

STATE OF THE CITY



Mayor Bill Applegarth
Riverton City, Utah
January 3, 2017

TABLE OF CONTENTS

MAYOR'S MESSAGE	2
RIVERTON CITY UTILITY FEES	3
RIVERTON CITY LABOR STATISTICS	4
2017 PRIORITIES	5
▪ UTAH LAKE AND THE JORDAN RIVER FACTS	6
▪ UNIFIED POLICE DEPARTMENT	8
SUMMARY	10



MAYOR'S MESSAGE



As another year comes to a close, I am pleased to report that 2016 was a year of significant accomplishment and progress for Riverton City. Heading into 2017 there are many reasons for optimism and enthusiasm. The 85-acre mixed-use development known as Mountain View Village, located in the Western Commercial District, is slated to begin construction in the Spring. This will be a tremendous addition to our City. Mountain View Village will provide wonderful services and amenities, and will also be a significant revenue generator for the City through the collection of sales tax. At full build-out, this project could provide an additional \$2 million in revenue annually to Riverton City.

We have had many other important accomplishments such as:

- Developing and launching a new Riverton City website
- Streaming live audio for all City public meetings
- Delivering over 3.2 billion gallons of water to our residents
- Designing and building 13200 South
- Streamlining the development approval process
- Improving financial reporting
- Implementing regular supervisor trainings
- Completing Mountain View Park and Margaret Park
- Utilizing Riverton City Park for summer concerts, food truck events, and evening movies

“No one can whistle a symphony. It takes a whole orchestra to play it.” – H.E. Luccock



RIVERTON CITY UTILITY FEES

Riverton City utility fees were kept at the same level as they were in 2015. My proposed budget for fiscal year 2017-18 will include no utility fee increases.

If you look at the total amount of Riverton City utility fees from the 2009-10 fiscal year and compare them to the 2016-17 fiscal year, Riverton City utility fees are about the same, unless you are a heavy culinary water user.

Utility	2009-10	2016-17	Difference
Sanitation	\$12.50	\$1.00	\$11.50 decrease
Lighting District	\$5.41	\$0	\$5.41 decrease
Storm Water	\$0	\$6.00	\$6.00 increase
Secondary Water ⁽¹⁾	\$26.33	\$27.93	\$1.60 increase
Subtotal	\$44.24	\$34.93	\$9.31 decrease
Culinary Water	\$20.10	\$29.87 ⁽²⁾	\$9.77 increase
Grand Total	\$64.34	\$64.80	\$.46 increase

⁽¹⁾For 1/3 acre lots

⁽²⁾During FY 2016 the majority of our customers used 7,000 gallons of culinary water or less each month. The amount charged for 7,000 gallons per month is \$29.87. Some heavy residential water users may pay more than \$200 a month in the summer, while fees for less frequent water users can equate to \$10 or less per month. When we changed from well water to Jordan Valley Water Conservancy District water as our source, the voters approved moving to the new water source and the new water rate schedule to fund the new water source.

The chart below shows that Riverton City has the lowest utility cost when compared to our neighboring cities. The Secondary Water fee wasn't included in these comparisons because a secondary water system makes the total cost for water less expensive for the year, as residents are not generally using the higher priced culinary water for outside watering.

Comparison of Combined City Utility Fees

as of November 2016

Municipality	Riverton	Bluffdale	Draper Avg Zones 1-3	Herriman Avg Zones 1-9	So Jordan Avg Areas A-C
Annual Utility Fees					
Culinary Water 7,000 gal - each month	\$358.44	\$291.00	\$476.48	\$545.24	\$555.76
Sanitation 1st Tote & 1 Recycle	\$12.00	\$165.00	\$180.00	\$177.00	\$162.00
Storm Water	\$72.00	\$60.00	\$96.00	\$0.00	\$102.00
Park Fee	\$0.00	\$0.00	\$0.00	\$60.00	\$0.00
Street Lighting (within subdivision)	\$0.00	\$72.00	\$0.00	\$0.00	\$0.00
Total Utility Fees	\$442.44	\$588.00	\$752.48	\$782.24	\$819.76

RIVERTON LABOR COSTS

2017 Elected Officials Annual Wages⁽¹⁾

City	Mayor	Council
Riverton	\$15,523	\$14,548
Bluffdale	\$17,400	\$7,200
Draper	\$20,317	\$14,162
Herriman	\$21,000	\$9,000
South Jordan	\$21,823	\$15,124

⁽¹⁾Figures are for wages only and do not include payroll taxes, retirement contributions, bonuses, allowances, or any other expenditures. To obtain the most recent figures, each city was contacted on 12/15/2016, rather than using Utahsright.com and Transparency.gov which show historical data from the the prior fiscal year.

Riverton City has the lowest “Salaries per Resident” except for Draper, and the lowest Full-Time Equivalent (FTE) per 1,000 residents except for South Jordan.

Comparison of City Employee Costs and Full-Time Equivalent (FTE) for 5 Cities

City	Population ⁽¹⁾	FTE ⁽²⁾	Total Compensation ⁽³⁾	Salaries per Resident	FTE per 1000 population
Riverton	41,900	102.6	\$8,707,634	\$207.82	2.45
Bluffdale ⁽⁶⁾	10,931	33.0	\$2,422,003	\$221.57	3.02
Draper ⁽⁴⁾	46,774	129.5	\$9,307,238	\$198.98	2.77
Herriman	30,835	88.1	\$6,511,832	\$211.18	2.86
South Jordan ⁽⁵⁾	66,648	162.0	\$15,947,801	\$239.28	2.43

⁽¹⁾July 1, 2015 Census Quick Facts at <http://quickfacts.census.gov/qfd/states/49000.html>

⁽²⁾FTE from 2015 CAFR or annual report

⁽³⁾Total compensation (wages & benefits) taken from 2016 figures at transparent.utah.gov

⁽⁴⁾Draper FTE excludes public safety

⁽⁵⁾South Jordan FTE excludes public safety, golf, and rec center employees

⁽⁶⁾Bluffdale FTE excludes public safety

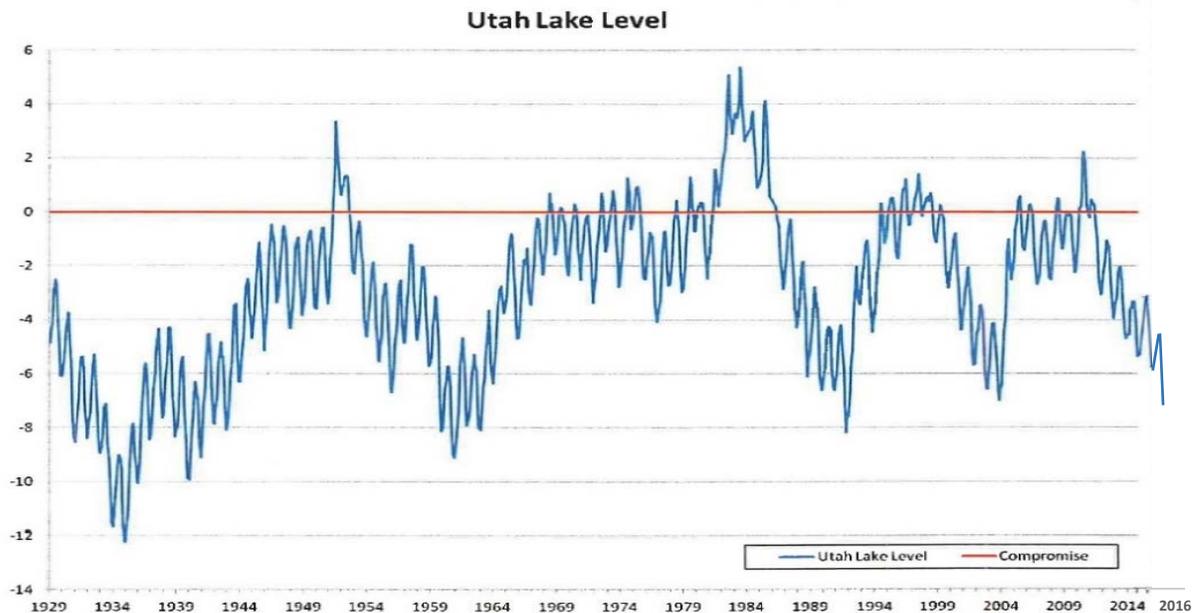
We will continue to manage our labor costs by hiring and retaining competent, high-performing employees. This will allow Riverton City to remain among the very best cities in terms of having the fewest number of employees per resident and keeping the labor costs low.

THE MAYOR'S TOP PRIORITIES FOR 2017

1. **No Fee Increases.** The bedrock philosophy for accomplishing my priorities is that I will not propose an increase to any Riverton City utility fee in fiscal year 2016-17 or 2017-18. In addition, Riverton City currently levies no property tax and I will not propose implementing one.
2. **Securing a Long-Term Culinary Water Supply.** One of my highest priorities for the upcoming year is developing a plan that will stabilize our culinary water supply for the long-term. Riverton City is fortunate in that we have access to the amount of culinary water required for the total build-out of our City. However, one critical concern is the storage capacity that we currently have for culinary water. In the near future, we must build a new culinary water storage tank on the western side of Riverton. This will allow us to keep our culinary water rates as low as possible while providing adequate water pressure and fire flow for the coming development in the Western Commercial District. The Mayor, staff and City Council will work together to develop the most cost effective financial plan that will allow for the construction of this tank as soon as possible.
3. **Having a Sustainable Secondary Water System.** Tied very closely to culinary water is the need for a sustainable secondary water system. In reviewing historical flows of Utah Lake since 1884 there are major fluctuations in the water level. This of course is dictated by Mother Nature!

The chart below shows the historical water level of Utah Lake

The red line is the compromise level of the lake. If the level of the lake is above the red line it has to be drained down to the red line to avoid flooding of the surrounding land. If it gets too far below the red line the flow of the water is slowed or stopped from going into the Jordan River.



FACTS ABOUT UTAH LAKE AND THE JORDAN RIVER

- A common question is why do we see water in the Jordan River when the flow from Utah Lake has been stopped? The Jordan River has sources of water (called return flows) besides Utah Lake. This water is not a significant amount, and it is already legally spoken for by downstream users.
- 726,000 acre feet of water flows into Utah Lake each year for irrigation purposes.
- 346,000 acre feet of water flows out of the lake each year to provide water for irrigation.
- 380,000 acre feet of water evaporates from the lake each year. It is remarkable that more water evaporates from Utah Lake than is used for irrigation purposes!
- Utah Lake has three different water sources: The Provo River and the American Fork River combine to deliver about 400,000 acre feet of water a year to Utah Lake. Strawberry Reservoir delivers about 300,000 acre feet of water a year to Utah Lake.



Utah Lake is sick, but it can and will be healed. Issues that affect the lake's health are:

- Potential for continued algal blooms
- Vast water surface area
- Water evaporation
- Lack of a unified conservation plan

Early in 2017, the State of Utah Division of Water Quality will be starting a three-year, multi-million dollar study to look at improving the water quality of Utah Lake and reducing the lake's water surface area. Water users like Riverton City can be an important part of supporting a healthier Utah Lake by working together to reduce the amount of water taken from the lake each year by using wise, economically-feasible, conservation principles.

RIVERTON CITY'S RESPONSIBILITY



Riverton City must make every reasonable effort to provide a cost-effective supply of secondary water to its citizens. The City has acquired the majority of its water shares from primary storage rights and is continuing to pursue added water-source options that will help maximize consistent use of its City-wide secondary water system. Riverton is known for beautiful yards and parks—we want this to continue. However, it is the responsibility of both Riverton City and its residents to work on conservation of the existing supply of secondary water. Only through this cooperative partnership can we ensure a sustainable secondary water supply and still allow for beautiful yards and parks.

The Mayor, staff and City Council will provide a plan that will accomplish secondary water conservation while still being financially conservative. I believe that we don't have to spend a lot of money to conserve secondary water.

Riverton City is currently requiring developers to install secondary water meters on every new secondary water connection. However, for the City to install secondary water meters on our current connections it would cost over \$10 million. If we increased secondary water fees to pay for installing meters, that would increase secondary water rates over \$16.50 a month for five years. That is not acceptable. We are continuing, with the help of other water agencies, to look for federal grants to pay for secondary water meters for existing connections. Acquiring grants from the federal government for secondary water meters is a long, slow process. Additionally, at the present time, the State of Utah has no interest in providing grants for secondary water meters. Please note that the purpose of installing secondary water meters is to encourage voluntary conservation, and is ***not to start charging for secondary water by metering***. Studies have shown that when residents are able to see the amount of secondary water they are using they voluntarily implement their own conservation measures. For example, the Weber Basin Water Conservancy District installed secondary water meters and observed at least a 30% reduction in water use per household that resulted from mailing monthly water use reports to the households. This was achieved without billing based on volume of water delivered.

Riverton City has very responsible residents who reduced secondary water usage significantly in response to the drought conditions in the summer of 2016. We need to continue to educate our residents about conserving secondary water from the start of the season. I am very confident that they will respond, and we will significantly reduce our secondary water consumption in 2017. We don't need to make new laws or spend a lot of money trying to solve this problem. We need to educate our citizens and have trust in them that they will do what is necessary.

UNIFIED POLICE DEPARTMENT (UPD)

UPD provides the best law enforcement service available. This is made possible because of the leadership of Riverton precinct Chief Rosie Rivera and the fine officers working with her, as well as the availability of “pooled services” from UPD to Riverton City. Pooled services are the critical services we receive such as the SWAT team, drug units with drug dogs, evidence storage, major criminal investigation detectives, major traffic accident investigations by highly qualified officers, and other important services. Our residents are better served by UPD than any other policing agency we could use, even if we had our own police department.

HOW DID RIVERTON CITY CHOOSE OUR CURRENT LAW ENFORCEMENT SERVICE PROVIDER?

In June and July 2007 the Riverton City Council conducted a series of public meetings to receive presentations from Bonneville Research, the Salt Lake County Sheriff, and the general public to consider whether the City Council should appropriate funds to provide for a Riverton City police department or continue to contract with the Salt Lake County Sheriff’s Department for police services. The bottom line of the presentations was that the Sheriff’s Department was charging us about \$400,000 less than our own Riverton police department would cost. However, more important than the cost savings was that the level of experience and expertise possible from the Sheriff’s Department was much greater than our own Riverton police department could deliver. In 2010, Salt Lake County got out of municipal policing and UPD was formed.

WHAT ARE THE 2017 FINANCIAL COMPARISONS BETWEEN UPD AND DRAPER POLICE DEPARTMENT?

For comparative purposes, please note that the cost of Riverton City law enforcement services provided by UPD is about \$4.9 million. Law enforcement for Draper City is provided by their own police department at a cost of \$5.7 million. Again, cost is not the only factor in determining whether UPD is the best police service option for Riverton. UPD gives us great officers, but also gives us outstanding “pooled services” which smaller independent police agencies can’t provide. I believe our residents are receiving the best service at the lowest cost using our current law enforcement model.



HOW DO WE PAY FOR OUR POLICE SERVICE IN 2018?

The critical issue that needs to be considered by our residents is how we pay for our police services. The issue to be decided is whether Riverton City remains a part of the Salt Lake Valley Law Enforcement Service Area (SLVLESA) or chooses to leave and create a new taxing district that would only include Riverton City residents. Riverton City residents currently pay a property tax levied and collected by SLVLESA that pays to fund UPD operations which currently include unincorporated Salt Lake County, Herriman, Riverton City, and newly created Millcreek City. I am very happy with the direction the Riverton City Council is heading in order to put this on the November 2017 ballot. The responsibility of Riverton City is to provide all the information necessary to our voters to allow them to make an informed decision regarding what funding source should be used to provide police protection. By law, the electorate is the only body that can make that decision. I would like to emphasize that there is no intention to leave UPD. However, serious consideration needs to be given to leaving the Salt Lake Valley Law Enforcement Service Area which is the financial agency that funds UPD for Riverton. SLVLESA has nothing to do with the operational responsibilities for providing police services to our community. That responsibility will remain with the UPD.



IN SUMMARY

THERE ARE FOUR MAJOR ISSUES THE CITY IS FACING FOR LONG-TERM SUSTAINABILITY:

1. Stabilizing our culinary water supply and delivery.
2. Continuing to provide a secondary water system that is sustainable at a reasonable cost to residents.
3. Providing accurate information to our residents so they can decide if we should finance UPD through SLVLESA or in another way.
4. Continuing to actively pursue and support economic development opportunities, such as the CenterCal development, in order to provide a long-term, sustainable source of revenue to carry out the operations of Riverton City.

Please feel free to call me or text me any time at 801-520-9947, or email me at bapplegarth@rivertoncity.com to give feedback or to ask any questions you may have.