

STATE OF THE CITY REPORT



February 20, 2018



RIVERTON CITY CORPORATION—STATE OF UTAH



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MAYOR'S MESSAGE



STATE OF THE CITY

I'm proud to announce today the state of our beloved City as strong, prosperous, and growing. The composition of this strength is found in 5 key areas: Leadership, Financial, Infrastructure, Economic Development and Community Development.

Riverton is Strong in Leadership

Leadership strength is a function of an articulated vision, and an unwavering persistence in the actualization of that vision. Your Riverton elected officials have created, for the first time, a City vision and mission statement, coupled with 8 key strategic priorities.

These guiding documents were crafted during a day-long planning session held on Jan 13th that all elected officials attended. The Vision Statement is a short phrase that conveys our hope for the future. It focuses on the preservation of our past and uniting all who are part of our great City to building a true community. "Preserving our past, citizens, families, businesses, and leaders unite in building a community where we can live, work, and play."

The Mission Statement describes what the City will do and how it will do it: "Riverton City provides essential services that enhance the quality of life and sense of community for all citizens. We foster kind, open and responsive interactions, generating positive citizen involvement and innovative solutions. Leaders, citizens and employees hold each other accountable to meet the needs of the community."

After the creation of the vision and mission, elected officials then considered what should be key priorities for the attainment of that vision and mission. These strategic priorities will be the focus over the next four years in setting budget and policy. Select elected officials and staff members alike have been designated champions for each one of these, and will work collaboratively to identify key objectives and initiatives that will help us accomplish them. The priorities are as follows:

- Safe and healthy neighborhoods with balanced opportunities to live, work, and play
- Promote a thriving business climate that supports the needs of our residents
- Create a welcoming, historic downtown destination
- Establish vibrant parks, recreation and events that build bridges within the community
- Well connected community with properly maintained utilities and infrastructure
- Highly engaged and informed residents
- Operational excellence
- Fiscally responsible governance

In contemplation of Riverton's leadership, I personally believe we have an obligation as City officials to engage and inform residents to the greatest extent possible. This outreach should also foster an environment where other leaders can be developed and help carry our great community into the future.

Riverton is Financially Strong

Fiscally responsible governance is not just a platitude — we live it as Riverton City Elected Officials. In keeping with the operational excellence priority, if we identify a way of doing things more efficiently and less expensively, we will act on that. The move from the Salt Lake Valley Law Enforcement Service Area (SLVLESA) to the creation of a new Riverton Law Enforcement Service Area (RLESA) is a clear example of this.

MAYOR'S MESSAGE

After working hard to pass legislation at the State last year to enable it, the council ultimately adopted the new, replacement service area, changing the way we pay for Unified Police Department services, and saving property tax payers in Riverton more than \$500k this year of 2018. Further, it puts us on a more sustainable path going forward, creates a higher level of accountability for elected officials, and a greater level of flexibility in staffing and meeting the unique law enforcement needs of our own community.

After more than doubling sales and franchise tax debt five years ago from about \$18M to \$36M, we have seen total debt and per capita debt fall considerably in the last few years. From \$47M to \$37M in total debt, and per capita from \$1153 to \$863. Our bond rating was recently upgraded to AAA with the Fitch rating agency, being one of only a few cities in the entire state with the coveted, top rating.

A comparison of utility fees with neighboring cities also highlights our financial strength and disciplined stewardship. The addition of average uses for water, sanitation, storm water and all other utility charges imposed by Riverton or surrounding cities shows that Riverton residents enjoy the lowest combined annual utility fees. \$442 versus \$642-\$803 for others. That's a 45% to 82% savings. And of course, Riverton City has not assessed a property tax since 2012.

All of this is done with an incredibly efficient workforce, as Riverton has the lowest employee costs and full time equivalent employees for the 5 surrounding cities; our 108 employees constitute 2.54 employees per thousand residents at a cost of \$206.40 per resident.

Riverton is Strong in Infrastructure

Ensuring that we have adequate and properly maintained roadways, water facilities and other infrastructure is one of the most important functions of city government. Our City is anticipated to continue growing through approximately the year 2030, where we will then be completely built out with a total number of residents nearing 55,000. Impact fees are assessed to developers to cover the "impact" of new construction to the underlying city infrastructure. In the past year, city, county or state infrastructure projects that impacted Riverton have totaled over \$80M. In addition to additional money the state will spend with UDOT projects, the city has also outlined a capital facilities plan that shows over \$66.3M in critical infrastructure projects through about the year 2030.

Transportation projects are at the top of the spend, with UDOT's \$37M Redwood Road widening project that should be fully paved by mid July. City road widening will begin soon along 12600 S, between Bangerter Highway and Mountain View Corridor. 13200 S, 4500 W, 4150 W. are currently being planned or developed by the City, and will facilitate critical access through and to the new Mountain View Village commercial center. UDOT is also looking to continue in 2019 the freeway-style interchanges along Bangerter Highway, to include 12600 S. and soon 13400 S. and 2700 W. These UDOT improvements, along with the freeway completion of Mountain View Corridor, will help alleviate the congestion along our roads at 12600 S. and 13400 S. Freeway to freeway connections between Bangerter Highway and Mountain View Corridor and other improvements are now being explored to improve east west connectivity.

Culinary and secondary water have seen significant improvements, in terms of both quality and supply. In addition to the recent switch to Jordan Valley Water Conservancy District, which improved our water quality by a factor of 10 in some parts of the City, we have also planned and are currently building a new 5M gallon water tank to ensure peak drinking water demands are met through build out. Due to our fantastic water department and proper planning, our secondary water boasts connections to nearly every resident in the City that chooses to have it. We are also looking into initiatives to support our strategic priorities by looking for ways to improve both culinary and secondary water quality and supply.

MAYOR'S MESSAGE

Riverton is Strong in Economic Development

The importance of economic development for Riverton specifically is twofold: 1) Economic development brings with it the opportunity for enhanced sales and franchise tax revenue, that if used appropriately can have a mitigating effect on taxes and service fees assessed to residents. This is particularly important since Riverton does not assess a property tax, and 2) this type of development brings retail, restaurant, entertainment and employment centers/options closer to home, significantly increasing the convenience and quality of life for Riverton residents.

The last four years, elected officials have made a concerted effort to augment economic development, and successfully so. In the 2013-14 fiscal year, sales taxes totaled approximately \$5M and franchise taxes amounted to \$2.5M. This year, we are projected to bring in \$6.6M in sales tax revenue, or an increase of 25%. With almost 1.6M square feet of office and retail, the CenterCal development along 13400 S. and Mountain View Corridor could likely add millions more to sales taxes.

You'll notice that two of the eight strategic priorities laid out by this governing body deal with economic development. One of them particularly highlights reinvigorating the Old Downtown. This effort began last year, when an engineering firm was engaged to come up with design concepts for this important, historic corridor. We will be focusing on initiatives that will develop this area to realize the sit down restaurant, specialty retail and office uses I have heard so many of you ask for. The realization of such will create or improve upon two great, defined destination centers in our community: An outdoor, lifestyle center at Mountain View Village, with a historic, walkable old downtown.

We are literally enveloped by other regional, significant growth opportunities, all of which could have a significant impact on Riverton. The point of the mountain commission has recently come up with its preferred development scenarios, and we continue to see the effects of planning decision of neighboring municipalities. It is a priority to work more collaboratively with these other decision makers, to bring about the balanced development Riverton is looking for, while minimizing transportation or other potential impacts.

Riverton is Strong in Community Development

Perhaps the most endearing priority for me personally, is that of having highly engaged and informed residents. The participation from all of you is what truly turns our city into a welcoming, thriving community. The previous council made significant progress to this goal by creating the position of communications director, improving the website, establishing a social media presence and two way communication, and live streaming of council meetings. This governing body has committed to enhance the level of resident engagement and ability to stay informed through identifying initiatives such as surveys, the Mayor's Minute, launching a new mobile app for residents, reconstituting a newsletter on a bi-monthly basis, and augmenting our social media presence.

Participation in boards and committees is also an initiative that will aid in engaging more of you in policymaking and community development. In addition to our planning and historic preservation commissions, formulating standing committees that allow residents to provide direct input and ideas to our governing body in relation to economic development, parks, recreation and events are a priority.

Again, I'm proud to announce today the state of our beloved City as strong, prosperous and growing. This strength will continue as we realize the vision, mission and strategic priorities laid out by the governing body. A special thanks to our city council for their dedication and vision. I also want to thank all of the City employees for their hard work, service and constant striving for operational excellence. And a thank you to all of our residents that participate to make our City, a thriving, prosperous, and strong community where we all want to live.

UTILITY FEES



The chart below shows that Riverton City has the lowest utility cost when compared to 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. Also, only Riverton offers 100% of the residents access to secondary water.

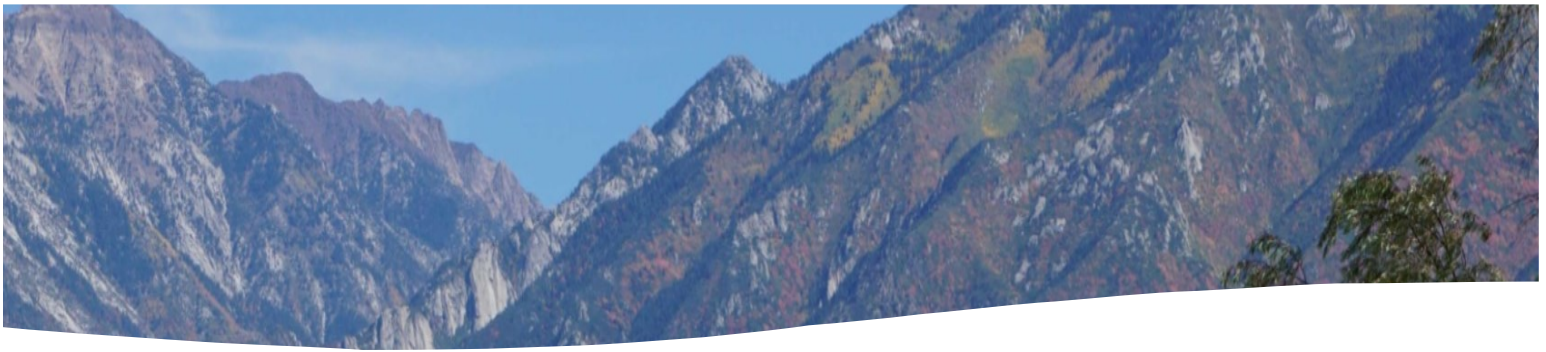
Comparison of Combined City Utility Fees

as of January 2018

Municipality	Riverton	Bluffdale	Draper** Avg Zone 1-3	Herriman Avg Zones 1-9	So Jordan Area A
Annual Utility Fees					
Culinary Water 7,000 gal	349.44	345.60	476.48	446.48	555.76
Sanitation 1st Tote & 1 Recycle	12.00	165.00	180.00	204.00	162.00
Storm Water	72.00	60.00	108.00	-	85.80
Park Fee	-	-	-	60.00	-
Street Lighting (within subdivision)	-	72.00	-	-	-
Total Utility Fees	433.44	642.60	764.48	710.48	803.56



COMPARISON OF TAXES



The Utah Taxpayers Association recently published the following data showing the relationships between city government revenue and citizen income in Utah's 50 largest cities.

City Government Revenue from Taxes and Fees for each \$1,000 of Citizen Income	
Best 5	
*Riverton	\$ 9.14
Cottonwood Heights	\$ 10.81
Holladay	\$ 11.13
West Haven	\$ 12.11
Taylorsville	\$ 13.21
Worst 5	
South Salt Lake City	\$ 59.38
Salt Lake City	\$ 46.96
American Fork	\$ 41.53
Ogden	\$ 36.95
Vernal	\$ 36.23

This data provides a snapshot of on average how much of each thousand dollars earned by a citizen is consumed by the city government in Utah. This report systematically compares how well elected officials in Utah's cities control public spending and illustrates the relationship between government as a service provider and citizens as consumers. On average, Utah city governments take \$24 of each \$1,000 earned by residents in the city, representing 2.4% of taxpayer income. The lowest cost city out of Utah's 50 largest cities is Riverton, which takes \$9.14 of each \$1,000 earned in the city (or .9%).

Two different metrics in determining the burden of city government on taxpayers were used for this comparison. The first metric, revenue from taxes and fees per capita, shows how much revenue the city collects in taxes and fees per resident in the city. This figure is useful in comparing different cities and indicates the level of fiscal restraint exercised by elected officials in various cities. The second metric, revenue from taxes and fees per \$1,000 of citizen income, shows the individualized burden on taxpayers by controlling for income. This figure indicates how much a taxpayer's consumption ability is impacted by the city government and illustrates the personal impact of government spending on individuals.

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*Property tax not included in Riverton City figures.

LABOR COSTS



Riverton City has the second lowest salaries per resident and the lowest full-time equivalent (FTE) per 1,000 residents.

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	42,838	108.6	\$ 8,841,670	\$ 206.40	2.54
Bluffdale ⁽⁶⁾	14,000	39.0	\$ 2,772,222	\$ 198.02	2.79
Draper ⁽⁴⁾	47,328	143.5	\$ 10,197,997	\$ 215.47	3.03
Herriman	37,712	107.1	\$ 8,269,772	\$ 219.29	2.84
South Jordan ⁽⁵⁾	71,102	187.1	\$ 17,718,036	\$ 249.19	2.63

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

⁽²⁾ FTE from 2017 CAFR or annual report

⁽³⁾ Total compensation (wages & benefits) taken from 2017 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

2018 Elected Officials Annual Wages⁽¹⁾

City	Mayor	Council
Riverton	\$ 21,000.00	\$ 14,484.94
Bluffdale	\$ 18,000.00	\$ 7,200.00
Draper	\$ 20,317.56	\$ 14,162.52
Herriman	\$ 21,000.00	\$ 9,000.00
South Jordan	\$ 21,500.00	\$ 14,900.00

⁽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.

BONDING



Riverton City - History of Bonded Indebtedness

as of February 2018

Fiscal Year	Purpose for Debt	Amount of Debt Issued	Rolling Total Outstanding Debt	Riverton City Population	O/S Bonded Debt per capita	Mayor
1999			-	22,677		Lloyd
2000	Secondary water (1)	1,500,000	1,500,000	24,100	62.24	Lloyd
2001	Secondary water (2)	14,000,000	15,432,000	25,011	617.01	Lloyd
2002	Road construction (3)	5,720,000	20,729,000	26,758	774.68	Evans
2003	Secondary water (4)	7,500,000	27,696,000	27,819	995.58	Evans
2004	Renovation of City Hall (5)	4,080,000	31,558,000	29,006	1,087.98	Evans
2005			30,580,000	30,118	1,015.34	Evans
2006	Road construction (6)	15,360,000	29,267,000	32,089	912.06	Applegarth
2007			43,274,000	35,000	1,236.40	Applegarth
2008			41,321,000	37,500	1,101.89	Applegarth
2009			39,128,000	39,751	984.33	Applegarth
2010			36,855,000	40,420	911.80	Applegarth
2011			34,577,000	38,753	892.24	Applegarth
2012			32,249,000	39,489	816.66	Applegarth
2013	Main Park / UPD Bldg (7)	18,500,000	30,790,000	40,398	762.17	Applegarth
2014			47,219,000	40,948	1,153.15	Applegarth
2015			45,118,000	41,500	1,087.18	Applegarth
2016			42,356,000	41,900	1,010.88	Applegarth
2017			40,074,000	42,838	935.48	Applegarth
2018			37,710,000	43,688	863.17	
2019			35,239,000	44,538	791.21	
2020			32,706,000	45,388	720.59	
2021			30,085,000	46,238	650.66	
2022			28,528,000	47,088	605.84	
2023			26,915,000	47,938	561.45	
2024			25,767,000	48,788	528.14	
2025			24,575,000	50,000	491.50	

⁽¹⁾2000A Secondary Water Bond for Secondary System east of 4000 W

⁽²⁾2000B Secondary Water Bond for Secondary System east of 4000 W

⁽³⁾2001 Park Avenue Road Bond

⁽⁴⁾2003 Secondary Water Bond for Secondary System west of 4000 W

⁽⁵⁾2004A City Hall and Civic Center Bond

⁽⁶⁾2007 Road Bond for 13400 S + other arterial roads

⁽⁷⁾2013 Riverton City Park + Police Precinct

ECONOMIC DEVELOPMENT



NEW BUSINESSES = INCREASED SALES TAX REVENUE

As part of its economic strategy, Riverton City’s commitment to infrastructure development has played a significant role in attracting new businesses. In the past year, 235 new businesses have opened in Riverton. The following graph shows the sales tax revenue over the past five years:

Sales Tax Revenue

		Fiscal Year				
2013	2014	2015	2016	2017	2018 (Projected)	
\$ 5,037,087	\$ 5,267,634	\$ 5,601,642	\$ 5,935,097	\$ 6,376,764	\$ 6,600,000	

MOUNTAIN VIEW VILLAGE AT RIVERTON

Opening in June 2018, this 85-acre development will feature approximately 750,000 square feet of various commercial and retail space. Upon completion, Mountain View Village will be the premier central gathering place in Riverton and the surrounding area. The development will honor the area’s deep-rooted history with its architecture, mature landscaping, and thoughtful Americana sculptures, creating a gathering place for which the community has been eagerly anticipating. In addition to the community gathering space, offerings will consist of retail, restaurants, office spaces, a gym, a full luxury theater, and a hotel.

The first phase will have several “big box” and national retail stores, which serve as anchors for specialty stores and restaurants to come in the next phases. When completed, Mountain View Village will be a full-service retail, entertainment, and restaurant complex, as well as a beautiful and unique gathering place for families and communities. The grand opening of phase one of Mountain View Village is scheduled for Summer 2018 and includes current leases with: Harmons (with gas station), Michaels, Ulta, PetSmart, T.J. Maxx/Home Goods, MOD Pizza, Capriotti’s, The Good Feet Store, Sprint, AT&T, and Verizon.



RIVERTON LAW ENFORCEMENT SERVICE AREA (RLESA)



RIVERTON LAW ENFORCEMENT SERVICE AREA

The Riverton Law Enforcement Service Area (RLESA) is a newly formed taxing district created for the purpose of collecting property taxes to pay for law enforcement services. RLESA replaced Salt Lake Valley Law Enforcement Service Area (SLVLESA). Riverton City created RLESA in part to ease the 2018 property tax increase that was already approved by SLVLESA. RLESA became an active entity on January 1, 2018.

A service area makes a single contract with a separate entity, in this case the Unified Police Department, on behalf of all the individual municipalities within it. The service area then uses the combined property tax money to pay the UPD. This is what SLVLESA did, and RLESA will do essentially the same thing. But while SLVLESA is large, containing multiple cities in the Salt Lake Valley, RLESA is confined to Riverton alone, essentially creating a single-municipality service area. According to Mayor Trent Staggs, who has represented Riverton on the UPD and SLVLESA boards, this will “keep Riverton property tax within Riverton, and use that then to pay for the Unified Police contract.”

With SLVLESA, Riverton paid substantially more for law enforcement services than it would if it just contracted directly with the UPD. In 2016, Riverton’s UPD contract was worth \$4.9 million, but with SLVLESA, it actually paid \$5.2 million. Further tax hikes proposed by SLVLESA would have resulted in Riverton overpaying by as much as \$800,000 in 2018.

With the creation of RLESA, tax rates will instead be rolled back to essentially what they were in 2016; a move that has inspired neighboring cities Herriman and Millcreek to follow suit and form their own service areas, using RLESA as a model.

Residents may be startled to see RLESA’s bill on their property tax statements listed as a 100% increase, but there really is no cause for alarm.

“Because RLESA is a new entity, state law requires it show as a 100% increase. However, if you compare the proposed amount on the 2018 RLESA postcard to the SLVLESA (shown on statement as Salt Lake Valley Law Enforcement) line on your 2017 property tax statement, you will see that the 2018 dollar amount proposed for RLESA is actually lower, resulting in a property tax savings,” city officials explained on the Riverton City website.