



# Washington City

Where Dixie Begins

## 2011 Management Report

### Dear Mayor & Council:

The year 2011 brought some renewed hope. This hope was that we have reached the bottom of the "Great Recession" and that we are beginning to see some climb. We have no illusions that this will be a quick climb but that it will take us several years to recover; but all indicators show that our financial indicators are improving. We continue to watch the national scene, since consumer confidence is so tied to the optimism of the country overall and to the faith and confidence we have in our national leaders. We also recognize that the economy is very fragile and that it wouldn't take much to dip again. Through it all, however, we feel that we have fared as well as we could have as a little community. We have had fund balances that not only helped us through these times but we have kept them in fairly good shape. We have re-worked the organization to be more reflective of the current market while maintaining the services to our citizens. We are optimistic about our future and our community.



Washington County continues to struggle with a stubborn unemployment rate of 9.3%, slightly above the national rate of 9.1% and well above the state rate of 7.4% (Utah Department of Workforce Services, Trendline, August 2011). Utah's overall employment is much better at 7.4% (Utah Employment Summary, July 2011, Workforce Services), with slight improvements from the previous year. Housing values have seen a slight increase in Washington County from approximately \$180,000 in 2010 to \$190,000 today. (S&P Financial Service, Macromarkets). Foreclosures have slowed, but the economy, unemployment, and household incomes continue to be challenged in our area.



## Growth Rate

Whereas, Washington County has seen a significant decline in single family residential construction, Washington City has maintained a very active construction market. In 2011, the City issued 333 permits on new construction. This is only slightly down from 346 permits issued the previous year. These permits signify an increase of population of over 900 citizens. We are still growing at an

impressive 3% growth rate for this economy and housing market. We truly believe that our goal of being a "city of choice" is seeing its fulfillment. We expect that the permits will see a decline in the near future as available entitled land is becomes less available.

For the first time in three years we have seen the sales tax numbers change direction and begin to climb upwards. Sales tax increased this year by just over 4%. We are hopeful that this will be a continuing trend and that these numbers will continue to increase for us over the next few years. We are still below our sales tax peak by about 13% which occurred in 2008. We currently have approximately 178,000 available square feet of industrial, commercial, and retail space in our community. This year we welcomed McDonald's, Chase Bank, and the Royal Thai Restaurant.

This year brought a complete restructuring of our economic development efforts. In Fall 2010, we closed down our economic development office. This was due to changes in the economy that made it less relevant. We redirected those responsibilities to the mayor and manager's office. We revised our Economic Development Plan, focusing on product development, General Plan revisions, local business market campaign, and our retail presence and development. We have made the economic development page of our website more interactive for site selectors and are preparing to launch our local business attraction campaign, "Washington City...where building your future begins!" We continue to work with our local land owners and partners in preparation for a more robust economy. The biggest challenge for Washington City that this economy brings is a lack of capital available for investment in new stores and facilities. The city has very little available space, in our key areas, and a lack of lending will continue to restrict our ability to expand our tax base.





## Roads

This will be the second year that I have highlighted roads as a major highlight of our past year. The investment we have been making over the past several years in transportation has been significant. Like in years past, each of the projects completed this year came at no additional cost to the taxpayers of our city.

In the past seven years Washington City has invested approximately \$22 million in road construction for our community.

In fiscal year 2011, the 300 East/Washington Fields and Virgin River bridge was completed reconstructed and expanded to five lanes. This project was necessary due to the unprecedented growth in the Fields, greater access to our industrial area and to the new St. George airport. This road is a major arterial connector for at least half of our community. This project was done in conjunction with UDOT and Federal Highways, and cost approximately \$7.9 million.

The other major road project that got underway in 2011, was the long-anticipated expansion of Telegraph Street. This project will widen our over-taxed 3 lane road to 5 lanes, with medians and new street-scaping and improvements. We are very excited about this project and our work with UDOT, in what we feel was a unique downtown design. This new design will include the placement of planter boxes along Telegraph Street. These planter boxes will serve both the purpose of housing over 80 large canopy shade enhancing trees along the street; and also serve as benches for





the pedestrians that, we believe, will be attracted to our downtown. The improvements will also include upgrading all of our street lighting with a historic look and feel. The Millcreek bridge has been removed and replaced with a culvert and is designed with beautiful rock walls and

ornamental lighting. Our community will be the perfect backdrop for these wonderful new enhancements to the main corridor of our city.



Another part of our downtown restoration project is the restoring of the old school bell tower. This tower was designed to the exact specifications of the previous tower. This tower will be equipped with a carillon system, which will ring out the top of the hour as well as chime out melodies during our city's holidays. This project has been done in partnership with the Washington City Historical Society. We believe that this restoration project will bring some historic small town feel to our downtown, as well as be a great cap to our road expansion project. It is the perfect combination of remembering and honoring our past while expanding into our future.

We are excited about these road projects and as we move into 2012, we can anticipate more work being done on south Washington Fields road, the Southern Corridor, and the interchanges needed for those. With the growth we have been experiencing, staying on top of our roads will continue to be a high priority well into the future.



## Finance Department

The part of our city government that is the nerve center to everything we do is our finance department. There is very little we could accomplish if we did not have the dedicated and expert staff that handle our finances. The Washington City General Fund amounts to approximately \$11 million and our overall city budget exceed \$40 million, every year. Our revenues need to be properly anticipated and collected, and our expenditures need to be carefully budgeted and timely paid for. We need to adequately secure the city funds and enhance our returns on those funds, where appropriate. All of these activities require skill in governmental financing, which is quite different than private funding, and which are governed by a myriad of state and federal laws and tax codes.

Approximately 2 years ago it was determined that our current financial software was inadequate for a city of our size and complexity. Through a very exhaustive RFP and due diligence process it was decided to partner up with Springbrook Software to handle all of our financial needs. In the past 2 years we have been going through the exhaustive process of converting over from our old software system to this new one. This has come with some frustration and we have appreciated the Council and the citizens patience during this time. We are confident however that this "next generation" of software will be more than adequate for many years to come.

For the past 3 years Washington City has been the recipient of the "Government Finance Officers Awarding Winning Budget Presentation." This is a very prestigious recognition, one that very few cities receive. We are the only local government in Washington County to receive this award, one of a couple dozen cities in the state, and one of less than a thousand cities in the country. The requirements to achieve this recognition include: creating a document that effectively communicates to our citizens budget issues, can be used as a planning tool for government officials, and adequately accounts for all of the



funds that we manage. This takes a lot of work to create this document each year but we are proud of this recognition and proud of the staff that put this together.

The Finance Department does a great deal behind the scenes in enhancing the quality of life of our citizens and improving the effectiveness and efficiency of our organization.

These are only but a couple of the many highlights we have had during 2011. It seems as if life gets a little more challenging and our problems a little more complex each year, but we feel our capacity to deal with these challenges continues to grow as well. This is a good community, with good values-which gives us great motivation to serve in the very best way possible. I am grateful for a very dedicated and competent staff. I am also grateful for the wisdom and direction we receive from the Mayor and Council. We look forward to working together: staff, council and citizens for the bright future that Washington City will continue to have.

Sincerely,

Roger Carter  
City Manager



## General Fund

The General Fund decreased by 4.12% compared to last fiscal year. This reduction was due to a continued slow economy and reduction in city expenditures.

## Information Technology

- Completed a new "tech ticket" helpdesk for technical problems.
- Launched new website with mobile capability
- Went social with a presence on Facebook, Youtube, Twitter, Ustream and Blogger.
- Introduced an interactive mapping program for the economic development page.

training, and Employee Health program.

- Successfully implemented changes to the state retirement program.
- Successfully kept our health premium costs to below budgeted levels.



## Leisure Services

- Began construction on the Sullivan River Soccer Park.
- Made preparations for construction of the dog park in 2012.
- Improved landscaping on holes #11 and #12 at the Green Springs Golf Course.

## Community Center

- Reduced labor costs by 9.6% from previous fiscal year, approximately \$23,795.
- Increased daily revenue by 4%, from \$3,847/day to \$4,023/day.



## Human Resource

- Provided training to departments on changes with pension program, Utah Local Governments Trust



- Implemented a very successful half-marathon, the "Dog Town Half-Marathon."
- Improved the data tracking process for the center.
- Received recognition as the best recreation facility in the state of Utah

### Justice Courts

- 3,108 court cases filed with 2,921 cases disposed.
- Improved upon the electronic processes for customer service.
- Began the implementation of the state court software CORIS.



### Public Safety Department

- Worked with county in implementation of the 800 mghz radio system.
- Have provided automatic defibrillators in 90% of patrol vehicles.

- Exercised the emergency operations plan with several exercises this year.
- Implemented a comprehensive CERT program for the community.
- Target several areas of the city for code compliance issues.
- Responded to 7,542 police service calls.
- Responded to 1,014 fire/EMS calls.
- Code Compliance responded to 1,044 calls for service
- Animal welfare services responded to 865 calls for service.

### Recorder's Office

- 238 business licenses were issued this year.
- Reorganized historical master plans/studies and budget documents in safe.
- Completed and filled 77 GRAMA requests.

### Treasurer's Office

- Created and had Council adopt Investment Policy for the city.
- Bid out and selected banking services provider.
- Improved cash handling procedures for the community center & golf course.

## Administrative Services

- Received the Government Finance Officers Distinguished Budget Presentation for third year.
- Implemented electronic time card processing cutting payroll to 2 days.
- Processed 17,664 invoices and 13,125 checks. Managed 4,282 utility work orders.



## Community Development

- Issued 333 new single family permits and 7 commercial permits.
- Land use application approvals included: 1 General Plan amendment, 10 zone changes, 16 conditional use permits, 27 temporary use permits, and finally approved and recorded 16 subdivision plats.

- This department continues to provide support staff to courts and code compliance as needed.



## Streets Department

- Crack sealed 28.3 miles.
- Slurry sealed 4.2 miles.
- Overlayed 1.5 miles.
- Swept 4,112 miles.
- Processed 61 citizen requests with an average completion time of 6 days.
- Completed 2,901 work orders with an average completion time of 3 days.
- Completed 300 East/Virgin River Bridge.
- Completed 2000 South, Industrial Road, and Vincent lane overlays.

## Water Fund

The Water Fund saw an investment in capital of \$433,890, which is a 10% investment to revenue. This

included the 300 east transmission line and the Grapevine booster pump. Impact fees were up 4% over last fiscal year, due to new single family home growth.

- Processed 169 citizen requests with an average completion time of 3 days.
- Processed 1,216 utility department work orders with an average completion time of 1 day.
- 1,372 work orders were processed with an average completion time of 2 days.
- Completed a new transmission line along 300 East.
- Installed Grapevine booster pump.
- Adjusted Washington Fields pressure zones.

### **Sewer Fund**

The Sewer Fund saw an investment in capital of \$110,790; which represents a 6% investment to revenue. This was due to the purchase of a sewer cleaner truck. Impact fees this year were up 3% over last fiscal year, due to new single family home growth.

- 320 manholes cleaned.
- 65,548 lineal feet of sewer line cleaned.

- 29 citizen requests with an average completion time of 2 days.
- 749 work orders with average time to complete of 1 day.
- 300 East main trunk line re-done.
- 7,389 lineal feet of sewer inspected with camera.
- 358 manholes inspected.



### **Electric Fund**

The Electric Fund saw an investment in capital of \$99,736; which is a less than 1% investment to revenue. The majority of this investment was in new transmission line replacement. Impact fees were up 25% over last fiscal year as new growth has occurred North of the Virgin River.

- Installed additional capacitors on the system for voltage support.
- Relocated transmission and distribution lines along Telegraph.

- Finished installation of the SCADA system.
- Secured 5 year base power resource.
- Installed additional switches on circuit.

## Irrigation

- 24,500 lineal feet of irrigation system maintained.
- 42 citizen requests with an average completion time of 4 days.
- 145 work orders with an average completion time of 2 days.

## Storm Water

The Storm Water fund saw an investment in capital of \$1,788,556; which is a 258% investment to revenue. This was due to the storm water backbone project completed this year. Impact fees were down 59% over last fiscal year, due to slower subdivision development, which is when this impact fee is paid.

- 10 citizen requests fulfilled with an average completion time of 10 days.
- 518 work orders fulfilled with an average completion time of 2 days.
- Updated Storm water Management program to Department of

Environmental Quality requirements.



## Golf Course

The Golf Course Fund was down in revenues. We attribute this downturn to the lack of discretionary spending by consumers, due to the economic recession. We invested no money in capital investment this year due to the restricted budget.

- Finished the landscaping on holes 11 & 12.
- Improved overall aesthetics and beauty of course.

## Bond Fund

The year's overall indebtedness for the city was \$44,114,876, compared to last years \$44,298,892. As a percentage of revenues the debt service equals 10.7%. The amount of debt per capita equals \$2,041, compared to last years debt per capita of \$2,901.

## 2012 Management Goals and Objectives

- Improve bunkers and fairways on golf course.
- Continue to pursue long-term base load power resource.
- Start construction on new local generation power facility.
- Structured investment plan for city funds
- Complete the “Dog Town” dog park.
- Convert all public safety divisions to 800 megahertz.
- Develop education/prevention program for all four public safety divisions.
- Enhance VIP and CERT programs.
- Develop paperless work flow system.
- Provide a better mobile web presence for Washington City.
- Make General Plan revisions.
- Sponsor local business attraction campaign.
- Activate new cemetery program.
- Complete landfill booster pump and pipeline.
- Provide on-going storm water education.
- Review irrigation rates and policies.
- Complete Telegraph construction.
- Complete Southern Parkway connection.
- Increase number of CNG vehicles in our fleet.
- Enhance internal auditing procedures.
- Create the “Washington City” Foundation.

