140,323	11,557,200	11,583,123	1,459,000	366,956	6.34
2021	23,961,320	12,574,770	11,386,550	1,463,000	336,417	6.33
2022	21,305,537	12,954,252	8,351,285	1,490,000	306,551	4.65

Water, Sewer & Storm Sewer Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2021	\$ 36,061,936	\$ 18,132,373	\$ 17,929,563	\$ -	\$ -	0.00
2022	33,842,229	18,958,034	14,884,195	594,000	887,627	10.05

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ Operating expenses do not include depreciation, interest, or amortization expenses.

City of Orem
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Governmental Activities							
Fiscal Year	General Obligation Bonds	G.O. Bonds Issuance Premiums	Special Assessment Bonds	Sales Tax Revenue Bonds	Franchise Tax Revenue Bonds	Revenue Bonds Issuance Premiums	Notes Payable
2013	\$ 13,900,000	\$ 257,636	\$ 5,444,000	\$ 6,688,000	\$ 2,850,000	\$ 363,031	\$ 1,199,599
2014	12,550,000	227,170	4,446,000	5,848,000	2,300,000	297,740	1,122,977
2015	11,830,000	695,160	1,155,000	4,995,000	1,750,000	232,449	1,045,022
2016	10,200,000	611,762	165,000	3,930,000	1,150,000	167,158	960,652
2017	8,535,000	528,364	155,000	2,898,000	525,000	101,867	869,779
2018	7,310,000	452,969	140,000	1,667,000	-	52,426	769,946
2019	30,560,000	4,050,044	130,000	1,208,000	-	41,487	668,147
2020	29,620,000	3,851,333	-	856,000	-	30,547	562,186
2021	28,655,000	3,652,623	-	496,000	-	19,607	454,930
2022	27,655,000	3,453,913	-	253,000	-	8,667	339,930

Business-type Activities					
Fiscal Year	Water Quality Revenue Bonds	Water & Storm Sewer Revenue Bonds	Water, Sewer & Storm Swr Revenue Bonds	Revenue Bonds Issuance Premiums	Total Business-type Activities
2013	\$ 11,762,757	\$ 20,383,000	\$ -	\$ 518,391	\$ 32,664,148
2014	10,938,757	21,535,000	-	476,585	32,950,342
2015	10,107,000	20,307,000	-	434,776	30,848,776
2016	9,513,000	19,040,000	-	392,965	28,945,965
2017	8,919,000	17,019,000	-	1,014,797	26,952,797
2018	8,325,000	15,740,000	-	912,889	24,977,889
2019	7,731,000	14,360,000	-	810,978	22,901,978
2020	7,137,000	12,901,000	-	709,067	20,747,067
2021	-	11,438,000	35,863,000	6,954,912	54,255,912
2022	-	9,948,000	35,269,000	6,599,518	51,816,518

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Governmental Activities

Leases	Total Governmental Activities
\$ 478,299	\$ 31,180,565
396,436	27,188,323
352,173	22,054,804
6,977,000	24,161,572
6,893,313	20,506,323
6,345,670	16,738,011
5,974,929	42,632,607
5,513,323	40,433,389
5,044,307	38,322,467
4,582,184	36,292,694

Total Primary Government

Total Primary Government	Percentage of Personal Income	Direct City Debt Per Capita
\$ 63,844,713	3.67%	\$713
60,138,665	3.47	667
52,903,580	2.87	571
53,107,537	2.71	566
47,459,120	2.26	502
41,715,900	1.88	434
65,534,585	2.72	673
61,180,456	2.38	623
92,578,379	3.29	937
88,109,212	2.97	888

City of Orem
Ratios of Net General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ¹	Taxable Assessed Value	Gross Bonded Debt	Debt Service Monies Available ²	Net Bonded Debt	Ratio of Net Bonded Debt To Taxable Assessed Value	Net Bonded Debt Per Capita
2013	89,584	\$ 4,273,495,983	\$ 14,157,636	\$ 1,654,406	\$ 12,503,230	0.30%	\$140
2014	90,154	4,230,603,628	12,777,170	399,982	12,377,188	0.29	137
2015	92,601	4,333,955,495	12,525,160	1,557,040	10,968,120	0.23	118
2016	93,788	4,687,940,210	10,811,762	861,873	9,949,889	0.20	106
2017	94,499	4,934,464,071	9,063,364	1,098,713	7,964,651	0.15	84
2018	96,159	5,294,517,047	7,762,969	916,971	6,845,998	0.12	71
2019	97,328	5,734,268,035	34,610,044	3,789,092	30,820,952	0.49	317
2020	98,129	6,794,132,095	33,471,333	2,694,732	30,776,601	0.45	314
2021	98,812	7,317,120,179	32,307,623	1,915,512	30,392,111	0.42	308
2022	99,195	7,869,708,316	31,108,913	1,143,948	29,964,965	0.38	302

¹ Population estimates were based upon census data and building activity within the City.

² Debt service monies available are net of reserves dedicated to other debt issues, i.e., revenue bonds and capital leases.

City of Orem
Direct and Overlapping Governmental Activities Debt
June 30, 2022
(Unaudited)

Jurisdiction	Total Governmental Activities Debt Outstanding	Percentage Applicable to the Citizens of the City of Orem ¹	Amount Applicable to the Citizens of the City of Orem
Direct Debt:			
City of Orem	\$ 36,292,694	100.0000%	\$ 36,292,694
Overlapping Debt:			
Alpine School District	443,770,000	19.8360%	88,026,094
Utah County	-	14.3200%	-
Central Utah Water Conservancy District	161,310,372	3.0846%	4,975,790
Total Overlapping Debt	605,080,372		93,001,884
Total Direct and Overlapping Debt	<u><u>\$ 641,373,066</u></u>		<u><u>\$ 129,294,578</u></u>
Total Direct and Overlapping Debt Per Capita			<u><u>\$ 1,303</u></u>

Sources: Assessed value data used to calculate applicable percentages was provided by the Utah State Tax Commission.

Notes: Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Orem. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident (and therefore responsible for repaying the debt) of each overlapping government.

¹ This percentage uses taxable assessed property values. Applicable percentages were calculated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

City of Orem
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
<u>General Purposes (4%)</u>				
Debt Limit	\$ 244,125,324	\$ 251,140,417	\$ 273,693,527	\$ 290,709,109
Total Net Debt Applicable to Limit	(12,418,290)	(15,781,433)	(8,722,156)	(7,964,651)
Legal Debt Margin	<u>\$ 231,707,034</u>	<u>\$ 235,358,984</u>	<u>\$ 264,971,371</u>	<u>\$ 282,744,458</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	5.09%	6.28%	3.19%	2.74%
<u>Water, Sewer, & Lighting (4%)</u>				
Debt Limit	\$ 244,125,324	\$ 251,140,417	\$ 273,693,527	\$ 290,709,109
Total Net Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 244,125,324</u>	<u>\$ 251,140,417</u>	<u>\$ 273,693,527</u>	<u>\$ 290,709,109</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%
<u>Total (8%)</u>				
Debt Limit	\$ 488,250,648	\$ 502,280,834	\$ 547,387,054	\$ 581,418,218
Total Net Debt Applicable to Limit	(12,418,290)	(15,781,433)	(8,722,156)	(7,964,651)
Legal Debt Margin	<u>\$ 475,832,358</u>	<u>\$ 486,499,401</u>	<u>\$ 538,664,898</u>	<u>\$ 573,453,567</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	2.54%	3.14%	1.59%	1.37%

¹ The 8% debt limitation applies only to general obligation bonded debt. The City is limited to 4% for general purposes with the other 4% and any remaining unused general purposes portion being available for use for water, sewer, and lighting purposes.

² Debt service monies available are net of reserves dedicated to other debt issues (i.e. revenue bonds and capital leases).

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 313,847,899	\$ 341,392,514	\$ 372,228,481	\$ 408,651,401	\$ 440,092,724	\$ 479,529,626
(7,964,651)	(6,845,998)	(30,859,318)	(30,776,601)	(30,392,111)	(29,964,965)
<u>\$ 305,883,248</u>	<u>\$ 334,546,516</u>	<u>\$ 341,369,163</u>	<u>\$ 377,874,800</u>	<u>\$ 409,700,613</u>	<u>\$ -449,564,661</u>
2.54%	2.01%	8.29%	7.53%	6.91%	6.25%
\$ 313,847,899	\$ 341,392,514	\$ 372,228,481	\$ 408,651,401	\$ 440,092,724	\$ 479,529,626
-	-	-	-	-	-
<u>\$ 313,847,899</u>	<u>\$ 341,392,514</u>	<u>\$ 372,228,481</u>	<u>\$ 408,651,401</u>	<u>\$ 440,092,724</u>	<u>\$ 479,529,626</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 627,695,798	\$ 682,785,028	\$ 744,456,962	\$ 817,302,802	\$ 880,185,448	\$ 959,059,252
(7,964,651)	(6,845,998)	(30,859,318)	(30,776,601)	(30,392,111)	(29,964,965)
<u>\$ 619,731,147</u>	<u>\$ 675,939,030</u>	<u>\$ 713,597,644</u>	<u>\$ 786,526,201</u>	<u>\$ 849,793,337</u>	<u>\$ 929,094,287</u>
1.27%	1.00%	4.15%	3.77%	3.45%	3.12%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Valuations:

Taxable Value	<u>\$ 7,869,708,316</u>
Estimated Market Value	<u>\$ 11,988,240,649</u>

Legal Debt Margin:

Debt Limitation - 8% of Estimated Market Value ¹	\$ 959,059,252
Debt Applicable to Limitation:	
Total General Obligation Bonded Debt	\$ (31,108,913)
Less:	
Assets in Debt Service Funds Available for payment of Principal ²	<u>1,143,948</u>
Total Debt Applicable to Limitation	<u>(29,964,965)</u>
Legal Debt Margin	<u>\$ 929,094,287</u>

City of Orem
Long-term Bonded Indebtedness Paid By Primary Government
Schedule of Bonded Indebtedness
June 30, 2022
(Unaudited)

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Term of Bonds</u>	<u>Annual Terms of Serial Bonds</u>
Governmental Activities:				
General Obligation Bonds:				
Series 2014 Road Bonds - Refunding	0.25% - 3.00%	11/05/14	2014-2024	Various
Series 2019 Bonds	3.625% - 5.00%	02/26/19	2019-2048	Various
Total General Obligation Bonds				
Revenue Bonds:				
Sales Tax Revenue Refunding Bonds - Series 2017	1.94%	02/23/17	2017-2023	Various
Total Revenue Bonds				
Total Governmental Activities				
Business-type Activities:				
Revenue Bonds:				
2005B Water and Storm Sewer Revenue Bonds	1.48%	03/17/05	2005-2025	Various
2013 Water and Storm Sewer Revenue Refunding Bonds	2.18%	07/02/13	2013-2025	Various
2016 Water and Storm Sewer Revenue Refunding Bonds	2.00% - 4.50%	10/25/16	2016-2028	Various
2021A Water, Sewer and Storm Sewer Revenue Bonds	3.00% - 5.00%	04/27/21	2021-2046	Various
2021B Water, Sewer and Storm Sewer Revenue Bonds	0.00%	04/27/21	2021-2032	Various
Total Revenue Bonds				
Total Business-type Activities				
Total Primary Government Long-term Bonded Indebtedness				

Principal			Interest	
Original Amount	Balance 06/30/22	Retired Year Ended 06/30/22	Expense Year Ended 06/30/22	Payable In Future Years
\$ 9,645,000	\$ 3,155,000	\$ 1,000,000	\$ 99,125	\$ 127,563
\$ 24,500,000	24,500,000	-	1,188,113	20,432,770
	27,655,000	1,000,000	1,287,238	20,560,333
\$ 2,898,000	253,000	243,000	9,622	4,908
	253,000	243,000	9,622	4,908
	27,908,000	1,243,000	1,296,860	20,565,241
\$ 3,000,000	672,000	162,000	12,343	25,057
\$ 12,801,000	5,196,000	1,228,000	127,658	228,728
\$ 4,380,000	4,080,000	100,000	166,550	816,275
\$ 29,320,000	29,320,000	-	887,627	17,564,075
\$ 6,543,000	5,949,000	594,000	-	-
	45,217,000	2,084,000	1,194,178	18,634,135
	45,217,000	2,084,000	1,194,178	18,634,135
	\$ 73,125,000	\$ 3,327,000	\$ 2,491,038	\$ 39,199,376

City of Orem
Other Long-term Liabilities Paid by Primary Government
Last Three Fiscal Years
(Unaudited)

	Fiscal Year		
	2020	2021	2022
Governmental Activities:			
Compensated Absences	\$ 2,218,836	\$ 2,397,724	\$ 2,597,198
Net Pension Liabilities	7,255,064	3,163,175	-
Claims and Judgments	1,069,320	901,538	2,165,465
Other Post-employment Benefits (OPEB)	157,627	89,063	61,379
Total Governmental Activities	10,700,847	6,551,500	4,824,042
Business-type Activities:			
Compensated Absences	348,645	396,024	322,981
Net Pension Liabilities	1,257,893	167,056	-
Total Business-type Activities	1,606,538	563,080	322,981
Primary Government:			
Compensated Absences	2,567,481	2,793,748	2,920,179
Net Pension Liabilities	8,512,957	3,330,231	-
Claims and Judgments	1,069,320	901,538	2,165,465
Other Post-employment Benefits (OPEB)	157,627	89,063	61,379
Total Primary Government	\$ 12,307,385	\$ 7,114,580	\$ 5,147,023

City of Orem
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ¹	Households ²	Personal Income	Per Capita Personal Income ²	Per Household Personal Income
2013	89,584	27,515	\$ 1,738,556,688	\$ 19,407	\$ 63,186
2014	90,154	27,486	1,734,833,422	19,243	63,117
2015	92,601	28,520	1,843,593,309	19,909	64,642
2016	93,788	29,534	1,963,264,204	20,933	66,475
2017	94,499	29,594	2,104,114,734	22,266	71,099
2018	96,159	30,009	2,218,003,494	23,066	73,911
2019	97,328	30,705	2,412,955,776	24,792	78,585
2020	98,129	31,503	2,571,470,445	26,205	81,626
2021	98,812	32,399	2,811,794,272	28,456	86,786
2022	99,195	32,574	2,963,827,566	29,879	90,988

Fiscal Year	Median Age	City Unemployment Rate	K-12 Student Population ³	UVU FTE Student Population ⁴
2013	26.3	5.30%	16,437	21,617
2014	26.4	3.90	16,275	20,697
2015	26.5	3.50	15,757	21,335
2016	26.7	3.90	15,787	22,591
2017	26.8	3.70	15,668	23,706
2018	27.0	3.30	15,644	25,037
2019	27.2	3.10	15,608	26,574
2020	27.4	5.00	14,595	27,531
2021	27.4	3.00	14,759	27,202
2022	27.4	2.30	14,821	26,790

¹ Population estimates were based upon census data and building activity within the City.

² Data is based upon federal income tax return data provided by the Utah State Tax Commission. The data for the current fiscal year is based on the most recent calendar year data.

³ Data was provided by the Alpine School District.

⁴ Data represents fall semester counts based on the Utah Valley University (UVU) fact book.

City of Orem
Other Demographic Statistics
(Unaudited)

Census Population Count

Year	Population	Increase	Percent Increase
1890	435	-	-
1900	692	257	37.14%
1910	1,064	372	34.96
1920	1,664	600	36.06
1930	1,915	251	13.11
1940	2,914	999	34.28
1950	8,338	5,424	65.05
1960	18,394	10,056	54.67
1970	25,760	7,366	28.59
1980	52,399	26,639	50.84
1990	67,561	15,162	22.44
2000	84,324	16,763	19.88
2010	88,328	4,004	4.53
2020	98,129	9,801	9.99

Age Distribution of Population ¹

Age	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	8,791	8.96%	4,356	4.44%	4,435	4.52%
5 - 9	6,668	6.79%	3,304	3.37%	3,364	3.43%
10 - 14	8,066	8.22%	3,997	4.07%	4,069	4.15%
15 - 19	7,279	7.42%	3,606	3.68%	3,673	3.74%
20 - 24	14,144	14.42%	7,008	7.14%	7,136	7.27%
25 - 34	17,104	17.43%	8,475	8.64%	8,629	8.79%
35 - 44	10,848	11.06%	5,375	5.48%	5,473	5.58%
45 - 54	8,672	8.84%	4,297	4.38%	4,375	4.46%
55 - 59	3,702	3.77%	1,834	1.87%	1,868	1.90%
60 - 64	3,673	3.74%	1,820	1.85%	1,853	1.89%
65 - 74	5,164	5.26%	2,559	2.61%	2,605	2.66%
75 - 84	2,503	2.55%	1,240	1.26%	1,263	1.29%
85+	1,515	1.54%	750	0.76%	765	0.78%
TOTAL	98,129	100.00%	48,621	49.55%	49,508	50.45%

¹ Source: Census Bureau - This information is from a 2019 estimate as the Census Bureau has indicated they will not be releasing their standard 2020 estimate because of the impacts of the COVID-19 pandemic on data collection.

City of Orem
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	Fiscal Year 2022			Fiscal Year 2013		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Taxpayer						
Utah Valley University	2,925	1	5.74%	2,043	1	6.35%
Alpine School District	1,525	2	2.99%	1,485	2	4.61%
City of Orem	561	3	1.10%	501	5	1.56%
Timpanogos Regional Hospital	505	4	0.99%	473	6	1.47%
Avretta, LLC	500	5	0.98%	----		----
Wal-Mart	499	6	0.98%	340	10	1.06%
United Parcel Service, Inc.	356	7	0.70%	----		----
Target Stores	348	8	0.68%	----		----
U.S. Synthetic Corporation	347	9	0.68%	592	4	1.84%
Costco Wholesale Corporation	347	10	0.68%	----		----
Convergys Corporation	----		----	592	3	1.84%
Xactware Solutions, Inc.	----		----	447	7	1.39%
Dialogue Marketing West of Utah	----		----	405	8	1.26%
Security Metrics	----		----	361	9	1.12%
Total	7,913		15.52%	7,239		22.49%

Source: Orem City's business licensing database and personal communications with certain governmental entities by Orem City personnel.

City of Orem
Full-Time-Equivalent City Government Employees
by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2013	2014	2015	2016
General Government	102	107	105	113
Public Safety:				
Police Protection	131	130	133	135
Fire Protection	65	68	68	67
Highways and Public Improvements	0	0	0	0
Parks and Recreation:				
Parks and Recreation	29	35	36	32
Library	45	45	46	44
Cemetery	5	5	5	5
Economic and Physical Development	4	4	3	3
Water	26	27	26	26
Water Reclamation	29	30	30	27
Storm Water	10	11	11	11
Recreation	53	53	54	54
Street Lighting	2	2	2	2
Total	501	517	519	519

Source: City of Orem - Human Resource Department

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Fiscal Year					
2017	2018	2019	2020	2021	2022
122	124	129	130	133	131
137	134	134	139	144	139
68	67	68	67	71	72
0	0	0	0	1	1
33	33	32	33	32	29
46	46	44	45	47	48
5	4	5	5	5	5
3	3	2	3	3	3
24	29	30	30	31	29
30	30	29	29	27	26
11	12	12	12	13	12
54	54	50	32	44	63
2	2	3	3	3	3
535	538	538	528	554	561

City of Orem
Operating Indicators by Function / Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Government:					
Building Permits Issued	817	1,064	1,301	1,429	1,518
Public Safety:					
Police Protection:					
Physical Arrests	4,338	3,335	3,621	3,842	4,145
Traffic Citations	16,042	18,116	12,487	12,064	12,022
Fire Protection:					
Emergency Responses	9,058	8,105	9,448	10,442	10,471
Ambulance Transports	2,434	2,461	2,709	2,963	2,949
Other Public Safety Services:					
Emergency Dispatch Calls	37,867	24,906	27,251	28,023	27,024
Highways and Public Improvements:					
Asphalt Used - Streets (Tons)	5,287	4,725	4,332	4,060	3,633
Concrete Used - Sidewalks (Yards)	796	821	805	750	575
Parks and Recreation:					
Recreation Programs Participants	12,276	12,984	12,486	12,702	13,974
Library - Volumes in Collection (approx.)	326,253	329,204	366,500	374,190	368,754
Cemetery - Interments	252	322	323	333	344
Economic and Physical Development:					
Public Service Organizations Assisted	16	16	16	22	16
Housing Rehab/RLF Loans/Grants Added	6	6	4	2	5
Major Project Improvements Completed	1	0	2	0	0
Water:					
Number of Consumers	22,107	22,176	22,492	22,771	22,949
Average Daily Consumption (MGD)	26.9	24.7	24.7	24.5	25.1
Water Reclamation:					
Number of Service Connections	21,226	23,232	23,670	23,923	24,422
Average Daily Treated (MGD)	7.9	7.9	7.9	8.2	8.6
Storm Water:					
Number of Sumps Added (Removed)	4	3	0	1	2
New Infrastructure (Feet)	29,040	0	250	450	0
Recreation:					
Fitness Center Admissions	369,068	353,657	304,020	326,726	361,575
Fitness Center Class Participants	4,236	5,051	3,188	2,596	2,822
Scera Park Pool Admissions	39,545	39,286	47,785	42,434	40,517
Scera Park Pool Class Participants	3,180	2,912	2,786	1,360	1,481
Solid Waste:					
Annual Waste Tonnage	26,527	28,503	27,636	29,008	28,986
Avg Annual Waste per Household (Tons)	1.39	1.36	1.38	1.46	1.45
Street Lighting:					
Number of Street Lights Added	1	29	13	36	409

Source: Various city departments

Fiscal Year				
2018	2019	2020	2021	2022
1,473	1,190	1,423	1,508	1,508
4,277	3,539	3,604	2,766	2,766
15,616	12,174	8,768	8,673	8,673
6,726	6,680	6,361	6,893	6,893
3,099	2,972	2,813	3,055	3,055
27,768	30,396	32,380	32,897	32,897
3,771	3,077	3,613	3,378	3,378
818	551	670	579	579
12,915	12,559	6,818	9,927	9,927
390,030	407,744	472,283	481,130	481,130
352	323	319	386	386
16	17	10	16	16
2	2	8	10	10
2	0	2	2	2
23,103	23,517	23,811	24,177	24,177
25.0	23.1	25.0	24.7	24.7
24,647	24,970	25,065	25,137	25,137
8.6	8.5	8.3	8.0	8.0
31	(7)	(16)	87	87
3,168	3,167	6,600	370	370
370,350	345,929	200,733	153,502	153,502
3,573	3,421	2,957	3,584	3,584
51,051	40,444	63,060	62,730	62,730
1,559	1,255	1,176	1,401	1,401
28,942	27,409	28,258	29,390	29,390
1.44	1.35	1.39	1.41	1.41
10	412	39	197	197

City of Orem
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years
(Unaudited)

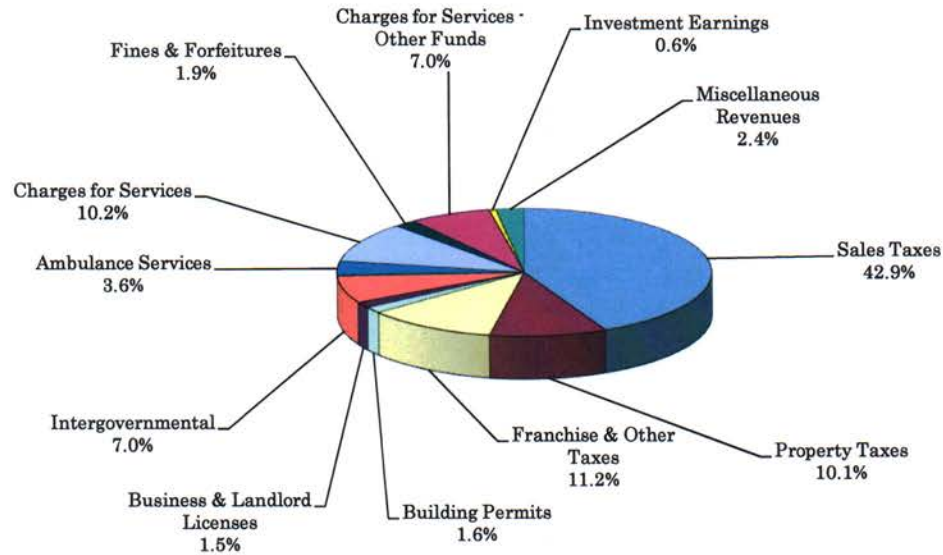
	Fiscal Year				
	2013	2014	2015	2016	2017
General Government:					
Vehicles	165	172	169	168	168
Public Safety:					
Police Protection:					
Stations	1	1	1	1	1
Vehicles	122	107	127	125	127
Fire Protection:					
Stations	4	4	4	4	4
Vehicles	30	28	29	28	29
Highways and Public Improvements:					
Streets (miles)	241	242	242	243	243
Traffic Signals	34	34	34	34	36
Parks and Recreation:					
Parks	22	25	26	26	27
Parks Acreage	350	363	385	385	388
Playgrounds	18	18	19	19	20
Walking/Jogging Trails (miles)	40.0	40.0	40.8	40.8	40.8
Libraries	1	1	1	1	1
Cemeteries	1	1	1	1	1
Water:					
Water Mains (miles)	374	374	374	382	382
Water Service Lines (miles)	103	103	103	103	103
Wells	9	9	9	9	9
Storage Capacity (thousands of gallons)	22,440	22,440	22,490	21,990	21,950
Water Reclamation:					
Sewer Lines (miles)	286	288	291	294	331
Treatment Capacity (MGD)	13.5	13.5	13.5	13.5	13.5
Storm Water:					
Storm Water Lines (miles)	84.0	84.0	87.1	88.5	88.5
Sumps	1,755	1,759	1,759	1,746	1,748
Recreation:					
Fitness Centers	1	1	1	1	1
Pools	2	2	2	2	2
Baseball / Softball Diamonds	18	18	18	18	18
Soccer / Football Fields	18	18	21	21	21
Street Lighting:					
Street Lights	5,175	5,204	5,217	5,253	5,662

Source: Various city departments

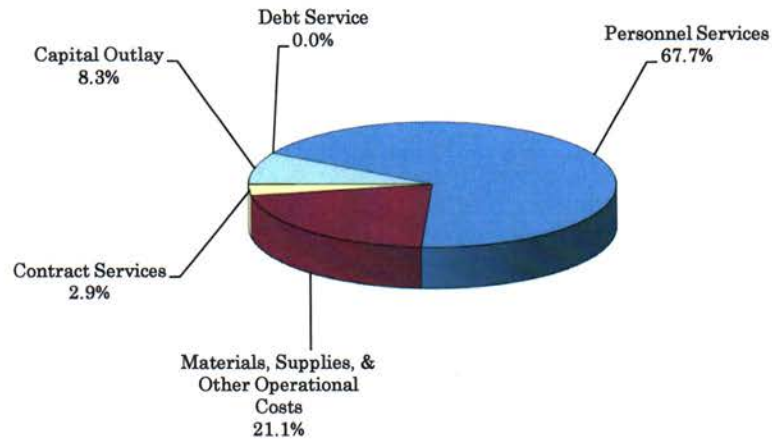
Fiscal Year				
2018	2019	2020	2021	2022
159	167	169	175	175
1	1	1	1	1
122	121	125	125	125
4	4	4	4	4
29	30	27	27	27
243	244	244	244	244
36	36	36	36	36
27	29	30	30	30
388	392	392	392	392
20	20	20	20	20
40.8	40.8	40.8	40.8	40.8
1	1	1	1	1
1	1	1	1	1
384	388	388	388	388
103	104	104	104	104
9	9	9	9	9
21,950	21,950	21,950	21,950	21,950
336	343	343	347	347
13.5	13.5	13.5	13.5	13.5
90.1	90.7	92.0	92.0	92.0
1,779	1,772	1,756	1,843	1,843
1	1	1	1	1
2	2	2	2	2
18	18	18	18	18
21	21	21	21	21
5,672	6,084	6,123	6,320	6,320

City of Orem
General Fund - Revenues and Expenditures
For The Year Ended June 30, 2022
(Unaudited)

GENERAL FUND - REVENUES



GENERAL FUND - EXPENDITURES





*City of Orem | 56 N. State St.
Orem, UT 84057
orem.org*

City of Orem, Utah
Supplementary Reports
For the Year Ended June 30, 2022

CITY OF OREM, UTAH
Supplementary Reports

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For the year ended June 30, 2022

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

The Honorable Mayor and
Members of the City Council
Orem City, UT

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information Orem City (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Orem City's basic financial statements and have issued our report thereon dated December 12, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Orem City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Orem City's internal control. Accordingly, we do not express an opinion on the effectiveness of Orem City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orem City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah
December 12, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

The Honorable Mayor and
Members of the City Council
Orem City, UT

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited Orem City's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022. Orem City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards general accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Governments Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Orem City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Orem City's major federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Orem City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Orem City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Orem City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Orem City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies in material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 12, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
December 12, 2022

OREM CITY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grantor's Number	Federal Expenditures	Expenditures to Subrecipients
Department of Commerce				
Economic Development Cluster				
Direct Program:				
Economic Adjustment Assistance 3	11.307	05-39-02234	\$ 97,314	
COVID-19 Economic Adjustment Assistance	11.307	05-79-05985	14,512	
Total Economic Development Cluster			97,314	
Total Department of Commerce			111,826	
Department of Housing and Urban Development				
CDBG Entitlement Grant Cluster				
Direct Program:				
* Community Development Block Grant	14.218	B-21-MC-49-0002	520,022	72,204
* COVID-19 Community Development Block Grant	14.218	B-20-MC-49-0002	262,801	131,505
Total Entitlement Grant Cluster			782,823	203,709
Total Department of Housing and Urban Development			782,823	203,709
Department of the Interior				
Passed through Bureau of Reclamation:				
WaterSMART (Sustain and Manage America's Resources for Tomorrow)	15.507	R20AP00098	378,813	
Total Department of the Interior			378,813	
Department of Justice				
Passed through Commission on Criminal and Juvenile Justice:				
Victims of Crime Act Grant (VOCA)	16.575	21VOCA044	111,279	
Equitable Sharing Program Grant	16.922	UT0250300	62,958	
Direct Program:				
Public Safety Partnership & Community Policing Grants (C	16.71	2020UMWX0250	123,063	
Total Department of Justice			297,300	
Department of Transportation				
Highway Safety Cluster				
Passed through Utah Department of Public Safety:				
State and Community Highway Safety Grant	20.6	DD190805	1,611	
Total Highway Safety Cluster			1,611	
Total Department of Transportation			1,611	
Department of the Treasury				
Direct Program:				
COVID-19 Coronavirus State & Local Fiscal Recovery Fund	21.027	07-298-8710	400,972	
Total Department of the Treasury			400,972	
National Endowment for the Arts & Humanities				
Passed through Western States Arts Federation:				
Promotion of the Arts Partnership Agreement	45.025	TW20200121	1,800	
Passed through Department of Heritage and Arts:				
Promotion of the Arts Partnership Agreement	45.025	220913	4,000	
Grants to States	45.310	203511		
Total National Endowment for the Arts & Humanities			5,800	
Institute of Museum and Library Services				
Passed through Department of Cultural & Community Engagement:				
Grants to States	45.310	212781	16,065	
Grants to States	45.310	220119	68,530	
Grants to States	45.310	221497	1,988	
Total Institute of Museum and Library Services			86,583	
Environmental Protection Agency				
Direct Program:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	96896201	51,533	
Total Environmental Protection Agency			51,533	
Executive Office of the President				
Direct Program:				
High Intensity Drug Trafficking Areas (HIDTA) Program	95.001	G-21-RM0030A	190,082	
High Intensity Drug Trafficking Areas (HIDTA) Program	95.001	G-22-RM0030A	142,224	
Total Executive Office of the President			332,306	
Department of Homeland Security				
Passed through Department of Public Safety Division of				
Emergency Services and Homeland Security:				
Emergency Management Performance Grant (EMPG)	97.042	EMPG-2021-DEM-01	32,500	
Total Department of Homeland Security			32,500	
Total Federal Financial Assistance			\$ 2,482,067	\$ 203,709
<i>*Major Program</i>				

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Orem City (the City). The City's reporting entity is defined in Note 1 to the basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included on the schedule of expenditures of federal awards.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for expenditures in governmental fund types and on the accrual basis for expenses in proprietary fund types, which is described in Note 1 to the basic financial statements.

3. NON-CASH ASSISTANCE

The City did not receive any non-cash assistance.

4. LOANS OUTSTANDING

The City does not have federally insured loans outstanding at year end.

5. DE MINIMIS INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate

SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unqualified opinion on the basic financial statements of Orem City.
2. No reportable conditions related to the audit of the financial statements are reported in the Auditor's Report on Internal Controls and Compliance with Laws and Regulations.
3. No instances of noncompliance material to the financial statements of Orem City were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award program is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with Uniform Guidance.
5. The independent auditor's report on compliance for the major federal award programs for the Orem City, expresses an unqualified opinion.
6. The audit disclosed no audit findings that are required to be reported under 2 CFR section 200.516(a).
7. The program tested as a major program include:

Community Development Block Grant	CFDA# 14.218
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8. The threshold for distinguishing Types A and B programs is \$750,000 of federal awards expended.
9. Orem City was determined to be a low-risk auditee.

CITY OF OREM, UTAH

Schedule of Findings and Questioned Costs (continued)

For the year ended June 30, 2022

SUMMARY OF CURRENT YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

FINANCIAL STATEMENT FINDINGS

No findings noted during current audit

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during current audit

SUMMARY OF PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

No findings noted during prior audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during prior audit

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

The Honorable Mayor and
Members of the City Council
Orem City, UT

Report on Compliance with General State Compliance Requirements

We have audited Orem City's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on Orem City for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas:

Budgetary Compliance	Fund Balance
Fraud Risk Assessment	Governmental Fees
Justice Court	Cash Management
Enterprise Fund Transfers, Reimbursements, Loans, and Service	Tax Levy Recognition
Impact Fees	Utah Retirement Systems
Public Treasurer's Bond	Open and Public Meetings Act

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on Orem City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about Orem City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Orem City's compliance with those requirements.

Opinion on Compliance

In our opinion, Orem City complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2022.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*, and which are described in the accompanying schedule of state compliance findings and recommendations. Our opinion on compliance is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of state compliance findings and recommendations. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Orem City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Larson & Company, PC

Spanish Fork, Utah
December 12, 2022

State Compliance – Current Year

SC 2022.1 Deficit Fund Balance

Criteria: *Utah State Code 10-6-117-(2)* states that if there is a deficit fund balance in a fund at the close of the last completed fiscal year, the governing body of a city shall include an item of appropriation for the deficit in the current budget of the fund equal to (a) at least 5% of the total revenue of the fund in the last completed fiscal year; or (b) if the deficit is equal to less than 5% of the total revenue of the fund in the last completed fiscal year, the entire amount of the deficit.

Condition: The City has a deficit fund balance in the Facilities Maintenance Fund. In the amended and subsequent budgets, there were no appropriations to retire at least 5% of the deficit fund balance.

Cause of condition: Oversight on the management and staff

Potential effect of condition: Non-compliance with Utah State Code

Recommendation: We recommend that the City and its management review prior year fund balances. If a deficit has occurred, we recommend that the City ensure that there is a line item with an appropriation to retire an amount equal to or greater than 5% of the total revenue of the fund while preparing the current year budget.

City's response: The Facilities Maintenance internal service fund was new in FY 2021 and various costs were higher than anticipated in FY 2022. The additional costs were incorporated into the fund's charges to other funds in the FY 2023 budget. The Governmental Accounting Standards Board (GASB) has indicated that internal service funds operate on a "break-even" bases over time.

SC 2022.2 Cash Management

Criteria: *Utah State Code 51-7-15-(3)(b)* states that the report shall contain the information about the deposits and investments of that public treasurer during the preceding six months ending December 31 and June 30, respectively, that the council requires by rule.

Condition: Three Public Treasurer's Investment Fund (PTIF) accounts were not reported in the Deposit and Investment (D&I) Report submitted for FY2022.

Cause of condition: Oversight on the management and staff

Potential effect of condition: Non-compliance with Utah State Code

Recommendation: We recommend that the City reconcile and report the institutional balances when submitting the D&I report.

City's response: The City identified what caused the error in reporting and has put procedures in place to avoid this error from occurring in the future.

SC 2022.3 Fund Balance General Fund Requirement

Criteria: *Utah State Code 10-6-116-(2)* states that the accumulation of a fund balance in the city general fund may not exceed 35% of the total revenue of the city general fund for the current fiscal period.

Condition: The City's unrestricted general fund balance exceeded 35% of the total revenue of the general fund.

Cause of condition: Oversight on the management and staff.

Potential effect of condition: Non-compliance with Utah State Code

Recommendation: We recommend that the City review general fund balances for excess. If the city is accumulating fund for future projects, those monies should be moved to other funds. The city should maintain less than 35% of the general fund revenues for future appropriation to be in compliance with the Utah State Code.

City's response: Due to higher than expected sales tax revenues in FY 2022, the City believed it was possible that it would have a fund balance exceeding the state fund balance limitation. The City will appropriate the needed amount in FY 2023 through a budget amendment and transfer it to its Capital Projects Fund in order to be below the maximum unrestricted fund balance limitation.

Internal Control – Current Year

None noted

Status of Findings – Prior Year

State Compliance

SC 2021.1 Fund Balance Requirements

Criteria: Utah State Code Section 10-6-116 (2) states that the committed, assigned, and unassigned fund balance of the general fund not to exceed 35% of the total revenue of the general fund for the fiscal year under audit.

Condition: The City's committed, assigned, and unassigned fund balance in the general fund exceeded the 35% limit.

Status of finding: Finding substantially repeated. See current year finding SC-2022.3

Management response to status of finding: See response to current year finding SC-2022.3

Internal Control

None noted



**CITY OF OREM
CITY COUNCIL
MEETING
DECEMBER 13, 2022**

REQUEST:	PUBLIC HEARING – Amending Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes.
APPLICANT:	Matthew Taylor
NOTICES:	CITY OF OREM NOTICE OF CITY COUNCIL PUBLIC HEARING The City Council will hold the following public hearing on December 13, 2022, at approximately 6:00 p.m. to consider the following: • PUBLIC HEARING – Amending Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes. The proposed amendments are available in the Office of Development Services, Room #105, 56 North State Street, Orem, Utah. If you have any questions regarding the proposed zone change or amendments, contact the Development Services Department at 229-7058. THE PUBLIC IS INVITED TO PARTICIPATE IN ALL CITY COUNCIL MEETINGS. If you need a special accommodation to participate in the City Council Meetings, please call the City Recorder’s Office. (Voice 229-7074, TDD 229-7035)
SITE INFORMATION:	This would propose multi-use trails on Vineyard Road between 140 South and Lakeside Sports Complex, on 400 South between Vineyard Road and Geneva Road and from 300 S to 100 S Geneva Road Frontage Road.
PREPARED BY:	Matthew Taylor, Senior Planner

REQUEST:

The Development Services Department requests the Planning Commission review and recommend the City Council adopt amendments to Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes.

BACKGROUND:

The Orem Parks, Recreation, Trails and Open Space Master Plan (PRTO) was adopted on December

14, 2021 (online at www.orem.org/generalplan - Appendix G). Subsequently, Vineyard City Community Development proposed a concept of connecting the Lake Bottom Canal Trail to Orem's Geneva Road Multi-Use Path. In examining the request, an additional connection to the Rail Trail in Vineyard would seem advantageous to Orem citizens and would require minimal public improvements to do so.

Interlinking the trails to the Geneva Road Multi-Use path would create pedestrian and cycling paths buffered from road traffic to many destinations in both cities, including UVU, UVU North, Orem/Vineyard transit stations, MTECH, parks, schools and more. It would also increase access to additional trail networks in the area.

Multi-Use Paths

Orem PRTO Master Plan defines multi-use paths as: Permanently protected community 10-foot paths and connectors that are typically paved. They include soft shoulders and are separated from adjacent roads and prohibit motorized use. The multi-use trail directly or indirectly links with trailheads and access points. (see p. 51 and 53 PRTO).

Multi-use paths can be adaptable and flexible depending on existing built-out conditions or in undeveloped areas.

Proposed Amendments

Staff proposes adding three multi-use path alignments to Map 6 of the PRTO.

- 1) Lake Bottom Canal Trail Connector
- 2) Rail Trail Connector
- 3) Lakeside Park Connector

Timing

Final design and timing of these multi-use paths will coincide with the acquisition of dedicated funding for the project(s). This may include grant money from various sources, or an appropriation of city funds (typically at the time of already planned right-of-way improvements).

RECOMMENDATION:

Recommend approval of the amendment to the Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 - Proposed Trails and Bike Lanes.

**CITY OF OREM
CITY COUNCIL MEETING
DECEMBER 13, 2022**



REQUEST:	6:00 P.M. SCHEDULED ITEM PUBLIC HEARING – Amending Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes.
APPLICANT:	City of Orem
FISCAL IMPACT:	None

NOTICES:

- Posted in 2 public places
- Posted on City webpage
- Posted on the State noticing website
- Faxed to newspapers
- Posted at utah.gov/pa

SITE INFORMATION:

General Plan
Designation:
N/A
Current Zone: N/A
Acreage: N/A
Neighborhood:
**Sunset Heights,
Orem Park**

**PLANNING
COMMISSION
RECOMMENDATION**

5-0 – Recommend
Approval

PREPARED BY:

Matt Taylor
Senior Planner

REQUEST: The Development Services Department requests the City Council adopt amendments to Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes.

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Proposed Amendments

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- 2) Rail Trail Connector
- 3) Lakeside Park Connector



Area 1 – Lake Bottom Canal Trail Connector

Connects the Geneva Road Multi-Use Path to Lake Bottom Canal Trail via the Geneva Frontage Road and then under the Geneva Road rail overpass and connects 450 feet northwest to the existing Lake Bottom Canal Trail.

Length: 2100 feet

Connections

- UVU East/UVU
- UVU Vineyard
- Orem Station
- Megaplex/Restaurants



Area 2 – Rail Trail Connector

Connects the Lakeside Park Multi-Use Path to the Rail Trail.

Length: 530 feet

Connections

- UVU/UVU East
- Orem Station
- Vineyard Station
- Lakeside Park
- Vineyard Elementary
- Utah Shoreline Trail
- Extensive Vineyard Trail Network



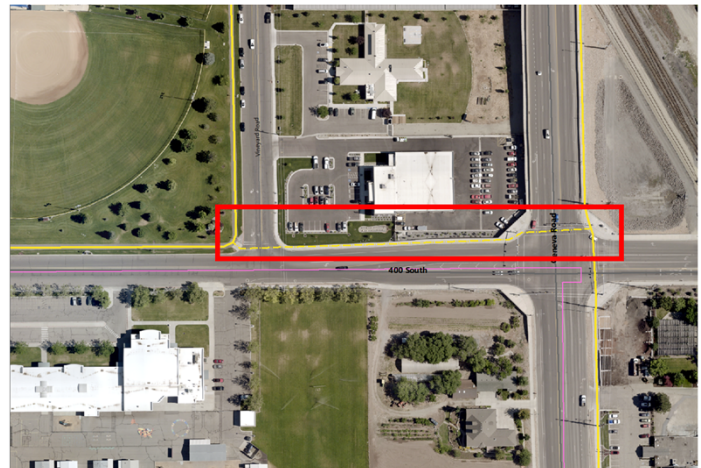
Area 3 – Lakeside Park Connector

Connects the Geneva road Multi-Use Trail to the Lakeside Park Multi-Use Trail via 400 South

Length: 600 feet

Destinations:

- UVU/UVU East
- Orem Station
- Sleepy Ridge Golf Course
- Vineyard Elementary
- Utah Lake Shoreline Trail



Timing

Final design and timing of these multi-use paths will coincide with the acquisition of dedicated funding for the project(s). This may include grant money from various sources, or an appropriation of city funds (typically at the time of already planned right-of-way improvements).

RECOMMENDATION: The Planning Commission recommends the City Council, by resolution, approve the amendments to Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes.

Planning Commission Minutes – October 19, 2022

Agenda Item 3.4 is a request by the City of Orem for the Planning Commission to amend Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes.

Staff Presentation: The Orem Parks, Recreation, Trails and Open Space Master Plan (PRTO) was adopted on December 14, 2021 (online at www.orem.org/generalplan - Appendix G). Subsequently, Vineyard City Community Development proposed a concept of connecting the Lake Bottom Canal Trail to Orem's Geneva Road Multi-Use Path. In examining the request, an additional connection to the Rail Trail in Vineyard would seem advantageous to Orem citizens and would require minimal public improvements to do so.

Interlinking the trails to the Geneva Road Multi-Use path would create pedestrian and cycling paths buffered from road traffic to many destinations in both cities, including UVU, UVU North, Orem/Vineyard transit stations, MTECH, parks, schools and more. It would also increase access to additional trail networks in the area.

Multi-Use Paths: Orem PRTO Master Plan defines multi-use paths as: Permanently protected community 10-foot paths and connectors that are typically paved. They include soft shoulders and are separated from adjacent roads and prohibit motorized use. The multi-use trail directly or indirectly links with trailheads and access points. (see p. 51 and 53 PRTO).

Multi-use paths can be adaptable and flexible depending on existing built-out conditions or in undeveloped areas.

Proposed Amendments: Staff proposes adding three multi-use path alignments to Map 6 of the PRTO.

- 1) Lake Bottom Canal Trail Connector
- 2) Rail Trail Connector
- 3) Lakeside Park Connector

Timing: Final design and timing of these multi-use paths will coincide with the acquisition of dedicated funding for the project(s). This may include grant money from various sources, or an appropriation of city funds (typically at the time of already planned right-of-way improvements).

Additional Information: Additional information may be found in Attachment A – Presentation to the Planning Commission on October 5, 2022.

Recommendation: The Development Review Committee determined this request complies with the Orem City Code. Staff recommends the Planning Commission provide a positive recommendation to the City Council regarding the approval of amendments to Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes.

Chair Sakar asked if the Planning Commission had any questions for Mr. Taylor.

Chair Sakar opened the public hearing and invited those from the audience who had come to speak to this item to come forward to the microphone.

When no one came forward, Chair Sakar closed the public hearing and asked if the Planning Commission had any more questions for the applicant or staff. When none did, he called for a motion on this item.

Planning Commission Action: Mr. Sakar moved to forward a positive recommendation to the City Council regarding the approval of amendments to Appendix G of the Orem City General Plan pertaining to Orem Parks, Recreation, Trails, and Open Space Master Plan; Map 6 – Proposed Trails and Bike Lanes. Mr. Hawkes seconded the motion. Those voting aye: Gerald Crismon, James Hawkes, Madeline Komen, Murray Low and Haysam Sakar. The motion passed unanimously.



Orem-Vineyard Multi-Use Trail Connector Proposals

Parks, Recreation, Trails and Open Space Master Plan Amendments

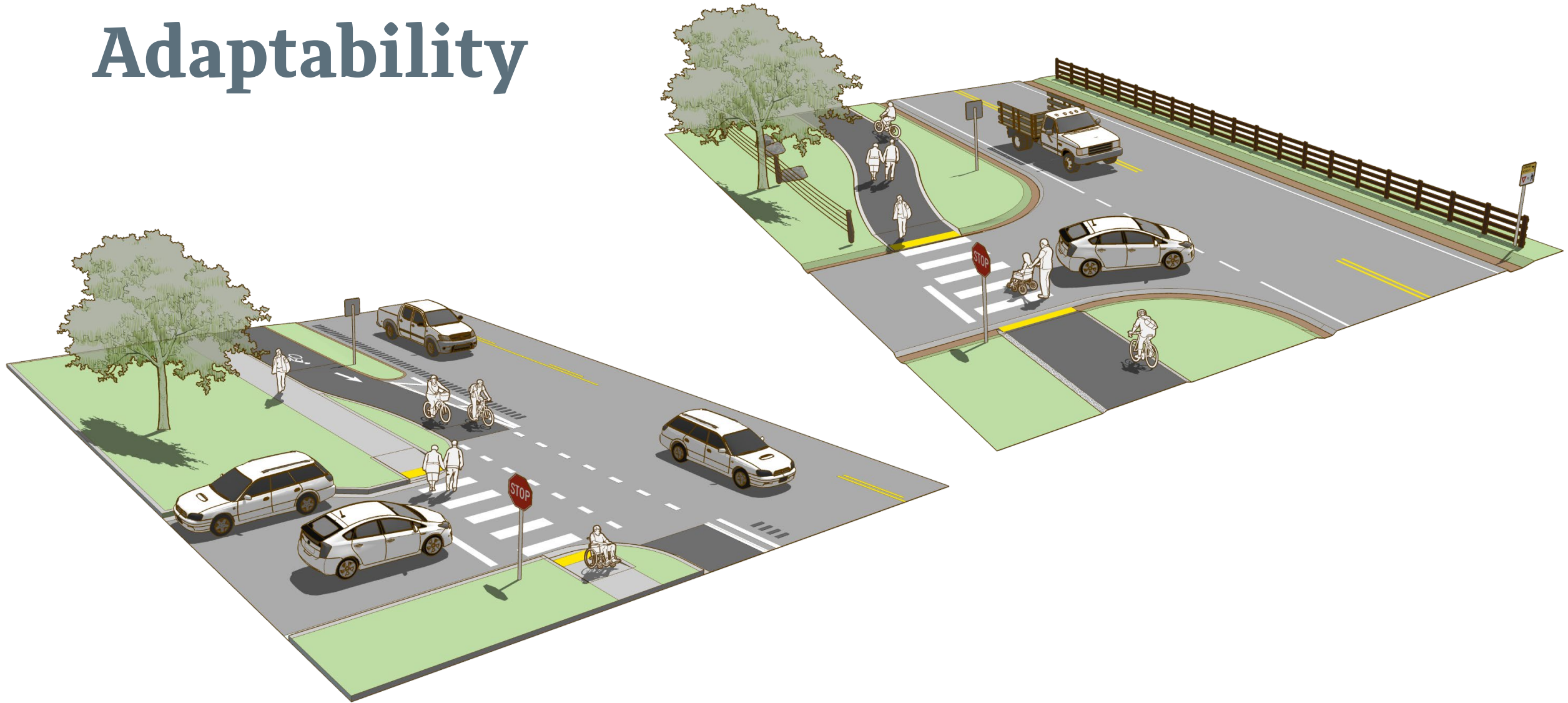
Background

- Vineyard City has contacted us and expressed interest in a partnership to connect the Lake Bottom Canal Trail (in Vineyard) to our Geneva Road Multi-Use Path.
- In examining the request, two other potential connections were identified that would make a safer and more integrated multi-use path system.
- These connections would be a valuable benefit to residents that desire to walk or cycle to connections between to the cities. This may be an excellent opportunities to reduce traffic from future students that live in the area and attend both UVU and UVU North campuses, or attend retail/services in adjacent cities.
- Increased access to FrontRunner and other transit opportunities, as well as Vineyard's extensive multi-use path system and access to Utah Lake.

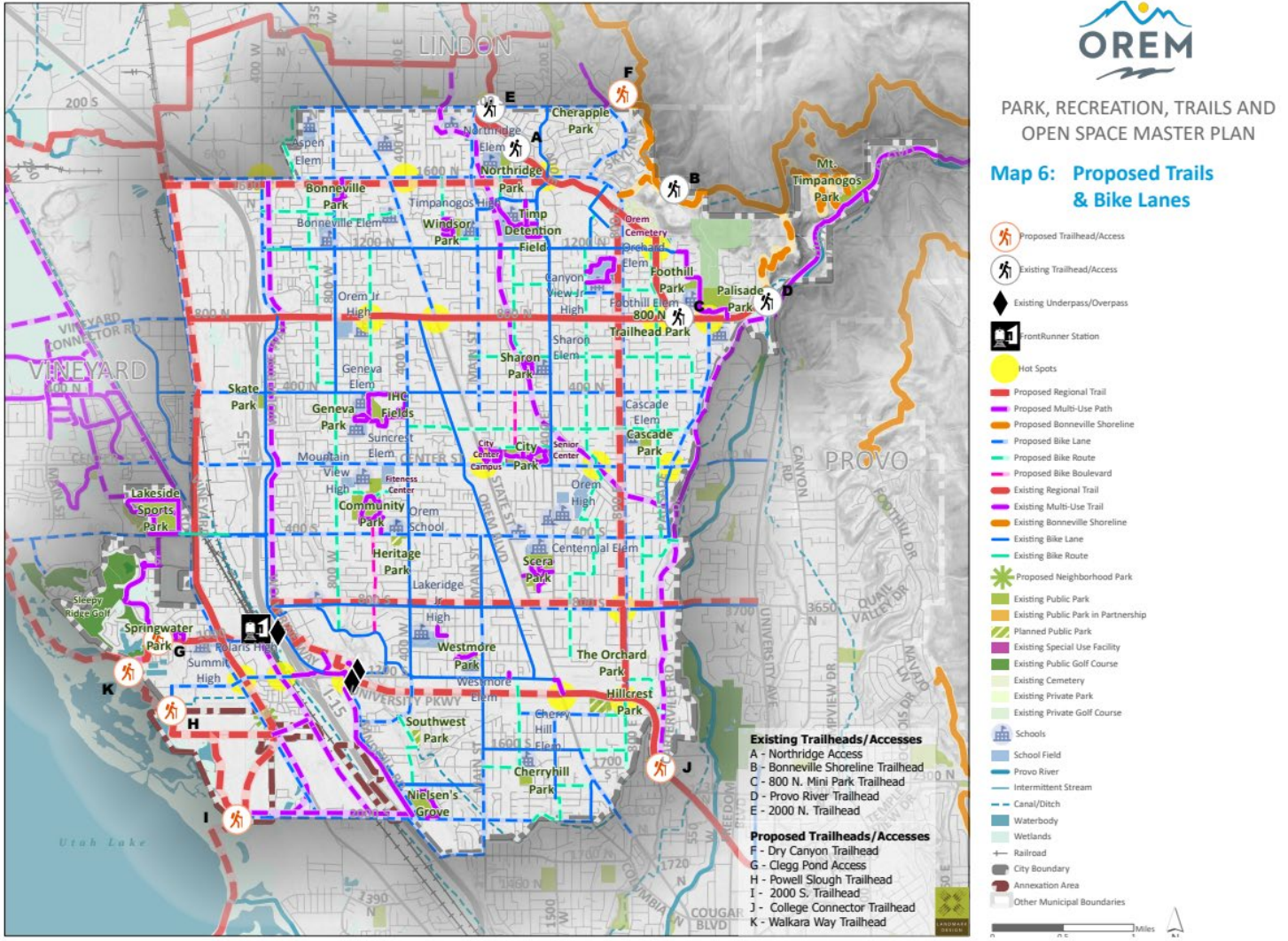
What is a Multi-Use Path?

- Are community connectors
- Support hiking, mountain biking and equestrian use where appropriate
- Include soft shoulders and are separated from adjacent roads
- Prohibit motorized use
- Directly or indirectly link with trailheads and access points
- Include minimal enhancements to protect surrounding natural resources
- Are permanently protected
- Incorporate ramps, access points and other features to maximize use and accessibility
- Have 10' minimum widths
- Are typically paved with some unpaved segments appropriate for natural open space locations

Adaptability



Map 6 PRTO Plan



56 | December 2021

City of Orem Parks, Recreation, Trails & Open Space Master Plan **OREM**

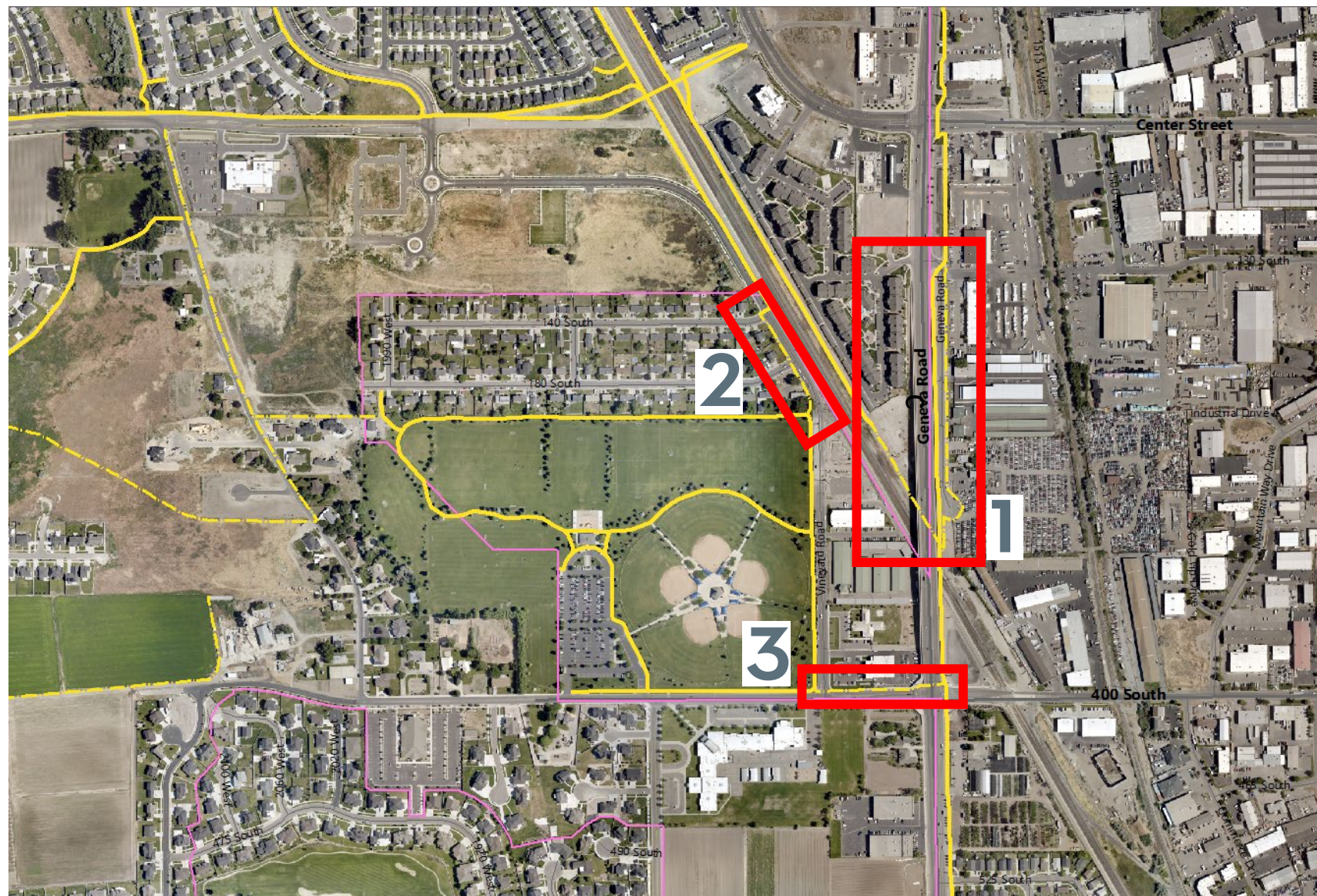


FAMILY CITY USA

Orem PRTO Master Plan Amendments

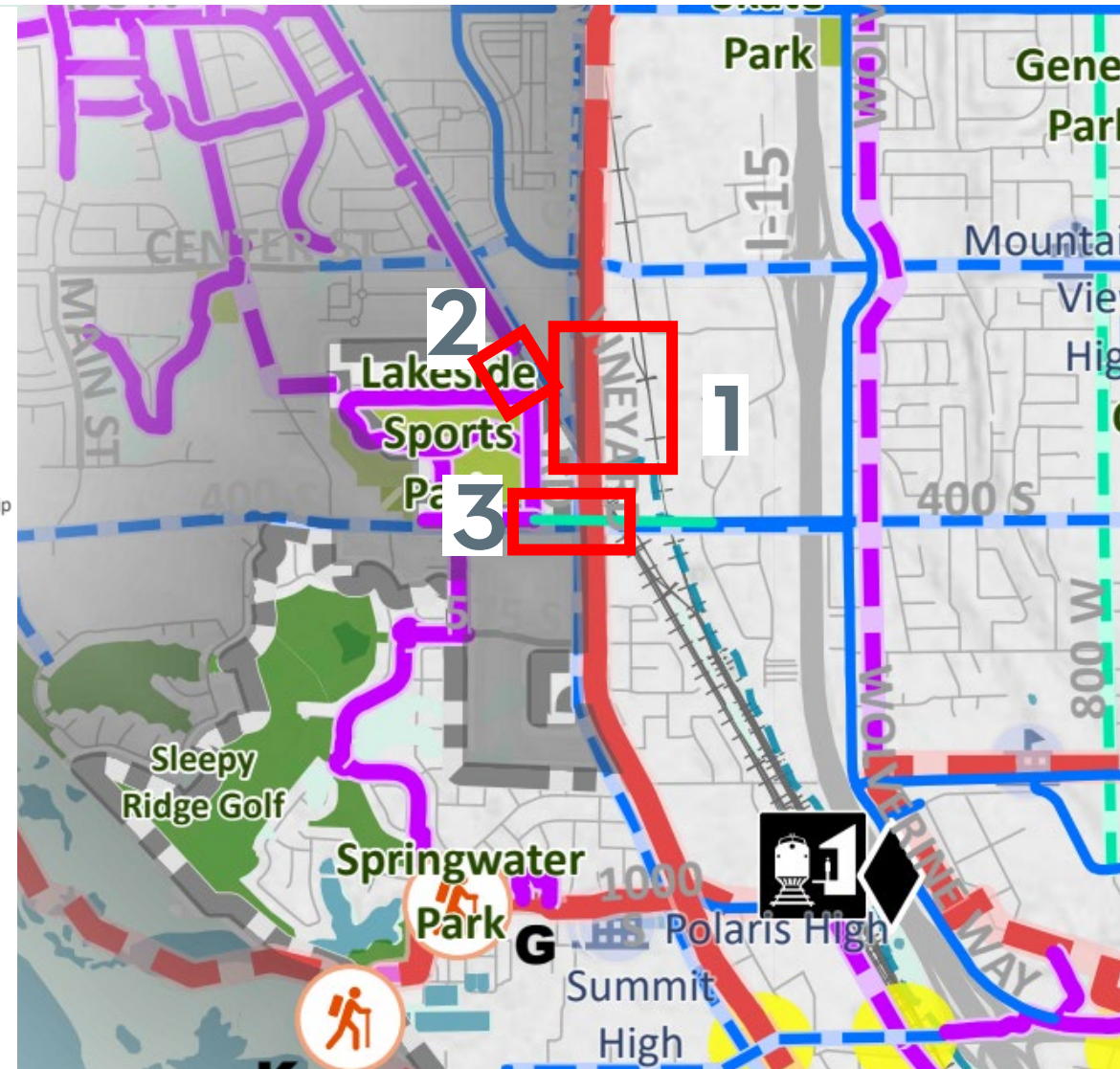
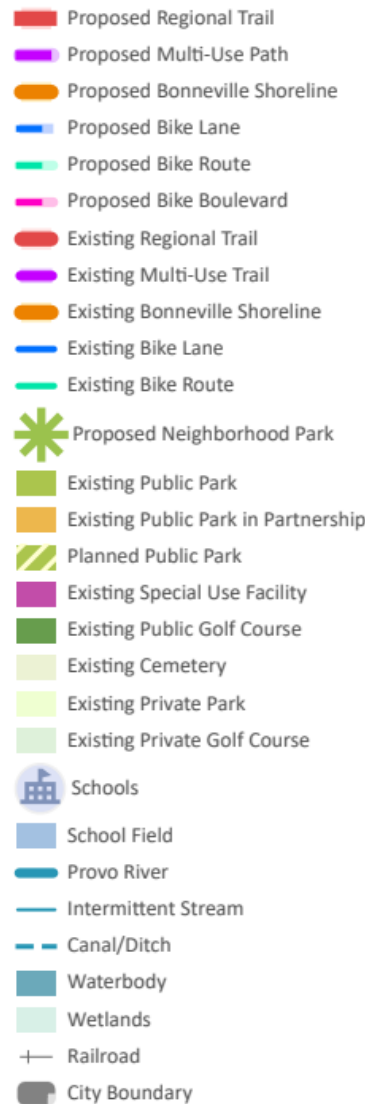
Proposed Amendments

1. Lake Bottom Canal Connector
2. Rail Trail Connector
3. Lakeside Park Connector



Current Plan

1. Lake Bottom Canal Connector
2. Rail Trail Connector
3. Lakeside Park Connector



Area-wide Destinations

1. Vineyard Station
2. UVU North - Vineyard
3. Utah Shoreline Trail
4. Lakeside Park
5. UVU East
6. Orem Station
7. UVU
8. MTECH
9. Orem Temple



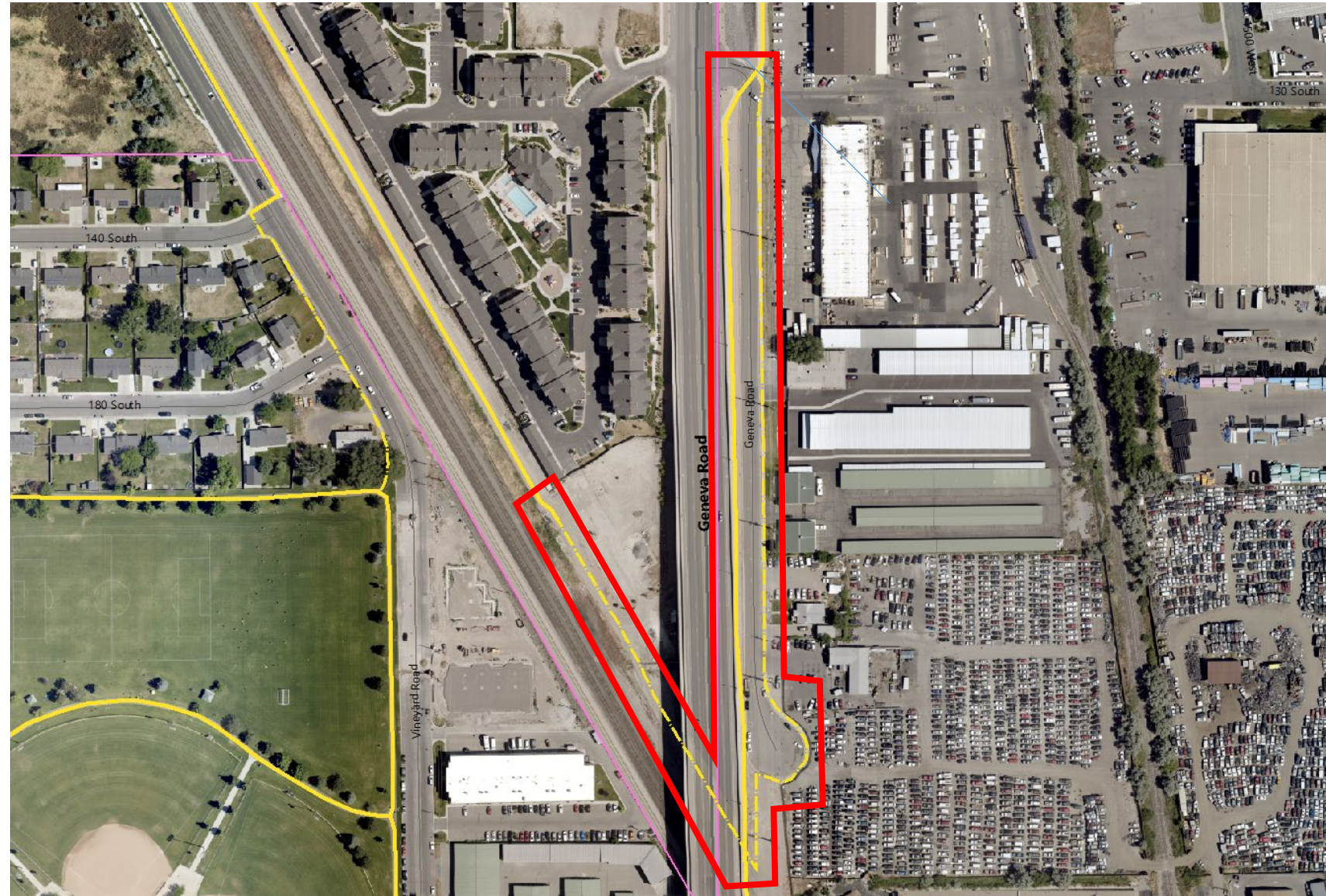
Area 1 – Lake Bottom Canal Trail Connector

Connects the Geneva Road Multi-Use Path to Lake Bottom Canal Trail via the Geneva Frontage Road and then under the Geneva Road rail overpass and connects 450 feet northwest to the existing Lake Bottom Canal Trail.

Length: 2100 feet

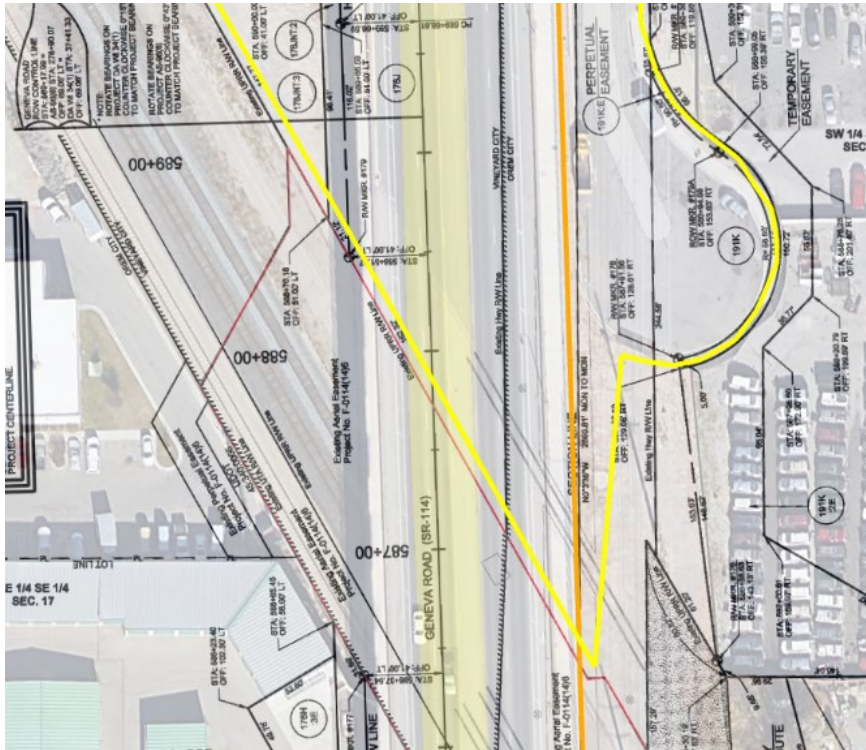
Connections

- UVU East/UVU
- UVU Vineyard
- Orem Station
- Megaplex/Restaurants



Right-of-Way

Based on survey documents, there seems to be an approximate 8-10 foot path owned by UDOT under the rail overpass.



Area 2 – Rail Trail Connector

Connects the Lakeside Park Multi-Use Path to the Rail Trail.

Length: 530 feet

Connections

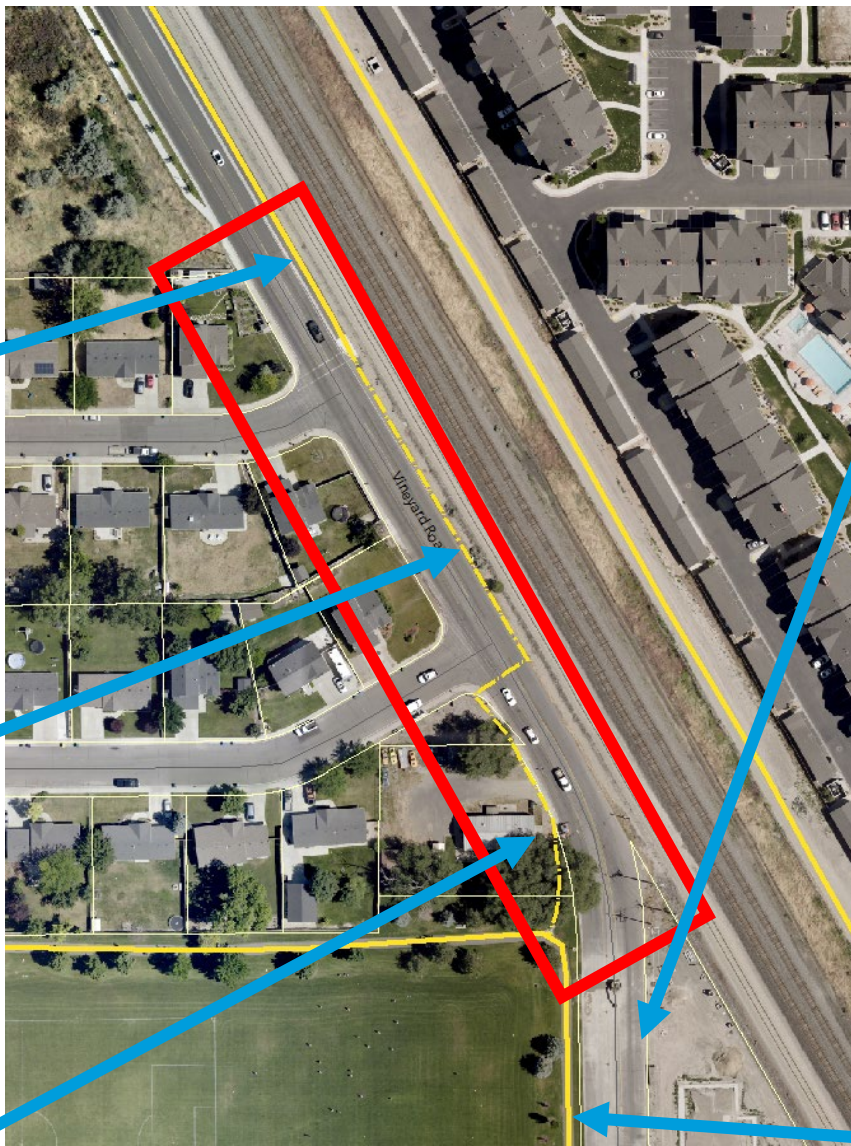
- UVU/UVU Eat
- Orem Station
- Vineyard Station
- Lakeside Park
- Vineyard Elementary
- Utah Shoreline Trail
- Extensive Vineyard Trail Network



FAMILY CITY USA

Orem PRTD Master Plan Amendments

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FAMILY CITY USA

Orem PRTD Master Plan Amendments

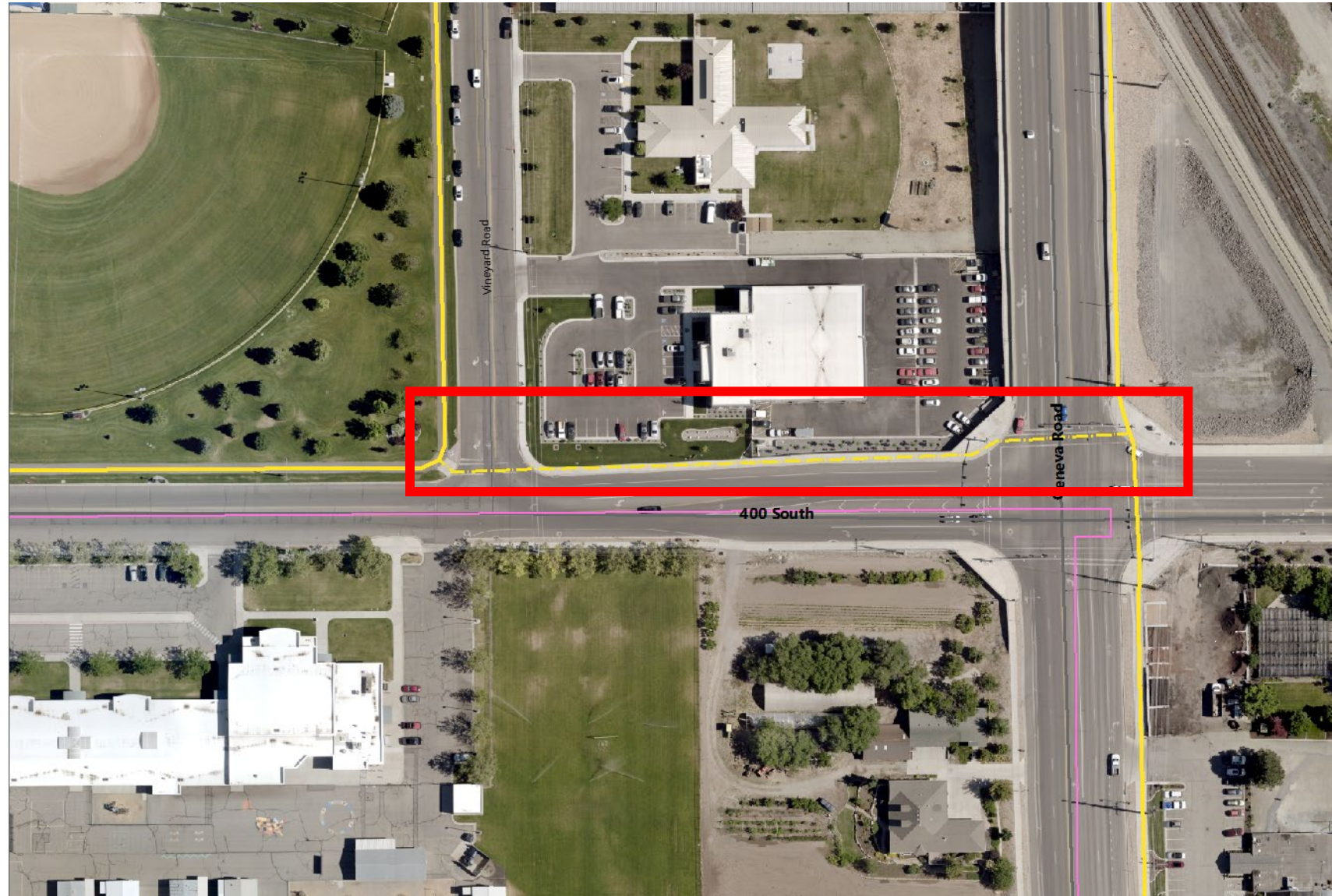
Area 3 – Lakeside Park Connector

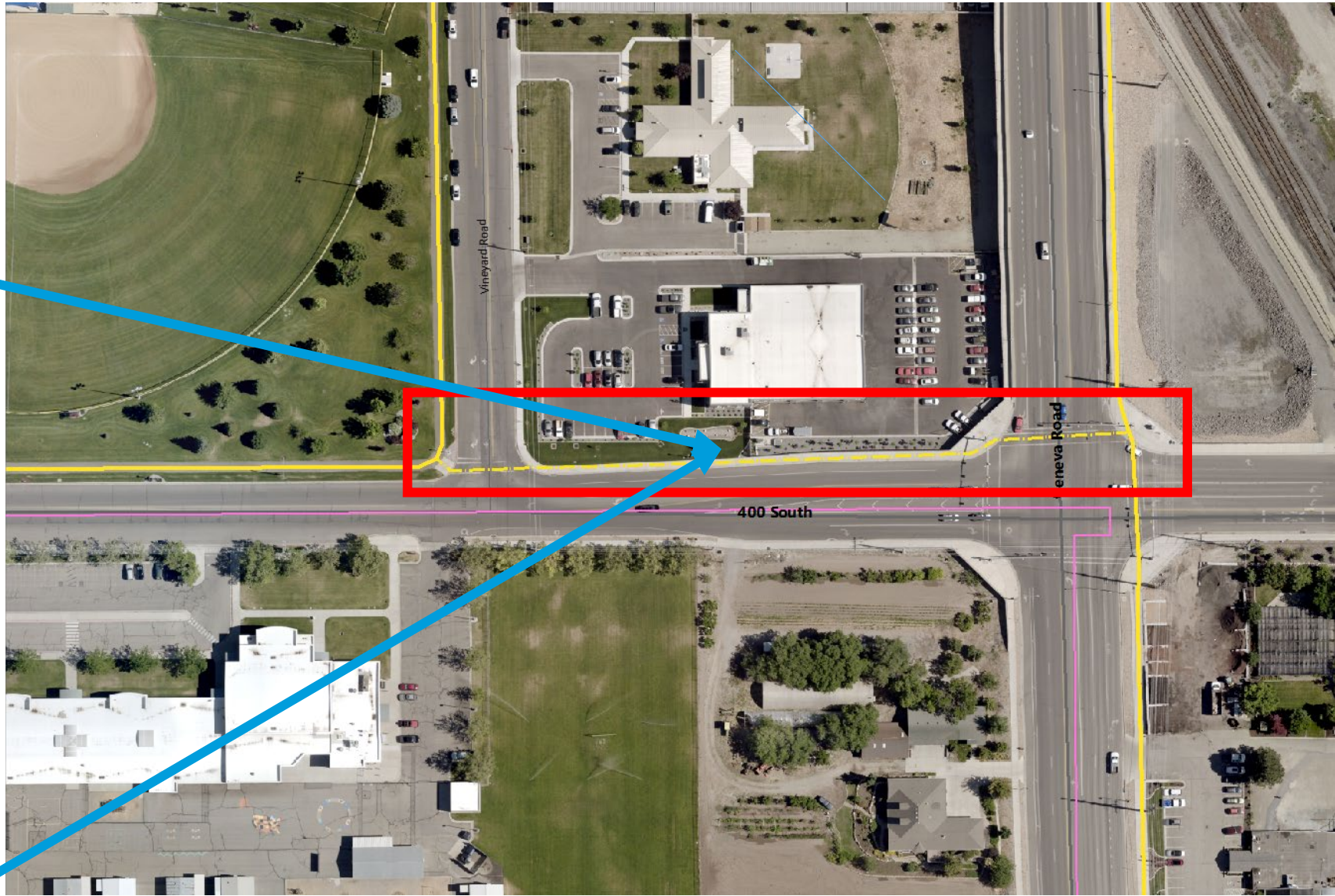
Connects the Geneva road Multi-Use Trail to the Lakeside Park Multi-Use Trail via 400 South

Length: 600 feet

Destinations:

- UVU/UVU East
- Orem Station
- Sleepy Ridge Golf Course
- Vineyard Elementary
- Utah Lake Shoreline Trail





FAMILY CITY USA

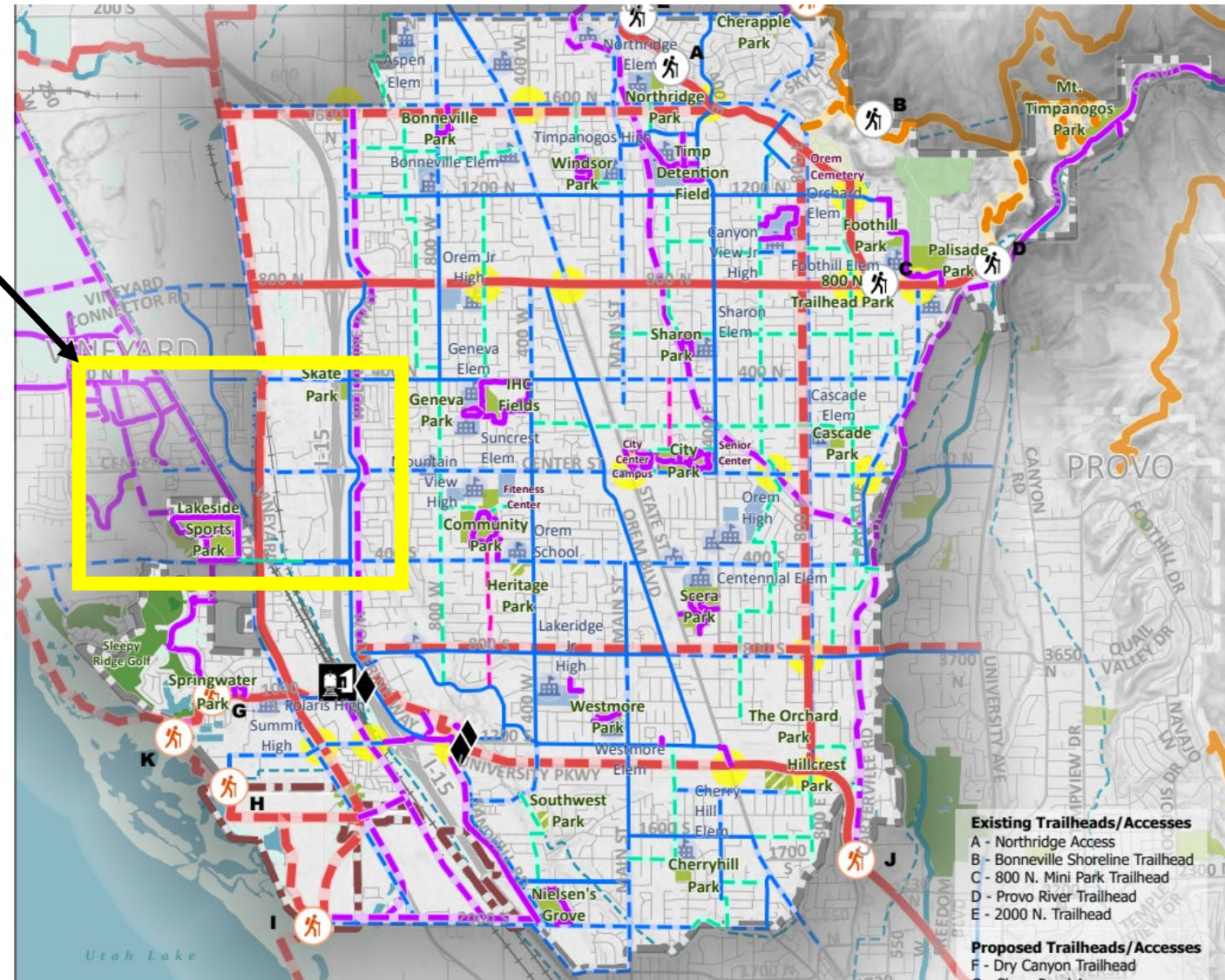
Orem PRTD Master Plan Amendments

Map 6: Proposed Trails & Bike Lanes

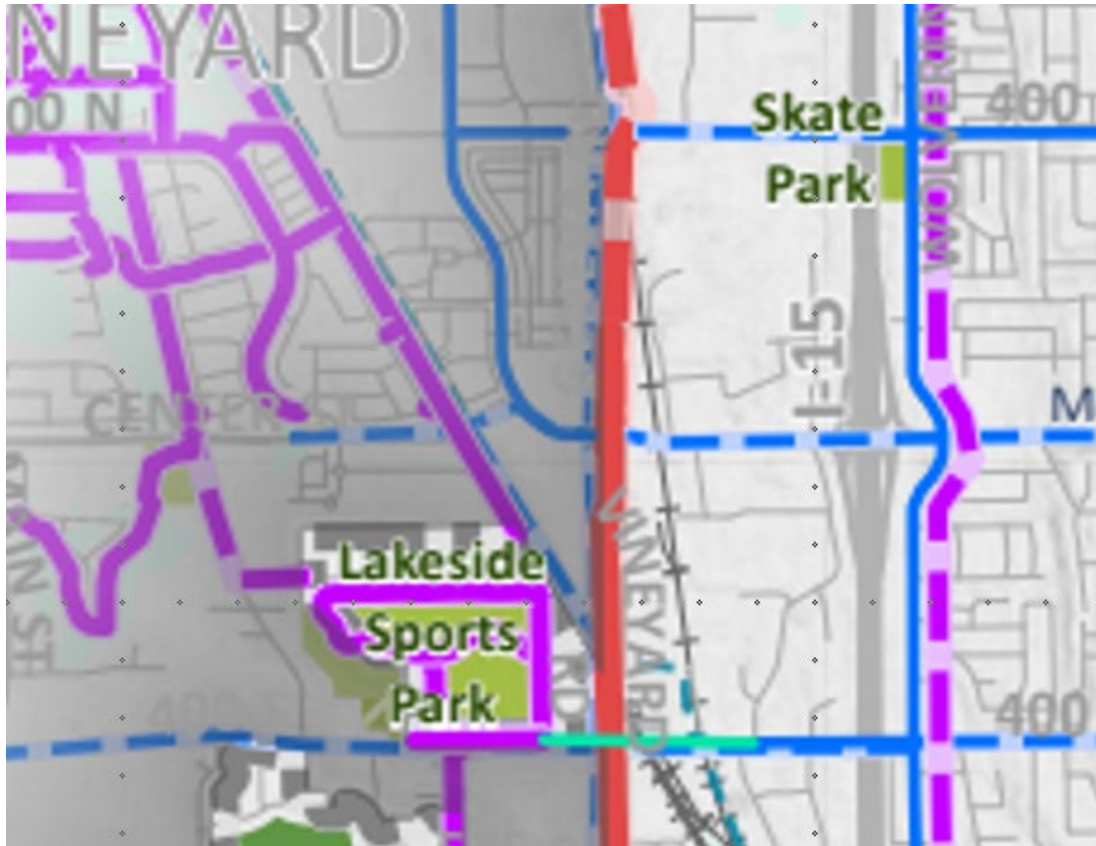
-  Proposed Trailhead/Access
-  Existing Trailhead/Access
-  Existing Underpass/Overpass
-  FrontRunner Station
-  Hot Spots
-  Proposed Regional Trail
-  Proposed Multi-Use Path
-  Proposed Bonneville Shoreline
-  Proposed Bike Lane
-  Proposed Bike Route
-  Proposed Bike Boulevard
-  Existing Regional Trail
-  Existing Multi-Use Trail
-  Existing Bonneville Shoreline
-  Existing Bike Lane
-  Existing Bike Route

-  Proposed Neighborhood Park
-  Existing Public Park
-  Existing Public Park in Partnership
-  Planned Public Park
-  Existing Special Use Facility
-  Existing Public Golf Course
-  Existing Cemetery
-  Existing Private Park
-  Existing Private Golf Course
-  Schools
-  School Field
-  Provo River
-  Intermittent Stream
-  Canal/Ditch
-  Waterbody
-  Wetlands
-  Railroad
-  City Boundary
-  Annexation Area
-  Other Municipal Boundaries

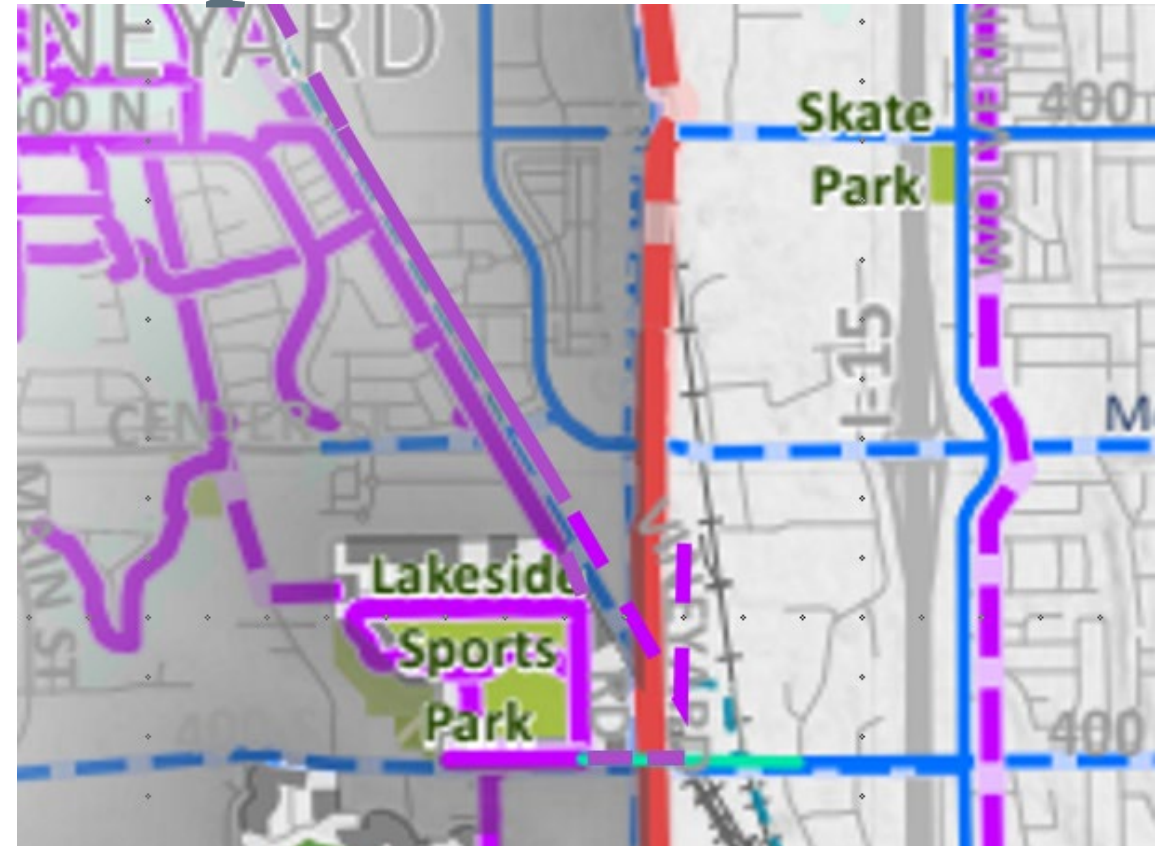
Study Area



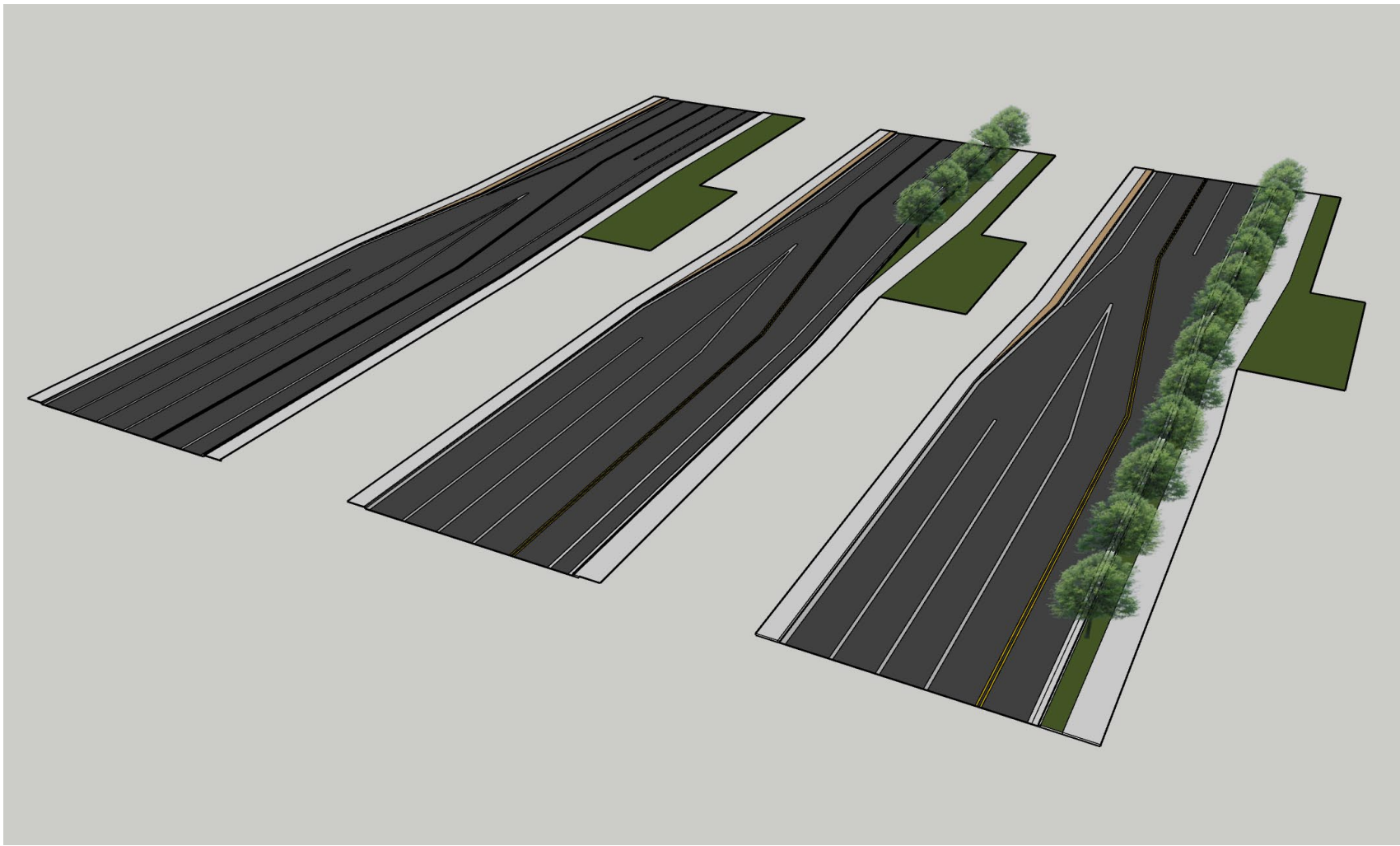
Current Plan (segment)



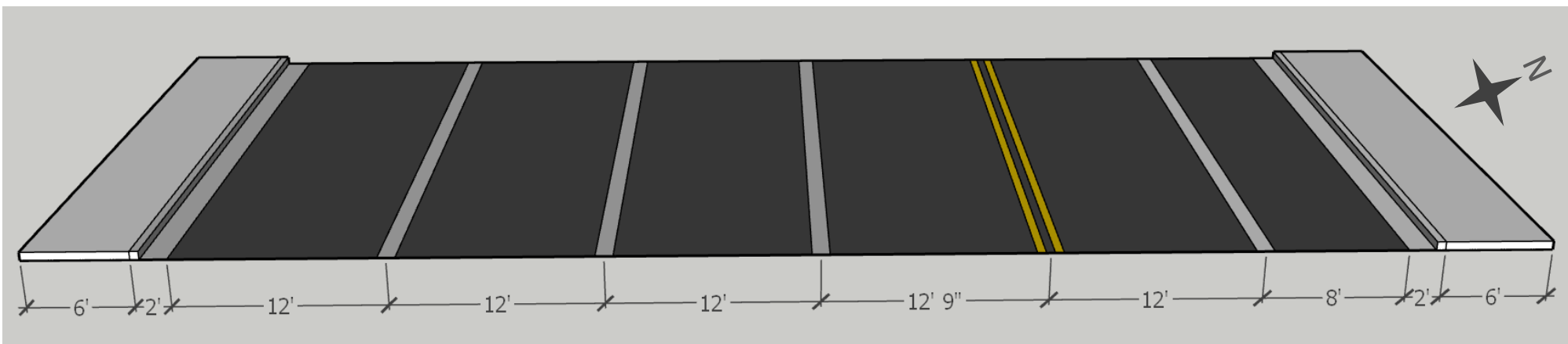
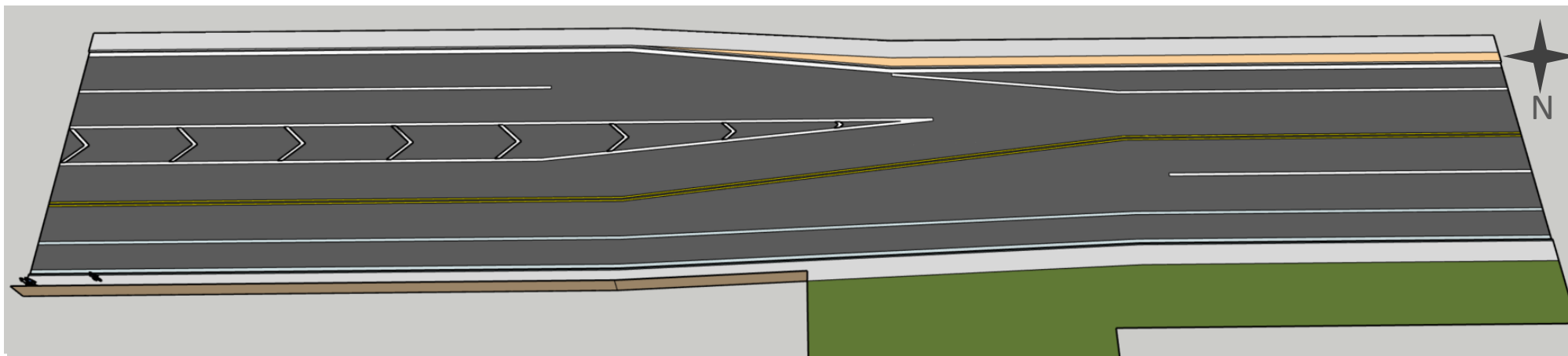
Proposed Plan (segment)



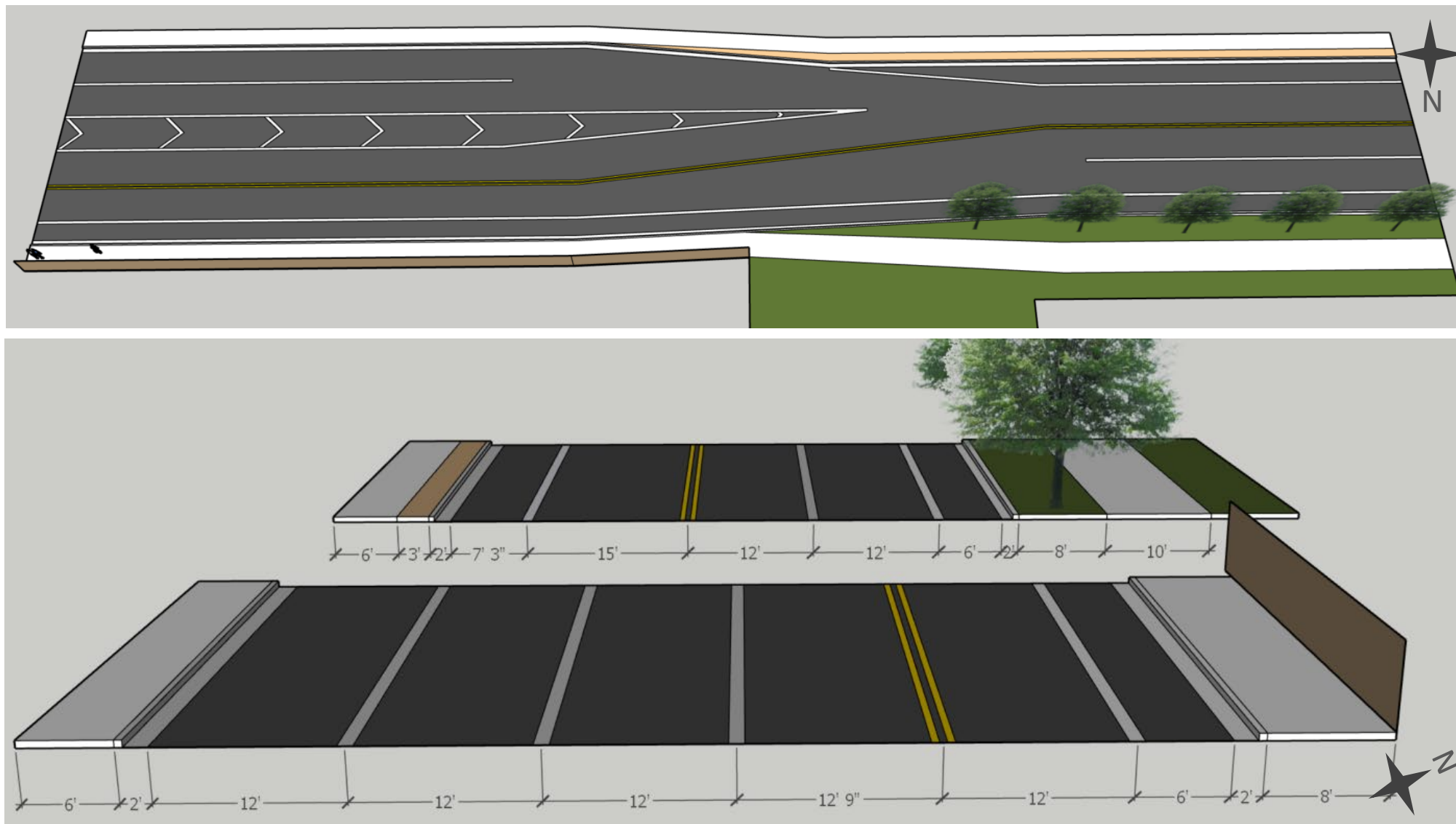
Area 3 – Lakeside Park Connector Alternatives



Existing Conditions



Alternative 1



Alternative 2



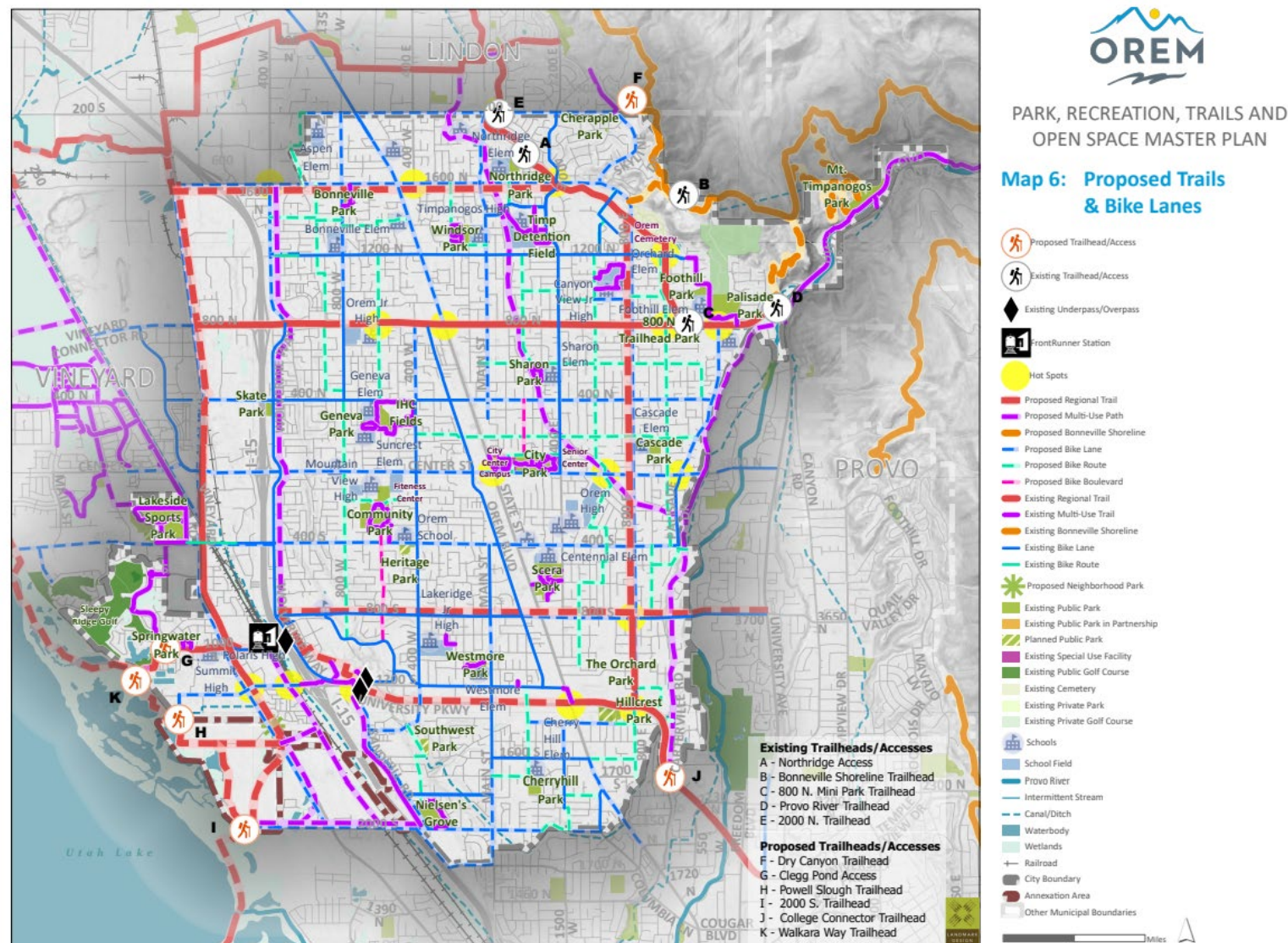
Planning Commission Recommendation

- The Planning Commission recommended that the City Council approve an amendment to the Parks, Recreation, Trails, and Open Space Master Plan, Map 6: Proposed Trails and Bike Lanes to include multi-use path alignments connecting Geneva Road Multi-Use Trail to the Lakeside Sport Park, Lake Bottom Canal, and Rail Trail Multi-Use Paths.

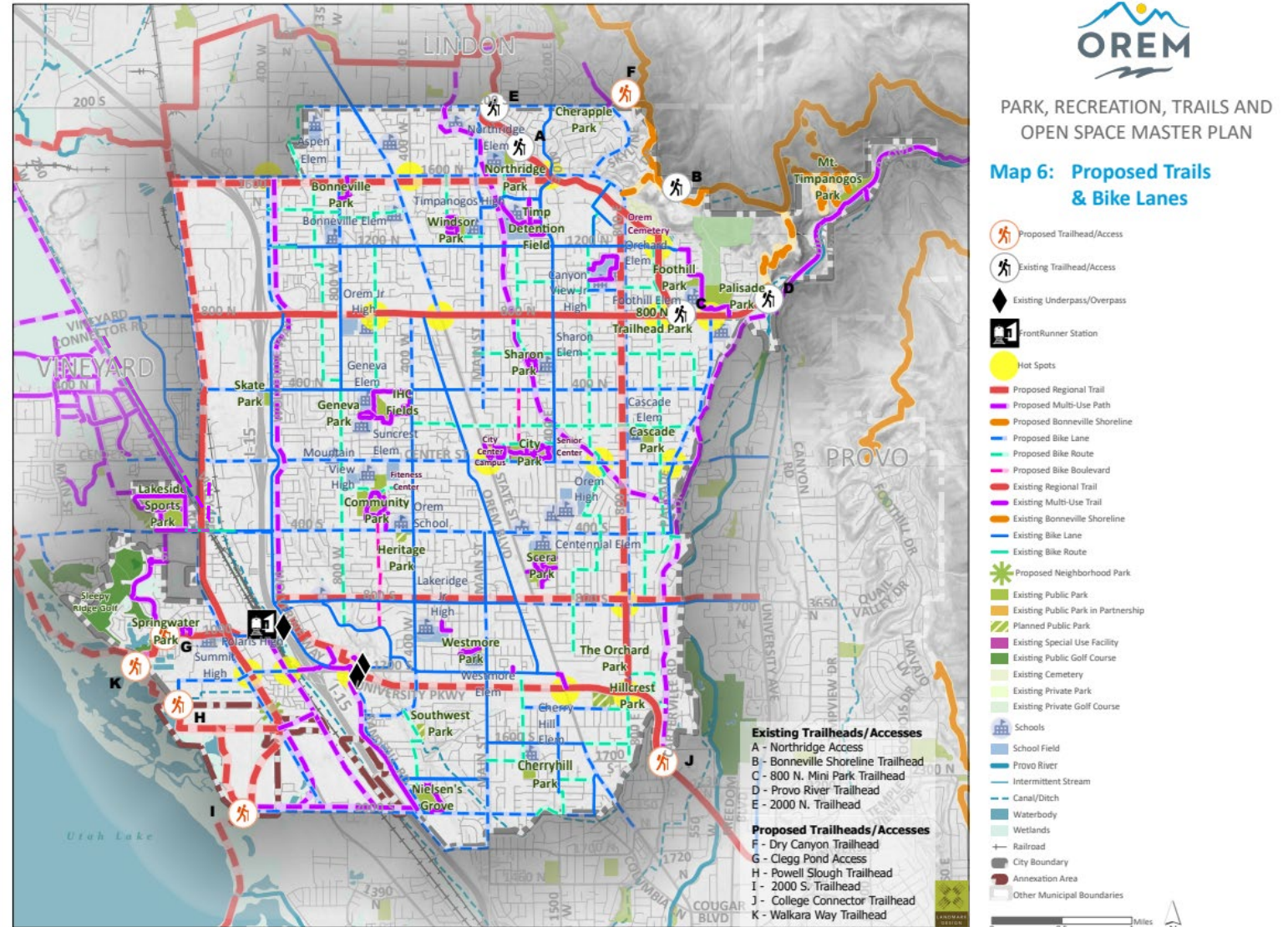
Recommendation

- Staff recommends that the City Council approve an amendment to the Parks, Recreation, Trails, and Open Space Master Plan, Map 6: Proposed Trails and Bike Lanes to include multi-use path alignments connecting Geneva Road Multi-Use Trail to the Lakeside Sport Park, Lake Bottom Canal, and Rail Trail Multi-Use Paths.

Current Map 6 – Proposed Trails and Bike Lanes



Proposed Map 6 – Proposed Trails and Bike Lanes



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RESOLUTION NO. _____

A RESOLUTION BY THE OREM CITY COUNCIL AMENDING
THE CITY OF OREM PARKS, RECREATION, TRAILS AND OPEN
SPACE MASTER PLAN, MAP 6 – PROPOSED BIKE LANES AND
TRAILS AS AN AMENDMENT TO THE OREM CITY GENERAL
PLAN, APPENDIX G.

WHEREAS on June 13, 2022, Orem City Development Services filed an application with the City of Orem requesting the City amend the City of Orem Parks, Recreation, Trails and Open Space Master Plan, Map 6 – Proposed Bike Lanes and Trails and amend the Orem City General Plan by adopting the amended plan in Appendix G; and

WHEREAS, the proposed amendment adds three multi-use path alignments to connect the Lake Bottom Canal, Rail Trail, and Geneva Road multi-use paths via multi-use path connections, as shown on Attachment A.

WHEREAS a public hearing considering the subject application was held by the Planning Commission on October 19, 2022; and

WHEREAS a public hearing considering the subject application was held by the City Council on December 13, 2022; and

WHEREAS the agenda of the City Council meeting at which the subject application was heard was posted at the Orem Public Library, on the Orem City webpage and at the City offices at 56 North State Street; and

WHEREAS the matter having been submitted and the City Council having fully considered the request as it relates to the health, safety, and general welfare of the City; the orderly development of land in the City; the effect upon the surrounding neighborhood; the compliance of the request with all applicable City ordinances and the Orem General Plan, and the special conditions applicable to the request.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH, as follows:

1. The City Council finds this request will benefit the City by increasing multi-use path connections thereby facilitating transportation and recreation in the city and will not negatively affect the health, safety and general welfare of the City and provides a benefit to the community by defining parks and open space goals of the City.
2. The City Council hereby adopts an amendment of City of Orem Parks, Recreation, Trails and Open Space Master Plan, Map 6 – Proposed Bike Lanes and Trails as an

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amendment to the Orem City General Plan, Appendix G, as shown on Exhibit “A” which is attached hereto and incorporated herein by reference.

3. If any part of this resolution shall be declared invalid, such decision shall not affect the validity of the remainder of this ordinance.
4. This resolution shall take effect immediately upon passage and publication in a newspaper of general circulation in the City of Orem.
5. All other resolutions and policies in conflict herewith, either in whole or part, are hereby repealed.

PASSED, APPROVED, and ORDERED PUBLISHED this 13th day of **December 2022**.

David A. Young, Mayor

ATTEST:

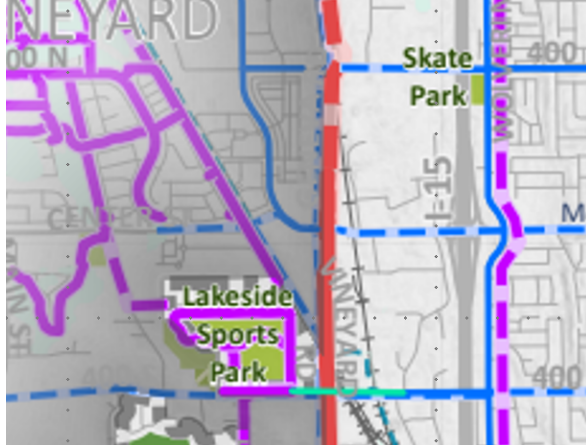
JoD’Ann Bates, City Recorder

COUNCILMEMBER	AYE	NAY	ABSTAIN
Mayor David A. Young	☐	☐	☐
Jeff Lambson	☐	☐	☐
Debby Lauret	☐	☐	☐
Tom Macdonald	☐	☐	☐
LaNae Millett	☐	☐	☐
Terry Peterson	☐	☐	☐
David Spencer	☐	☐	☐

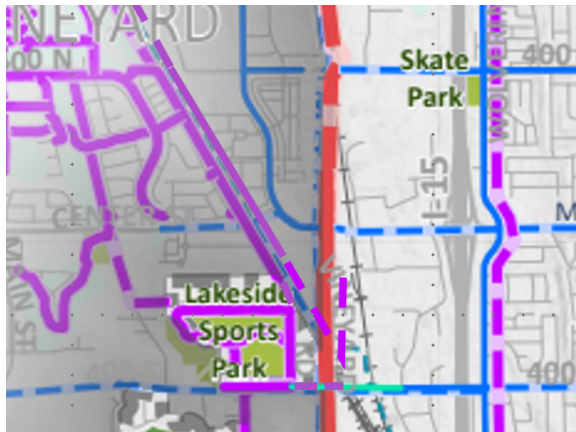
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EXHIBIT A

Subject Area of **Unamended** Map 6 of the City of Orem Parks, Trails, Recreation and Open Space Plan



Subject Area of **Amended** Map 6 of the City of Orem Parks, Trails, Recreation and Open Space Plan

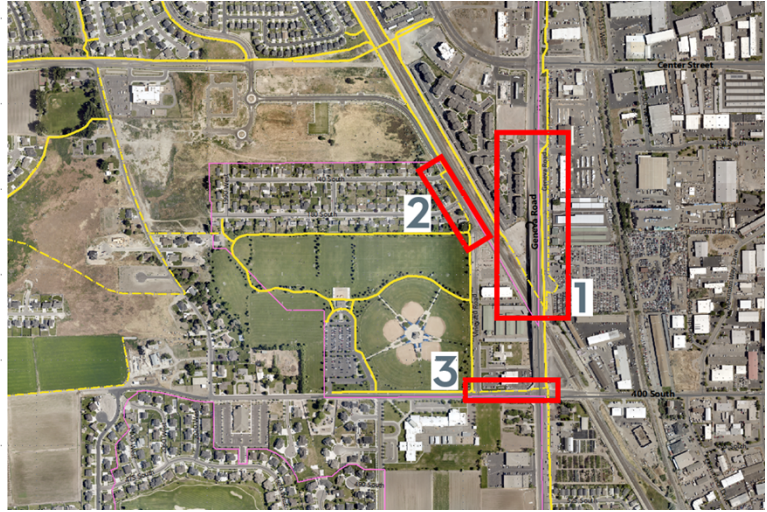


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Detail from Presentation to Clarify Proposed Intent

Proposed Amendments

1. Lake Bottom Canal Connector
2. Rail Trail Connector
3. Lakeside Park Connector





**CITY OF OREM
CITY COUNCIL
MEETING
DECEMBER 13, 2022**

REQUEST:	PUBLIC HEARING/RESOLUTION- Water Conservation Plan Resolution by The Orem City Council Adopting the 2022 Water Conservation Plan Mandated by the Utah State Code 73-10-32
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

City of Orem Water Conservation Plan



October 2022

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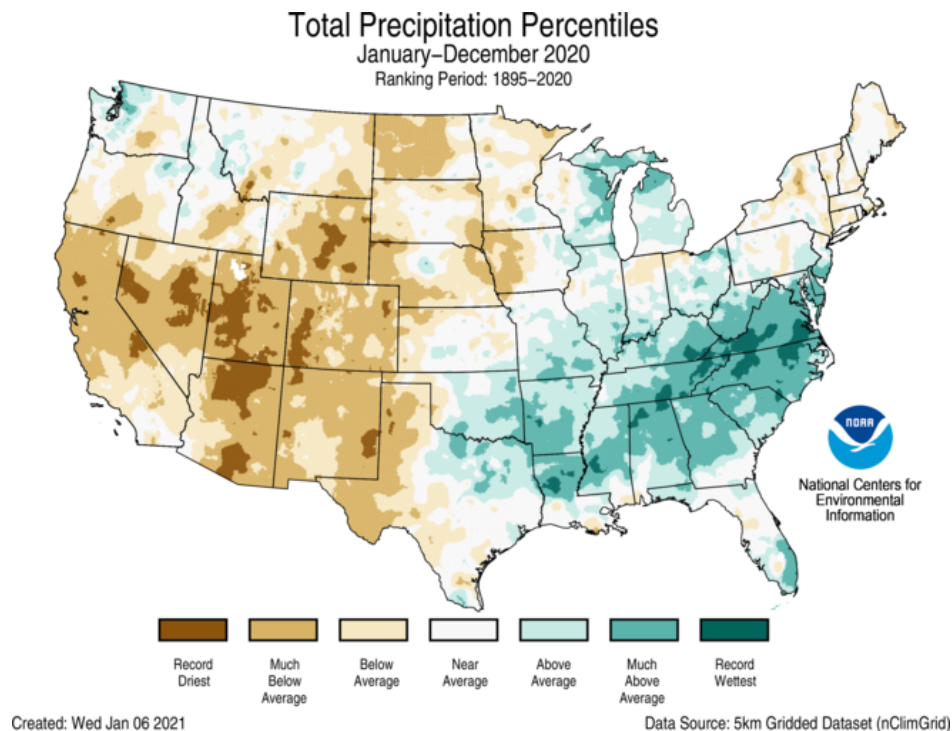
INTRODUCTION

In 1960, the City of Orem had a population of 18,394. From the 60s through the 90s, Orem experienced rapid growth. Population growth has slowed since then. The 2010 census reported Orem's population at 88,328, and the most recent census estimate in 2021 was 97,861. Previous leaders and water managers planned well to meet the water needs for the citizens. However, citizens of Orem and leaders are becoming more aware of the future cost and availability of its water supply. The Utah State Legislature reemphasized its commitment to water conservation by modifying the Water Conservation Plan Act in the 2004 legislative session (Section 73-10-32 Utah Code Annotated) and again in 2016 approving SB 28 – Water System Conservation Pricing. The 2022 City of Orem Water Conservation Plan addresses the concerns of leaders and citizens of the City of Orem as well as the state of Utah. This plan uses the most current census data and projections. The per capita consumption trend has continued to decrease steadily. This plan, in concert with previous plans, utilizes source meter data. Future plans will additionally represent metered delivery statistics.

DESCRIPTION OF OREM CITY AND ITS WATER SYSTEM

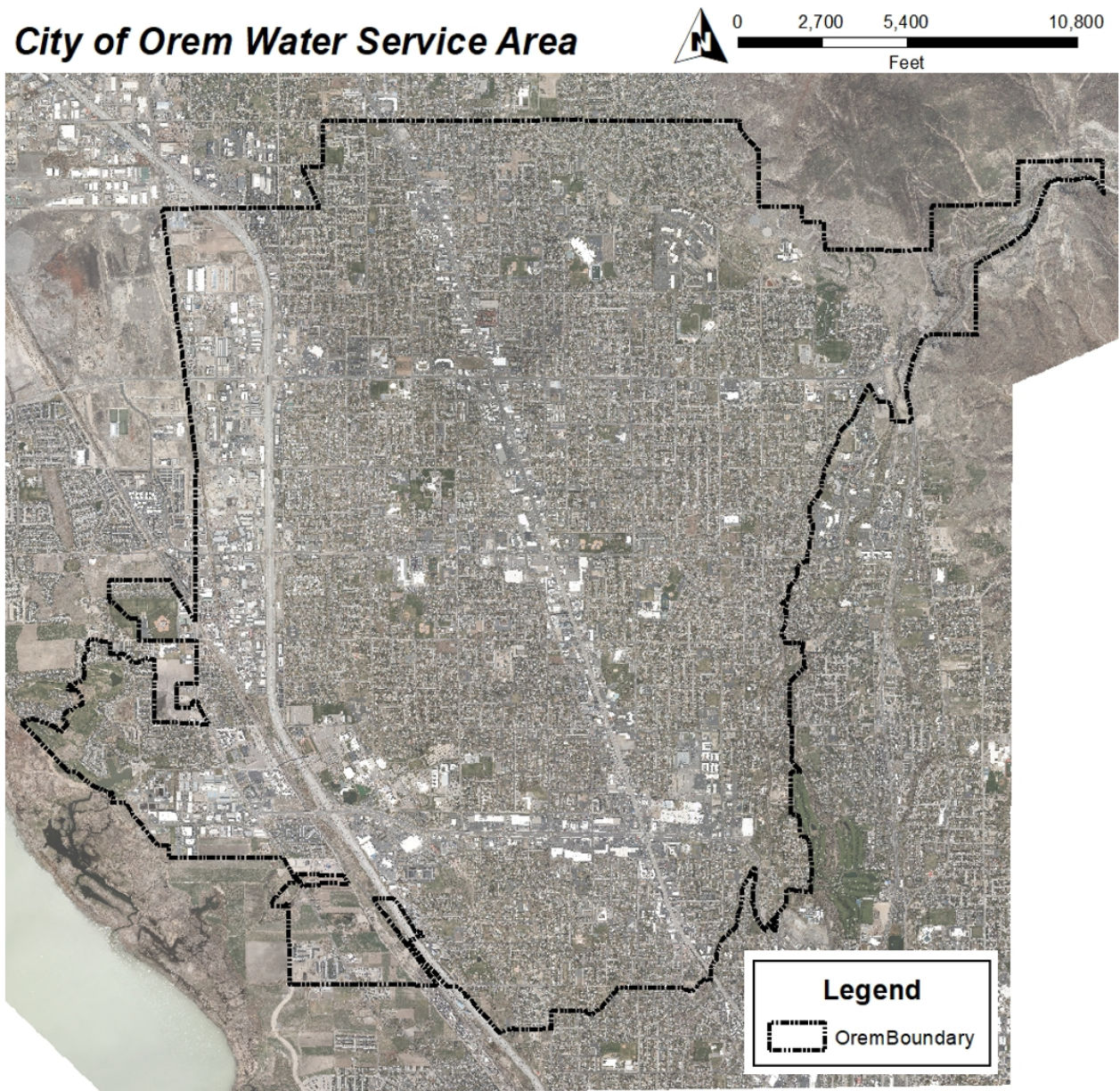
The City of Orem is located in central Utah County and in the second driest state in the nation. Figure 1 shows the State of Utah receives “Much Below Average” and “Record Driest” from January through December 2020 based on a Ranking Period between 1895 and 2020. (source: noaa.gov)

Figure 1



Encompassing 18.6 square miles, Orem has an estimated population of 97,861 in July 2021. Providing water to meet the needs of its citizens has always been a top priority of City leaders and water planners. The service area for the City is shown in Figure 2 below.

Figure 2



As a result, a well-maintained and operated water system provides the residents of Orem with water whenever needed. Currently, the water system provides water through 23,530 connections (see Table 1).

Table 1
City of Orem - Water Meter Types and Sizes

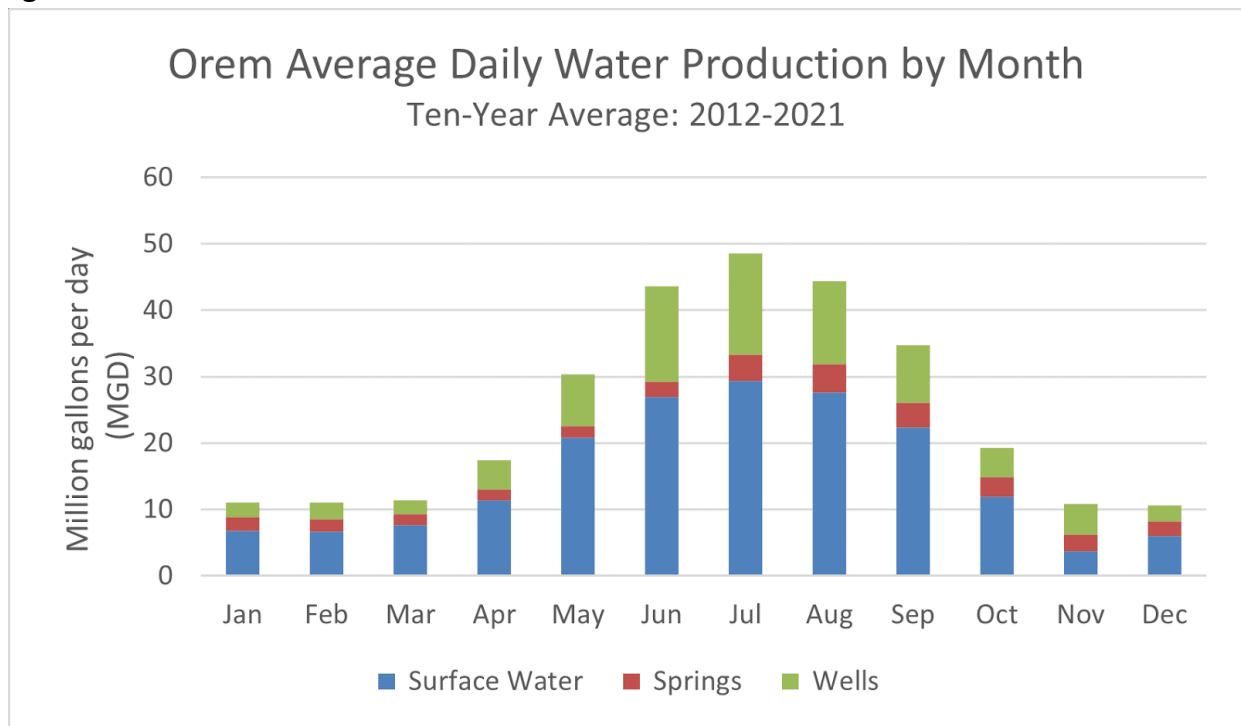
Type	¾"	1"	1½"	2"	3"	4"	6"	8"	12"	TOTAL
Apartment	47	83	74	64	14	8	2	2		294
Commercial	845	461	215	209	8	13			2	1,753
Condo	2,479	58	20	20						2,577
Institutional	29	19	27	87	9	23	2	4		200
Industrial	23	15	4	9	2	2				55
Multi-unit	388	478	102	154	4	7	7	4		1,144
City Facilities	4	37	2	85	3	24	15	2		172
Single Family	14,791	2,488	43	11		2				17,335
TOTAL	18,606	3,639	487	639	40	79	26	12	2	23,530

In addition, Orem’s leaders and residents place a high value on open space. In 2001, Orem City built Lakeside Sports Park, which is a 55-acre park with five softball fields, eight full-size soccer fields, and other landscaped play areas. In 2004, the Links at Sleepy Ridge 18-hole golf course was constructed in partnership with a private developer. Currently, the City maintains and irrigates approximately 275 acres of turf and flowerbeds. Landscaped areas around schools, churches, and major industries occupy over 525 acres. In 2015, the City annexed 264 acres in the Southwest area. Utah Valley University is a large water user. For landscaping, they use water pumped from a deep well that was recently constructed on campus.

Inventory of Water Resources

The City of Orem and the Metropolitan Water District of Orem (MWDO) own water rights and water shares in private canal and irrigation companies that are used to supply culinary water to the community. The MWDO is a representative board that manages and acquires Orem’s surface water in the form of water shares in private canal and irrigation companies, which include natural flow and storage water in the Provo River. This surface water is diverted out of the Provo River at the Olmstead Diversion and treated at the Don A. Christiansen Regional Water Treatment Plant (DACRWTP), which is owned and operated by Central Utah Water Conservancy District (CUWCD). All spring and ground water rights are owned entirely by the City of Orem, which currently includes nine deep wells and two mountain springs. An additional tenth deep culinary water well is currently under construction and will be fully operational in 2024. Figure 3 depicts the ten-year average of water production in the City on a monthly basis for each of the sources of water.

Figure 3



These sources combine to supply the citizens of Orem with all of its indoor and outdoor water demands throughout the year. Culinary water will continue to come from these sources. The ten-year average of water produced through springs, wells, and surface water is 2,583 (11%), 6,768 (28%), and 15,106 (62%) million gallons per day (MGD) respectively of drinking water for an average of 24,456 MGD annually.

The MWDO owns water shares in various private canal and irrigation companies and other entities as shown in Table 2. Water provided under these shares is, and will continue to be, converted to municipal and industrial (M&I) use for the various needs of the Orem consumer.

Table 2
Summary of MWDO-Owned Irrigation Shares

Canal	Shares	AF
Provo Bench Canal and Irrigation Company	948.71	14,932.69
North Union Irrigation Company	233.44	2,238.66
Provo Reservoir Water Users Company	1,948.00	13,344.79
Provo River Water Users Association	2,254.00	2,254.00
Central Utah Water Conservancy District	7,520.00	7,520.00
Dixon Irrigation Company	300.00	564.00

Orem City exercises rights to remove water from underground aquifers through nine deep wells ranging from 500 to 1,000 feet in depth. These wells are located throughout Orem's bench, which is an alluvial fan to the former Lake Bonneville. The water right associated with these wells allows for a year-round flow rate of 22.51 cfs plus a remaining diversion volume of 2,104.48 acre feet for a combined total annual diversion volume of 18,401.72 acre feet. All of Orem City's ground water rights are consolidated into one water right as shown in Table 3. The ground water provided under this right is also used for the various needs of the consumer.

Table 3
Summary of City-Owned Ground Water Rights (Wells)

Source	Water Right #	Allowable Annual Removal (AF)
Ground Water Wells (Currently nine)	55-290	18,401.72

Besides these wells, Orem City also owns and maintains two other ground water sources, Canyon Springs and Alta Springs. These springs are located approximately 1.5 and 5 miles northeast of the mouth of Provo Canyon, respectively. Until 1979, approximately 60% of Orem's culinary water came from Alta Springs. This spring has its peak flow in late July or early August and contributes to 75% of total spring production. Table 4 describes these springs in further detail.

Table 4
Summary of City-Owned Ground Water Rights (Springs) 2012-2021

Source	Water Right #	Associated Right (cfs)	Lowest Annual Yield (AF)	Average Annual Yield (AF)	Highest Annual Yield (AF)
Alta Springs	55-4160	13	1,533	2,400	3,211
Canyon Springs	55-3767 55-79	2.2	253	547	762

In addition to these resources, MWDO has contracted with the Central Utah Water Conservancy District (CUWCD) for 7,520 AF of Central Utah Project (CUP) water as shown in Table 5. The contract with CUWCD requires MWDO to pay for the water whether or not it is put to beneficial use. MWDO reached its peak contract amount in 2017, and the agreement runs through 2047.

Table 5
Contracted Water Supply with CUWCD

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018+
Acre-Feet	3,020	3,520	4,020	4,520	5,020	5,520	6,020	6,520	7,020	7,520	7,520

Historic and Future Water Needs

Figure 4 depicts the daily per capita water use per state in the United States (source: [epa.gov](https://www.epa.gov/epaosr/water-use-statistics), USGS, [Circular 1405](https://www.usgs.gov/programs/water-sustainability-science/circular-1405)). Since 1960, Orem's water consumption has been steadily declining from 359 in 1960 to 254 gallons per capita per day (gpcd) in 2016. Over the past ten years, Orem's use has averaged 261 gpcd.

Figure 4

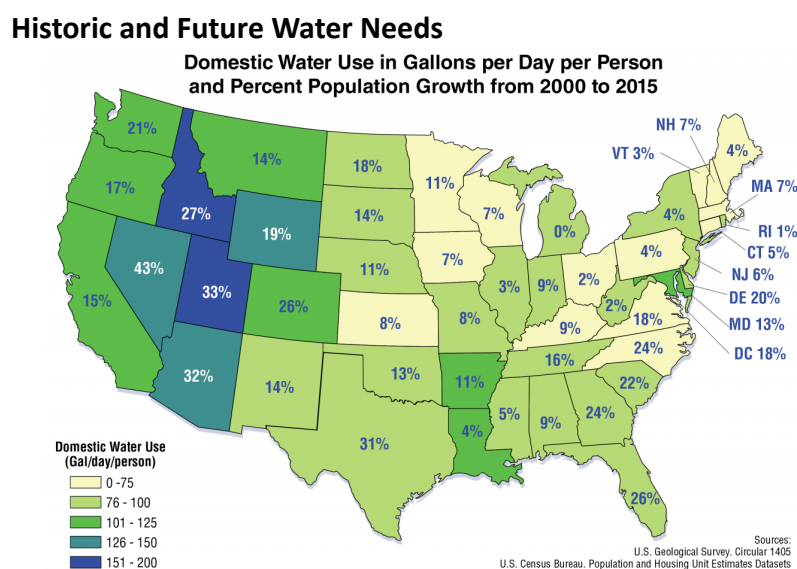
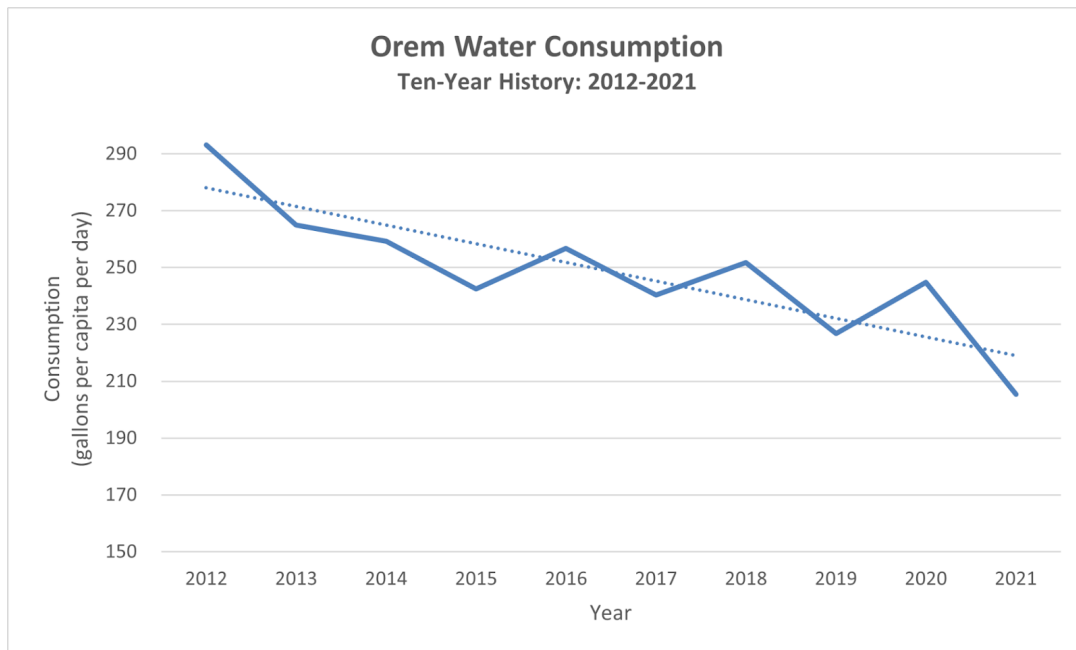


Figure 5 graphically represents Orem's water consumption over the past ten years, including a trend line that represents a relatively consistent drop of 6.5 gpcd, or about 3% per year over the past ten years. There has been a 30% reduction in per capita consumption since 2012 when the consumption rate was at its all-time high.

Figure 5



During the 80s and 90s, the City of Orem experienced a growth rate of 2.0-2.5%. From 2000 to 2010, the growth rate was 0.47%. Since 2010, the growth rate has been 1.5-2%. As growth occurs, demands on City resources increase. For example, traffic congestion increases and must therefore be mitigated. More storm water is generated and must be aggressively managed. Space that is more open is created for parks and recreation. Likewise, the overall demand on the City's water resources also increases.

Although Orem City is a mature City, many opportunities for change are on the horizon. In fact, new legislation passed over the past few years now allows for higher densities, which, in turn, requires more efficient urban design with respect to utilities, traffic, open space, etc. Even though the growth has caused changes in the way the land is developed, the average per capita water demand over the same footprint may actually decrease with these developments.

Utah's Regional M&I Water Conservation Goals

A state-wide water conservation plan titled "Utah's Regional M&I Water Conservation Goals" was completed by the Utah Division of Water Resources in 2019. It recommends conservation goals for water suppliers in regions throughout the state. The goal for the Provo River Region was to decrease water use by 20% from 2015 to 2030. Additionally, it recommends an overall 27% decrease by 2040 and 32% decrease by 2065.

Using these guidelines, the baseline for the City was calculated to be 261.5 gpcd in 2015 with an expected reduction of approximately 3.5% per year to reach the goal of 209.1 gpcd by 2030. Meeting this goal will save over 7.3 billion gallons of water by 2030. This information is summarized in Figure 6 and Table 6 below and shows the City is trending well to meet this goal.

Figure 6

City of Orem Water Consumption Goals (2015 -2030)

Annual average gallons per capita per day

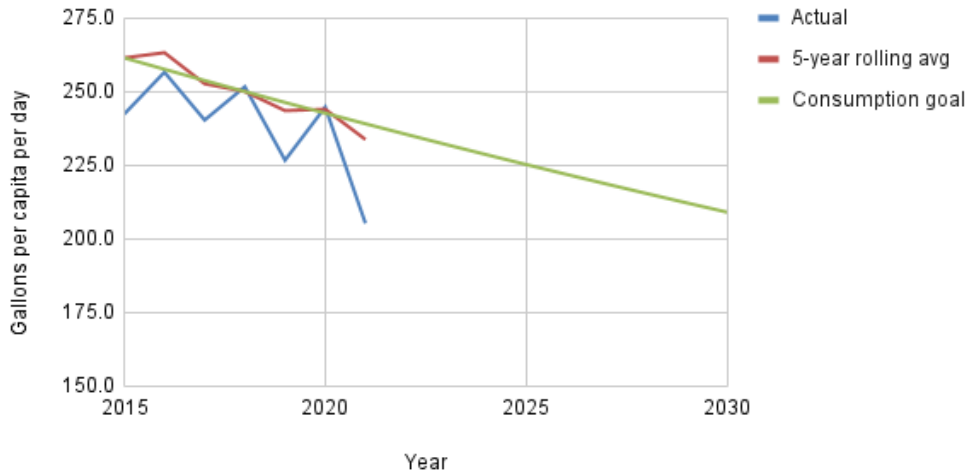


Table 6

City of Orem Water Consumption Summary

(annual average gallons per capita per day)

Year	Actual (gpcd)	5-year rolling avg. (gpcd)	Consumption Goal (gpcd)
2015	242.4	261.5	261.5
2016	256.7	263.3	257.6
2017	240.4	252.7	253.8
2018	251.7	250.1	250.1
2019	226.8	243.6	246.4
2020	244.8	244.1	242.7
2021	205.3	233.8	239.1
2022			235.6
2023			232.1
2024			228.7
2025			225.3
2026			222.0
2027			218.7
2028			215.4
2029			212.2
2030			209.1

THE FOLLOWING SECTION REFLECTS WATER CHALLENGES AND GOALS FROM THE 2017 WATER CONSERVATION PLAN. UPDATES FOLLOW EACH SECTION.

WATER CHALLENGES AND CONSERVATION GOALS

Water Challenges Identified

The following list identifies four water challenges currently facing Orem: pricing, education, water meters, and increased operating expenses. Overcoming these challenges will not only increase water conservation, but will also reduce peak demands and the need for expensive water system upgrades. The potential to establish a new generation of wise water users exists, which will lead to a long-lasting positive conservation effort. Each challenge represents an opportunity for the City to reduce water consumption and use this renewable resource efficiently, more wisely, and without waste.

1. Pricing. In 2016, the City completed a comprehensive Water Master Plan with a 10-year CIP plan and Financial Plan. The Financial Plan included Conservation Pricing with a four-tier system where customers pay more according to the increased block of volume utilized. The pricing will fund conservation projects including leaky pipe replacement, meter replacement, and educational materials.

2022 UPDATE: The recently updated 2021 Water Master Plan and Financial Plan still includes a four-tier system where customers pay more according to the increased block of volume used. Revenue generated from this pricing structure will fund conservation projects including leaky pipe replacement, meter replacement, and educational materials. Inflationary pressures that have evolved over the past year have impacted the CIP and Financial plans and will need to be reexamined in the near future.

2. Education. Citizens, young and old, need more information and understanding of landscaping water requirements and efficient water-use habits and practices. Many residents do not know how much water is required to maintain a healthy landscape and how to use water efficiently inside the home.

2022 UPDATE: Since 2012, the City of Orem has partnered with Alpine School District schools in Orem to provide elementary, junior high and high school students an educational experience about their water system and conservation practices. Other efforts to educate the public include promoting wise water use tips in City newsletters, on social media and the website, as well as community outreach efforts at festivals such as Summerfest.

3. Water Meters. Most of Orem's water meters are more than fifteen years old and should be replaced. As the meters age, they deteriorate and the level of accuracy diminishes.

2022 UPDATE: The City has been replacing all residential meters 5 years and older with AMI technology and should have this project complete by the end of 2022. This new technology will allow residents to monitor their water use and make immediate adjustments.

4. Increased Operating Expenses. The cost for goods has dramatically increased over the past several years. Metals, plastics, fuels, chemicals, power, transportation, and labor costs increase each year. The water fund has seen some increases in revenues but not at the same rates. Because operating expenses and capital project expenses have increased, remaining funds for programs and the quantity of capital projects have decreased.

2022 UPDATE: Expenses continue to increase however, with the previously mentioned Master Plan and Financial Plan, the City is funding Water capital improvement projects in addition to increased operational expenses.

Water Conservation Goals To Be Achieved By 2027

In pursuit of solutions to the challenges identified, the following conservation goals have been identified:

- **GOAL #1**

Reduce the City's water use to reflect the Regional Water Conservation Goals for 2030.

The goals listed below as well as other efforts identified in this plan will help ensure this goal is met. Figure 6 above shows the desired results from these proactive conservation efforts through 2030 and will be updated annually to gauge how effective conservation efforts have been. Additionally, the Regional Water Conservation Goals Report offers many ideas of how to achieve this goal. Of most importance, it states that *"Policy plays a vital role in motivating and enabling water conservation. State, county, and local policy leaders should establish policies which require accountability for efficient water use. Policy leaders' support must consider universal metering, water loss control, education, and other water conservation activities, as well as the necessary funds for success. Policy leaders must also decide whether they are willing to support the necessary land use changes that will be required to reach the water conservation goals. This will include working with and being responsive to market forces to reduce both overall lot sizes for residential development and the amount of turf grass allowed. Water suppliers should be consulted in land-use decisions to ensure alignment with water conservation efforts. Policy leaders can set or influence the pricing of water to promote conservation and reflect the cost of water scarcity. State and local governments should consider the water use impacts of proposed businesses and their plans for water-efficient fixtures, landscaping, and operations before approval."*

- **GOAL #2**

- Maintain an effective conservation-oriented water pricing structure each year.**

- The water pricing system should encourage customers to reduce use without creating a revenue shortfall. This will extend the water supply, promote equity, maintain the minimum flow levels, and fund conservation efforts. The rates established in the 2021 Water Master Plan and Financial Plan will be recommended to the City Council for approval during the budget process each year.

- **GOAL #3**

- Complete the meter replacement project by the end of 2022.**

- Barring supply chain issues, all meters five years and older will be replaced and include cellular, automatic reading technology. The meters will be more accurate, the amount of man hours required to read the meters will dramatically reduce, and more importantly the consumer will have tools to more closely monitor their water usage.

- **GOAL #4**

- Construct a tertiary treatment process at the Water Reclamation Facility to produce secondary water for irrigation by 2025.**

- A process has been designed and funding is being acquired, as described in the 2017 Water Conservation Plan. The project will immediately supply water for landscape irrigation at the Links at Sleepy Ridge, Lakeside Sports Park, Springwater Park, and the Water Reclamation Facility. Future uses will include areas of unincorporated Utah County areas, portions of the Town of Vineyard, and potential local industrial users.

- **GOAL #5**

- Continue education efforts to the public regarding water conservation.**

- Educate all ages of the public regarding wise water use. Improving irrigation practices and water efficient landscapes can enhance the beauty of the City while minimizing waste. Continue to develop ways to educate through social media, newsletters, utility bill inserts, visiting schools, teaming with the Central Utah Water Conservancy District (CUWCD), the Utah Division of Drinking Water (DDW), and other key players. Investigate implementing changes to the City of Orem Code that will promote water conservation in all zones.

- **GOAL #6**

- Replace automatic sprinkler controllers on all City-owned properties to newer technology by 2025.**

- The City will replace its older sprinkler control technology with EPA WaterSense approved equipment. This will give maintenance crews better tools to irrigate parks more efficiently to reduce waste and costs.

CURRENT CONSERVATION PRACTICES

In order to overcome the water challenges identified and take advantage of the associated opportunities, specific water conservation measures must be identified and evaluated. Orem City has already implemented several water conservation measures. These, along with additional measures, will improve Orem's water conservation efforts and help overcome these challenges. Orem City's current water conservation program is directed at managing water shortages, replacing old water meters, detecting leaks, replacing old water mains and service lines, increasing efficiency of park and open space irrigation, and educating the public.

Water Shortage Management Plan

Orem City has a Water Shortage Management Plan that may be activated by the Water Management Team. The Water Management Team includes the City Manager, Assistant City Manager, Public Works Director, Assistant Public Works Director, Water Section Manager, and other personnel deemed necessary. This team is responsible to manage the water supply resources of the City and to report significant reductions in water supply to City management and the Orem City Council. This plan contains water conservation measures that may be implemented during shortages and emergencies ranging from mild to critical in nature. Conditions that may require various forms of water restrictions include:

- A prolonged drought that is evidenced by significant decreases in the ground water table, spring flow production, etc.,
- Loss of one or both of the Orem City's mountain springs,
- Loss of one or more primary wells, or
- Loss of treatment capacity at the Don A. Christiansen Regional Water Treatment Facility.

Rationing will become necessary when demands upon the system exceed the supply of available water. As the City moves from normal operations to full rationing efforts, the following phases will be evaluated and implemented when necessary.

Advisory Stage

Follow guidelines listed in this plan.

Mild Stage

Request select large users to modify their water use to reduce demand in the water supply system. These large users include City parks, golf courses, churches, schools, etc.

Moderate Stage

Request voluntary reduction of water usage. Although the City continually promotes wise water use for all water customers, all water users will be strongly encouraged to

follow wise water use practices. Some examples of wise water use include sweeping driveways rather than washing with a water hose, outside irrigation during non-daylight hours, storing drinking water in the refrigerator, repairing water leaks, etc.

Severe Stage

Mandate a reduction of water usage. Request odd-even watering days, based upon street address.

Critical Stage

Mandate a reduction of water usage with enforcement.

The Orem City Manager, or his appointed designee, will implement this Water Shortage Management Plan. The City will continue public education on a regular basis through the duration of the rationing effort. Public education efforts may consist of public announcements using radio, television, newspapers, flyers, the Orem City website (www.orem.org), and various forms of social media, etc.

The above phases are not intended to limit or restrict the ability of the City to meet the demands of the customer. Rather, it provides a guideline from which management decisions can be made. The City reserves the right to select the appropriate rationing phase based upon the specific circumstances regarding the anticipated duration of rationing, existing supply reserves, and the availability of alternate water sources.

Leak Detection Program

The leak detection is based on audio and visual indications of a leak in a specific area of the system. The City has contracted with a service to assist with leak detection. These efforts have proven to be successful, and several leaking lines have been identified and replaced as a result of this increased effort.

Water Main and Galvanized Service Line Replacement Program

As water mains and service lines age, they fatigue, corrode, develop leaks, and eventually fail and must be replaced. Water mains in corrosive soils and undersized lines must be replaced more frequently due to pipe coating deterioration and scouring resulting from higher velocities.

Moreover, the Water Section and the Streets Section work closely together planning for water main replacement projects, galvanized service line replacement projects, and street resurfacing projects. By coordinating together closely, personnel work to prevent undue excavation of newly surfaced roads and improving the integrity and efficiency of the water system. As the City continues the capital improvements program, water is recaptured.

Improve Efficiency Irrigating Parks and Open Spaces

The City of Orem Parks Section has a program to improve the efficiency of irrigating. Elements of this program include:

- Replacing old inefficient heads with new efficient ones;
- Replacing old leaking galvanized systems with new PVC;
- Updating sprinkler controllers with state-of-the-art technologies that allows remote control of the system and incorporates soil moisture content data and local weather station data to make real-time irrigation adjustments;
- Redesigning park systems to water more efficiently; and
- Performing water audits on every park.

Adjusting irrigation practices during times of drought

The Parks Section adheres to the following irrigation practices during times of drought:

- All regional parks will implement a 9:00 p.m. to 7:00 a.m. watering window.
- All other parks and parkways will implement a 10:00 p.m. to 6:00 a.m. watering window.
- No spot watering will be allowed outside watering windows.
- Areas of new sod will have no restrictions for four weeks after installation. However, new sod installation should not take place from mid June to mid August.
- Use of evapotranspiration (ET) technology will be suspended.
- Watering will occur every three days with the exception of actively-programmed, heavily-used sport fields.
- Stressed trees and shrubs may need to be watered more frequently than every three days.
- All sprinklers will be visually checked monthly for breaks, broken heads, arc adjustments problems, etc.
- All reported irrigation issues will be resolved as soon as possible.
- While working on irrigation issues outside of watering windows, the technician needs to be visible to the public. For example, a truck needs to be out in the park with flashers on, the technician needs to be present and moving from station to station, and watering cannot be left unattended.
- Irrigation systems will be shut off manually during rain and wind events in areas without rain and wind sensors.

Public Education

The City continues to be very active in its efforts to promote water conservation through education. Beginning in 1990, the City developed a water education program that targeted elementary, junior high, and high school students. Other efforts to educate the public are discussed later in this report.

CURRENT WATER RATES

In the 2016 Utah Legislative Session, a new law was passed that requires retail water providers, such as the City of Orem, to create pricing that promotes water conservation. The title of Senate Bill 28 is "Water System Conservation Pricing" and the language reads that retail water providers are required "to establish an increasing rate structure for culinary water." So as customers use more water, the cost per gallon of the water increases. In May of 2016, the Orem City Council, as required by state law, approved a plan to implement a tiered rate structure for the Orem water utility which continues today. The pricing structure includes four tiers with increasing unit costs. The rationale behind the creation of the tiered rates are explained below.

The purposes of the tiered rate structure are 1) to comply with Senate Bill 28, 2) meet the financial needs of the water utility for operations, maintenance, and replacement, and 3) encourage wise water use through increasing block tiers. There are two components to Orem's water bill: the base rate and the consumption rate. As meter size increases, base rates increase following AWWA (American Water Works Association) multiplier guidelines. Orem has four "blocks" of consumption pricing with the same unit price for all meter sizes. The "allowance" or block volumes are different for each meter size.

Not all water utilities bill the same way. Some (or most) water utilities created tier block volumes and all users, regardless of meter size or number of units, fall under the same tier plan. As one could imagine, the larger meters and multi-unit accounts were in the 2nd, 3rd, and 4th tiers almost immediately. Orem studied many different methods to determine what would be best for its utility. Orem does not have a secondary irrigation system--all of Orem's water is treated, culinary water.

By calculating the 90th percentile of all $\frac{3}{4}$ " residential accounts in the winter months, Orem set the first block volume to include up to 11,000 gallons. This means that 90% of the $\frac{3}{4}$ " residential accounts will not exceed 11,000 gallons. 78% of the 22,000 accounts are $\frac{3}{4}$ " meters.

To create the second block volume (11,001 - 34,000 gallons) for $\frac{3}{4}$ " accounts, the 90th percentile of the shoulder months of May, June, and October was calculated. 90% of the $\frac{3}{4}$ " residential accounts will not exceed 34,000 gallons during these months.

The third block volume (34,001-65,000 gallons) used the 90th percentile of the peak months of July, August, and September. 90% of the $\frac{3}{4}$ " residential accounts will not exceed 65,000 gallons during these months.

The fourth block volume (65,001 +) is anything over the 90th percentile for the summer months for the $\frac{3}{4}$ " residential accounts.

The block volumes for meter sizes 1" and above increase with the AWWA multipliers for the respective meter sizes.

As illustrated in Table 6, the monthly base rate starting in July 2022 for a ¾" water meter is \$20.20. For 1,000 gallons, Tier 1 is \$0.83, tier 2 is \$1.04, tier 3 is \$1.23, and tier 4 is \$1.46. The flow allotments for each meter class are also shown. (Source, City of Orem Adopted Budget for FY23)

Table 6

Usage Charge by Tier	Adopted Fee
Tier 1	\$0.83
Tier 2	\$1.04
Tier 3	\$1.23
Tier 4	\$1.46

Flow Allotment by Meter Size (per 1,000 gallons per month)							
Meter Size	Tier 1		Tier 2		Tier 3		Tier 4
	>	≤	>	≤	>	≤	
¾"	0	11	11	34	34	65	65 +
1"	0	18	18	57	57	109	109 +
1½"	0	37	37	113	113	216	216 +
2"	0	59	59	181	181	346	346 +
3"	0	110	110	340	340	650	650 +
4"	0	220	220	680	680	1,300	1,300 +
6"	0	458	458	1,417	1,417	2,709	2,709 +
8"	0	587	587	1,813	1,813	3,466	3,466 +
10"	0	1,063	1,063	3,287	3,288	6,284	6,284 +

Base Rate By Meter Size	Adopted Fee
¾"	\$20.20
1"	\$39.22
1½"	\$110.42
2"	\$181.64
3"	\$276.59
4"	\$466.48
6"	\$1,178.58
8"	\$1,574.21
10"	\$2,361.32

CONTINUED CONSERVATION MEASURES

In order to effectively meet Orem City's future water needs and overcome the water challenges identified, the City updates its Water Master Plan every five years. This was most recently done in 2021. The plan identifies projects that will be needed in the future to ensure the system is reliable and meets the needs of residents for years to come and recommends a plan to fund them.

Included in this is continued commitment to water conservation measures. Several programs and plans have been created over the past decade and are being carried out. These programs

include Water Conservation-Oriented Rates, Meter Replacement Program, Water Loss Investigation, Water Reuse Implementation, Increased Public Education, Improving Efficiency of Irrigating Parks and Open Spaces, and Water Conservation Ordinances.

Water Conservation-Oriented Rates

The City adopted the four-tier water rate structure and will need to stay committed to the recommendations in the 2021 Water Master Plan. The consumption rates will continue to gradually increase to meet the needs of operations, maintenance, replacement, capital improvements, and inflation as described in the 2021 Water Master Plan. The tiered rates will accomplish two objectives: 1) encourage individual conservation and 2) fund identified capital water infrastructure improvements.

Meter Replacement Program

Over time, all meters become less accurate in recording actual flows. This leads to lost revenue to the City and inaccurate data. As part of the master planning effort and evaluation process, the meters were tested according to AWWA standards. The results indicated an immediate need to replace meters because some meters read high and most read low. This effort started two years ago and will result in an increase in the City's water revenue as well as sewer revenues since they are tied directly to water consumption during the winter months.

In addition to accurate reads, the City has been implementing Automated Metering Infrastructure (AMI) technology. AMI will give customers daily information about their individual water use, alerts for potential leaks, and can remind customers of tier levels and offer water conservation tips.

Water Reuse Implementation

In July of 2003, the Utah State Engineer approved 9,634 AF of Orem's sewer effluent for diversion for water reuse purposes. Much of the reuse water delivery system, which will provide tertiary irrigation water to the Links at Sleepy Ridge, Lakeside Sports Park, Springwater Park, and the Orem Water Reclamation Facility (OWRF) site, has been installed from the OWRF to those sites. This project has been designed, bid, and awarded. It should be noted that the City has secured an additional \$8M in Utah County ARPA funding and \$1M in a federal earmark in 2022 to cover the extraordinary inflationary construction expenses.

Public Education

Educating residents and businesses to use water more efficiently will enhance the likelihood that water use goals will be met. Although the benefits and costs of a strong education program are difficult to enumerate, the Water Management Team is committed to increase education to the public well into the future. Information on water conservation has been included in the 2021 Consumer Confidence Report (CCR), which is available online at

<https://orem.org>. Printed copies of the 2021 CCR are available at the Orem City Center, Orem Public Works, Orem Library, Orem Senior Friendship Center, Orem Summerfest and other community education events. Typical language in the consumer confidence report includes:

Wise Water Use Utah is the second driest state in the nation. Water conservation by individual citizens is an important part of making sure we'll have enough today and in the future. Here are some things we can all do to help preserve this precious resource:

- Fix plumbing leaks.
- Take shorter showers.
- Replace regular shower heads with low-volume heads. Remember, a bath takes about 36 gallons of water. A shower takes about 25.
- Be conservative with toilet flushes. Don't use the toilet for trash disposal.
- Don't leave the water running when shaving or brushing teeth.
- Wash full loads of laundry and dishes, not partial loads.
- Don't rinse dishes with running tap water. Instead, rinse dishes by dipping.
- Keep a pitcher of cold water in the refrigerator instead of running tap water until it cools.
- Water lawn, gardens, etc. in the coolest part of the day. Deep soak weekly instead of lightly sprinkling daily. Water the plants, not concrete.
- Use a bucket when washing cars. Don't let the hose run.

The following information on efficient outdoor and indoor water use will continue to be made available to the citizens of Orem through the Orem City Library, Orem City Website, and flyers disseminated with the water bill. Additionally, quick social media posts and light-hearted videos will continue to be part of the education process.

Outdoor Water Use:

- Water landscape only as much as required by the type of landscape and the specific weather patterns of your area, including cutting back on watering times in the spring and fall.
- Do not water on hot, sunny, or windy days. You may actually end up doing more harm than good to your landscape as well as wasting a significant amount of water.
- Sweep sidewalks and driveways instead of using the hose.
- Wash your car from a bucket of soapy (biodegradable) water and rinse while parked on or near the grass or landscape so that all the water running off goes to beneficial use instead of running down the gutter.
- Check for and repair leaks in all pipes, hoses, faucets, couplings, valves, etc. Verify there are no leaks by turning everything off and checking your water meter to see if it is still running. Some underground leaks may not be visible due to draining off into storm drains, ditches, or traveling outside your property.
- Use mulch around trees and shrubs, as well as in your garden to retain as much moisture as possible. Areas with drip systems will use much less water, particularly during hot, dry, and windy conditions.

- Keep your lawn well trimmed and all other landscaped areas free of weeds to reduce overall water needs of your yard.

Indoor Water Use:

About two-thirds of the total water used in a household is used in the bathroom. Concentrate on reducing your bathroom water use. The following are suggestions for this specific area:

- Do not use your toilet as a wastebasket. Put all tissues, wrappers, diapers, cigarette butts, etc. in the trash can.
- Check the toilet for leaks. Is the water level too high? Put a few drops of food coloring in the tank. If the bowl water becomes colored without flushing, there is a leak.
- If you do not have a low volume flush toilet, put a plastic bottle full of sand in your toilet tank to reduce the amount of water used per flush. However, be careful not to over conserve to the point of having to flush twice to make the toilet work. Also, be sure the containers used do not interfere with the flushing mechanism.
- Take short showers with the water turned up only as much as necessary. Turn the shower off while soaping up or shampooing. Install low-flow showerheads and other flow restriction devices.
- Do not let the water run while shaving or brushing your teeth. Fill the sink or a glass instead.
- When doing laundry, make sure you always wash a full load or adjust the water level appropriately if your machine will do that. Most machines use 40 gallons or more for each load, whether it is two socks or a week's worth of clothes. Some new, more efficient machines can reduce usage to 25 gallons per load.
- Repair any leak within the household. Even a minor slow drip can waste up to 15 to 20 gallons of water a day.
- Know where your main shutoff valve is and make sure that it works. Shutting the water off yourself when a pipe breaks or a leak occurs will not only save water, but also eliminate or minimize damage to your personal property.
- Keep a jar of water in the refrigerator for a cold drink instead of running water from the tap until it gets cold. You are putting several glasses of water down the drain for one cold drink.
- Plug the sink when rinsing vegetables, dishes, or anything else. Use only a sink full of water instead of continually running water down the drain.

Plumbing Fixture Replacement

Many of the City's homes and businesses were built after 1992 when plumbing codes were revised to require low-water-use toilets and low-flow showerheads in new construction. While it is difficult to calculate meaningful estimates of the benefits and costs of such programs on the water use rate, there is ample evidence that such programs are effective. The City of Orem will continue to update plumbing codes and encourage the use of low-flow plumbing fixtures.

Improve Efficiency of Irrigating Parks and Open Spaces

Orem City presently has approximately 275 mowed acres in the cemetery, parks, sports fields, and around office buildings. Orem's Parks Section has been replacing all of its irrigation controllers with the state-of-the-art WeatherTrak irrigation controllers throughout the City. These controllers integrate real-time weather, soil moisture, and evapotranspiration conditions to optimize irrigation efficiency. Every controller will be replaced with these WeatherTrak irrigation controllers by 2025.

Water Conservation Ordinances

The City has adjusted the definition of "Landscaping" in its site plan requirements to include various types of ground plantings and gives green cover credit for the canopy of shrubs and trees and does not specifically require turf grass. Orem modified its xeriscaping ordinance in 2020 decreasing the required amount of green cover on a property from 75% to 50%. It is anticipated additional water conservation ordinances will be in place in the near future.

Conclusion

The City of Orem is committed to water conservation and using water wisely. Orem will continue to support the programs and goals outlined in this 2022 City of Orem Water Conservation Plan and thereby maximize water conservation, minimize water waste, and use water more efficiently. These efforts will ensure the City meets its goal to decrease per capita water consumption by 20%, to 209.1 gpcd by 2030, saving over 7.3 billion gallons of water.

Presenter: Reed Price

Summary:

Utah State Code 73-10-32 requires the City of Orem to update its water conservation plan every five years. The plan was submitted to the State Division of Water Resources earlier this year for their review, and their feedback was incorporated into the document. The plan provides a brief description of the water utility, discusses the historic and future water needs, identifies water challenges and goals to meet them, and also summarizes the current and ongoing conservation practices the city follows and promotes.

The six goals that have been identified include:

Goal #1:

Reduce the City's water use to reflect the Regional Water Conservation Goals for 2030.

Goal #2:

Maintain an effective conservation-oriented water pricing structure each year.

Goal #3:

Complete the meter replacement project by the end of 2022

Goal #4:

Construct a tertiary treatment process at the Water Reclamation Facility to produce water for irrigation by 2025.

Goal #5:

Continue education efforts to the public regarding water conservation.

Goal #6:

Replace automatic sprinkler controllers on all City-owned properties to newer technology by 2025.

A public hearing is required prior to adopting this plan. Following the public hearing, it is requested that the city council adopt the plan by resolution, after which a copy will be filed with the State of Utah and posted to the City's website.

RESOLUTION NO. _____

A RESOLUTION BY THE OREM CITY COUNCIL ADOPTING THE 2022 WATER
CONSERVATION PLAN MANDATED BY UTAH STATE CODE 73-10-32

WHEREAS, the City operates a public water system and encourages and promotes water conservation; and

WHEREAS, the Utah Water Conservation Plan Act of 1998, Utah State Code 73-10-32, requires municipalities that operate water systems to establish and update a water conservation plan every 5 years; and

WHEREAS, the City's Water Conservation Plan was last updated and approved in 2018; and

WHEREAS, the City of Orem Staff have updated the Water Conservation Plan, outlining the City's water resources and policies regarding water management in times of both average precipitation and drought; and

WHEREAS the City Council has reviewed this plan and finds that adopting the 2022 Water Conservation Plan is in the best interest of the health, safety, and welfare of the residents of Orem and desires to comply with State Law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH, as follows:

1. The City adopts the Water Conservation Plan for the City of Orem as shown in Exhibit "A" incorporated herein by reference.
2. The City authorizes the Department of Public Works to implement the plan as required and needed to protect the water supply of the City of Orem.
3. This resolution shall take effect immediately upon passage.

PASSED and APPROVED this ____ day of December, 2022.

David A. Young, Mayor

ATTEST:

JoD'Ann Bates, City Recorder

COUNCILMEMBER	AYE	NAY	ABSTAIN
Mayor David A. Young	☐	☐	☐
Debby Lauret	☐	☐	☐
Jeff Lambson	☐	☐	☐
Tom Macdonald	☐	☐	☐
LaNae Millett	☐	☐	☐
David Spencer	☐	☐	☐
Terry Peterson	☐	☐	☐



**CITY OF OREM
CITY COUNCIL
MEETING
DECEMBER 13, 2022**

REQUEST:	ITEM - Discussion and vote on a personnel matter
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION: