



CITY OF DRAPER, UTAH

POPULAR ANNUAL FINANCIAL REPORT (PAFR)
FISCAL YEAR ENDING: JUNE 30, 2023

General Information

Included In This Report

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Letter From the Finance Department

We are pleased to present this year's Popular Annual Financial Report (PAFR). The purpose of this report is to summarize the financial information presented in the City's FY23 Annual Comprehensive Financial Report (ACFR). While this report is unaudited, the information found within the report is a mixture of information presented in the FY23 independently audited Annual Comprehensive Financial Report (ACFR) and the current FY24 budget.

Draper City's financial position continues to be strong. Over the past year, the City continued to see economic growth including growing sales tax numbers and positive change to net position. The City benefits from a diverse economy and a blend of large, stable employers and new innovative businesses.

The information included in this report contains an overview of the City's economic outlook, financial position, and key financial information. The data included provides a look into the City General Fund and how monies are received and spent.

Additional financial information can be found in the City's ACFR at www.draperutah.gov/112/finance. On behalf of the City, thank you for reading this report. We welcome any input or comments you may have. Please be sure to follow us on social media or subscribe to email or text notifications at draperutah.gov/notify.

Sincerely,
John Vuyk
Finance Director
(801) 576-6318



@drapercityutah



@drapercity



@drapercity



@drapercitygov

Our Community

Incorporated in 1978 and nestled in the southwest corner of the Wasatch Front mountain range, Draper City is now a community of more than 50,000 residents and bridges two metropolitan areas — the Salt Lake City metropolitan area and the Provo-Orem metropolitan area.

Draper City is a very community-oriented place. Many events are scheduled year-round, including our largest summer celebration, Draper Days, free concerts in the park, an outdoor amphitheater and cycling and running races. We have a safe city, with low crime and highly trained police and fire departments.

Draper City spans over 30 square miles including over 4,500 acres of open space. We promote a healthy quality of life, with easy access to trail systems, and nearby mountain areas offering access to wilderness and spectacular vistas.

The City is served by more than 309 full-time equivalent employees (FTEs) providing high quality public safety, culinary water, storm water, solid waste collection, roadway construction and maintenance, parks and recreation facilities, street lighting and many community and cultural events.

Elected Officials as of Jan 2024

Mayor
Troy Walker

City Council
Mike Green
Tasha Lowery
Fred Lowry
Calvin Roberts
Bryn Heather Johnson

General Information

City Offices, Locations & Hours (Partial List)



Draper City Hall
1020 E Pioneer Rd
Draper, UT 84020
(801) 576-6500
Hours: Monday - Friday
8:00 AM - 5:00 PM



PUBLIC WORKS

Draper Public Works
72 E Sivogah Ct
Draper, UT 84020
(801) 576-6557
Hours: Monday - Friday
7:00 AM - 3:30 PM



Fire Department
(Admin Office)
Fire Station #21
780 E 12300 S
Draper, UT 84020
(385) 557-2805



Draper Police Department
1020 E Pioneer Rd
Draper, UT 84020
(801) 576-6314 - Admin
(801) 840-4000 - Non Emergency
911 - Emergency



ANIMAL SERVICES

Animal Control
12375 S Vista Station Blvd
Draper, UT 84020
(801) 576-6345
Hours: Monday - Friday
9:00 AM - 4:00 PM

Demographic Information

Fiscal Year	2022	2023
Population	54,282*	55,430*
Residents 18 Years & Older	34,794	34,801
Median Single Family Home Value (Source: Salt Lake and Utah County Assessors Office)	\$589,800	\$764,400
Average AGI (Source: Utah State Tax Commission)	\$117,993	\$150,506
Draper City Employees (FTEs)	271	310
Average Unemployment Rate	3.6%	2.8%
Labor Force	N/A	27,755

Top 5 Principal Employers

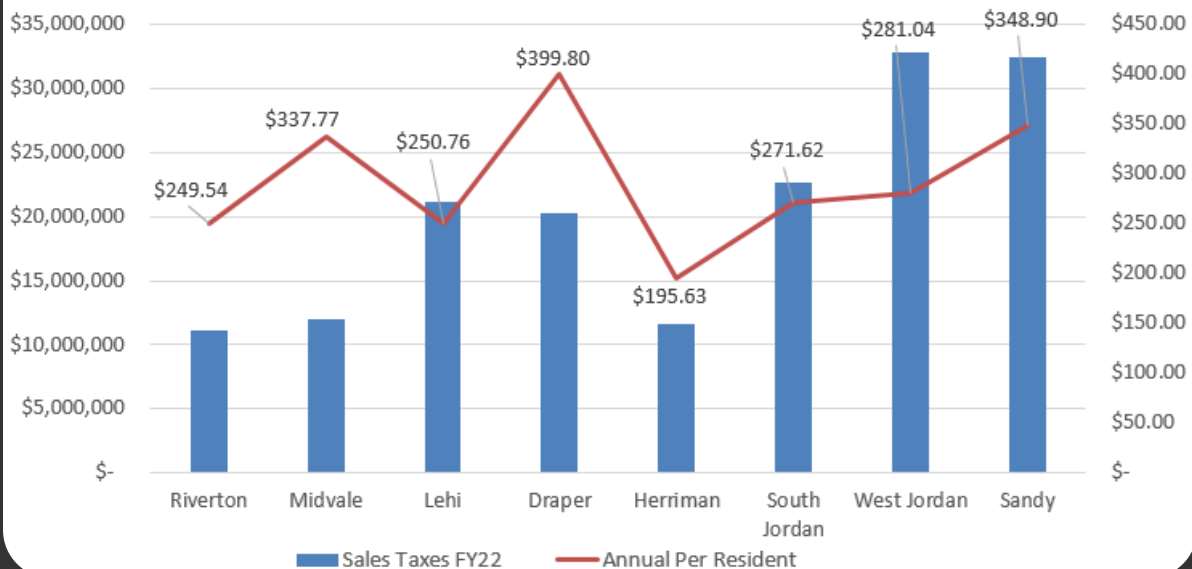
Employer	No. of Employees
Edwards Lifesciences	1,000-1,999
1-800 Contacts	500-999
Swire Pacific Holdings	500-999
eBay	500-999
Bill.com (Divvy)	500-999

Top 5 Property Tax Payers

Tax Payer	Assessed Taxable Value
Swire Pacific Holdings	\$116,741,500
LD Bowerman Investments, LLC	\$108,994,400
Women's Hospital Indianapolis	\$103,656,300
Harbet MSB Lone Peak Campus	\$88,191,500
Arep III DD Office Owner, LLC	\$86,742,000

*Internal estimate

Annual Sales Tax Per Resident
(FY22 Sales Tax Revenue by 2023 Population)



General Information

Draper's Form of Government

Draper City operates under the council-manager form of municipal government. The City Council is the legislative branch of the City government and is composed of the mayor and five council members. The term for each of these elected offices is four years. The City Council is responsible for passing ordinances, adopting the budget, appointing the City Manager and other City officials required through state or local policy to be appointed by council. They are also responsible for appointing committees.

The City Manager serves as the chief administrative officer responsible for directing the day-to-day operations of City affairs, and the implementation of City Council ordinances and policies. As the City Council's chief advisor, the City Manager prepares a recommended budget for the council's consideration and recruits, hires and supervises City staff.

What is the General Fund?

The general fund is the primary operating fund of the City and it accounts for the resources that are used to pay for the services traditionally associated with local government.

Draper City's funding comes from two major sources: taxes and fees. The majority of services provided by the City are financed through tax revenue.

Five categories of fees collected are taxes, licenses & permits, charges for services, fines, and miscellaneous revenues.

Funds Administered by the City

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. All of the City's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Tax Supported Funds (Governmental):

- General (Chief Operating Fund)
- Municipal Building Authority
- Capital Improvement Projects
- Fire Impact Fee
- Transportation Impact Fee
- Park Impact Fee
- Police Impact Fee
- Redevelopment Agency
- Traverse Ridge Special Service District
- Cemetery Permanent Fund

Fee Supported Funds (Proprietary):

- Water
- Storm Water
- Solid Waste
- Ambulance

Mission Statement and Values



Independent Audit

An independent audit of the City's finances was conducted by Hanson, Bradshaw, Malmrose and Erickson, P.C., and a clean opinion statement was issued. Complete financial information including the City's Annual Comprehensive Financial Report (ACFR) can be found at draperutah.gov/finance.

Government-Wide Finances

Government Wide Highlights

The assets of the City exceeded the liabilities of the City at the close of FY23 by \$629,872,654 (net position), which is up \$16,898,686 over last year. Of this amount, \$107,012,305 is in unrestricted net position which is available to meet ongoing obligations.

Net position in governmental activities improved by \$14,850,117. Significant changes include an increase of \$1,065,805 in sales tax, \$4,044,825 increase to investment earnings and \$2,875,150 in ARPA funding. Construction related revenues were down \$3,168,728 over FY22.

Net position for the business-type activities improved by \$2,048,569. Revenue increased marginally over FY22 with expenses increasing \$1,920,822. The majority of the cost increase came from ambulance operations. Water, Storm and Solid Waste all had increased cost for added staffing.

The outstanding bonds at year-end bonds payable is \$16,277,000. The City also has outstanding notes payable of \$11,178,042 to be paid back with impact fees only if collected. The majority of the notes payable are contingent upon future impact fees.

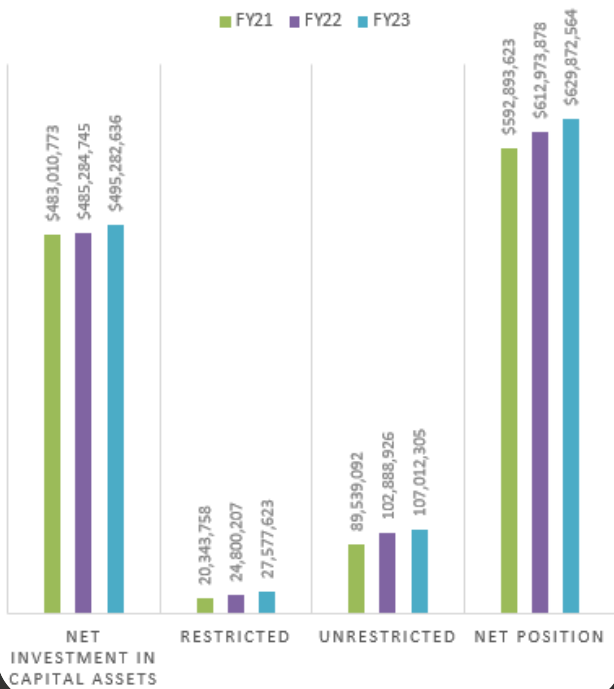
Breaking Down Net Position

The largest portion of the City's net position reflects its investment in capital assets, less any related outstanding debt. Capital assets are things like roads and sidewalks; and as such, they can't be spent like cash.

Unrestricted net position may be used to meet the City's ongoing obligations to residents and creditors. Much of this amount, though, not legally restricted, has been assigned by the council to meet obligations.

Restricted net position represents cash, or cash-like assets that are legally restricted for specific purposes such as impact fees or taxes collected for B&C roads (gas tax).

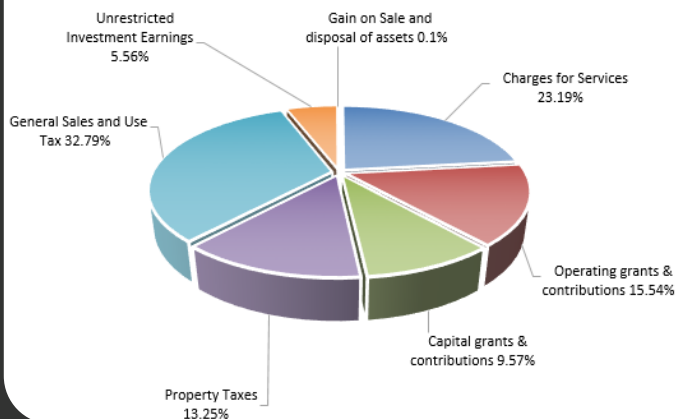
TOTAL PRIMARY GOVERNMENT NET POSITION



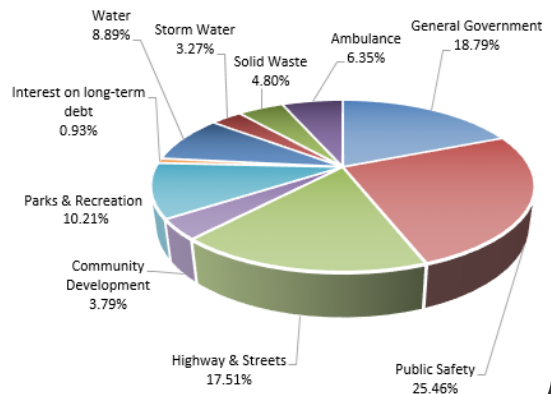
Net Position:

Represents all of Draper's assets and liabilities, with the difference between the two reported as net position. An increase or decrease over time may be used as an indicator of whether the financial condition of the City is improving or declining.

TOTAL GOVERNMENT-WIDE REVENUES - FY2023



TOTAL GOVERNMENT-WIDE EXPENSES - FY2023



General Fund Financials

General Fund Highlights

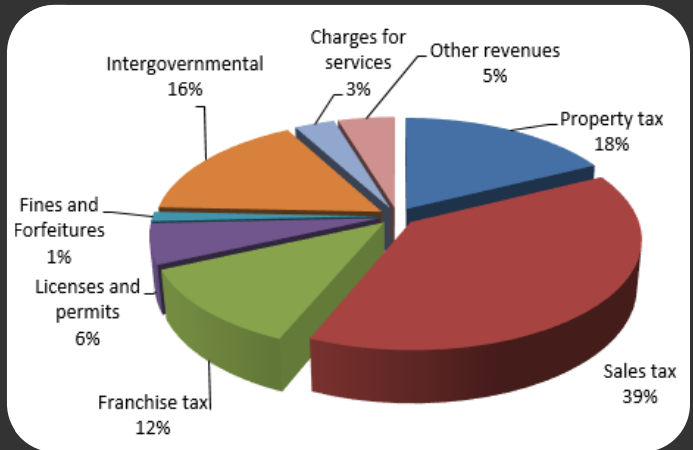
The General fund's operating revenue was \$52,497,506. This is an increase of \$4,129,546 or 8.53% over the prior year. Revenues from taxes continued to be the largest source of revenue at 68%. Governmental programs are funded either by program revenues (charges for services) or general revenues such as taxes that are part of the general fund revenues. The reliance on the general fund for governmental programs increased by \$7,354,900, meaning that programs (public safety, parks etc.) needed more support in FY23 as charges for services and grants fell.

The excess between revenues and expenditures was \$16,291,380 and the net change after transfers, bond issuances and sale of capital assets was \$11,079,420. Interest revenue accounts for \$3,064,532 of the increase and sales tax accounts for another \$1,065,805. Transportation related revenues were constant, but with their corresponding expenses delayed for future years fund balance was increased. Transfers decreased but are expected to increase in FY24 to make up any saving from FY23.

The ending unassigned fund balance is \$21,019,714 which can be used for any purpose. As a matter of fiscal prudence, the majority of the unassigned fund balance will be preserved to cover emergencies or future revenue shortfalls.

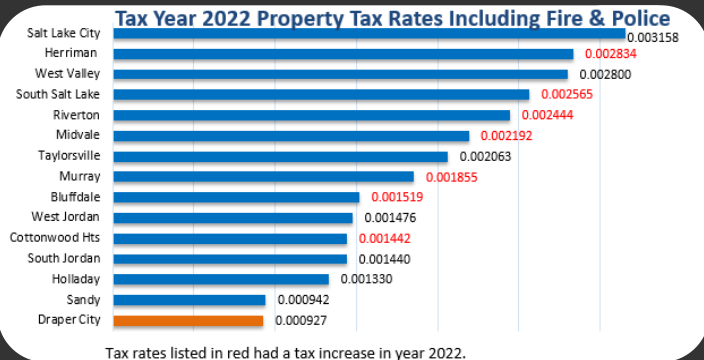
Revenues by Source

Fiscal Year	2022	2023
Property Tax	\$9,152,900	\$9,291,698
Sales Tax	19,216,512	20,282,317
Franchise Tax	5,610,870	6,281,901
License and Permits	4,256,149	3,131,365
Fines and Forefeitures	605,760	736,037
Intergovernmental	7,751,940	8,565,664
Charges for Services	2,075,395	1,743,883
Other Revenues	301,566	2,464,641
Totals	\$48,367,960	\$52,497,506



Property Tax Rates for 2023

The following tax rate provided funding for the services rendered during fiscal year 2022 -2023. The rates for Draper have dropped over the last several years as home values have increased. Historically, increases to the property tax collected is a result of new growth in both residential and commercial property, as property tax rates have not increased by "truth in taxation" since 2007.



Revenue Summary:

Sales tax revenues were the largest tax revenue contributor in FY23. The City has a strong and diversified sales taxes base.

Fines and forfeitures increased for the first time in several years by \$130,277 which is a result of seven new peace officers.

Intergovernmental revenues increased \$338,271 but is expected to drop significantly in FY24 because FY23 included one-time federal ARPA funds of \$2,878,150.

The interest earnings increase was significant in FY23 because the market rates improved sharply. The City had \$50,746,540 invested upon the close of the fiscal year. The majority of all cash invested is restricted and can only be used for specific purposes.

General Fund Financials



2023 Median owner-occupied home value was \$764,400. Calculation Notes: $\$764,400 \times .55$ (Taxable Value) $\times .000927$ (2022 Draper tax rate) = $\$390 / 12 \times \%$ of total expenditures. Source: Salt Lake & Utah County

Expenditure Summary

Expenditures had a net increase of \$3,319,943.

14.13 FTE were added within the fiscal year in the General Fund.

Police cost increased by \$1,232,522 driven mostly by the 7 new sworn officers. The remainder of the public safety increases came mostly from approved wage increases as operational budgets were mostly flat for FY23.

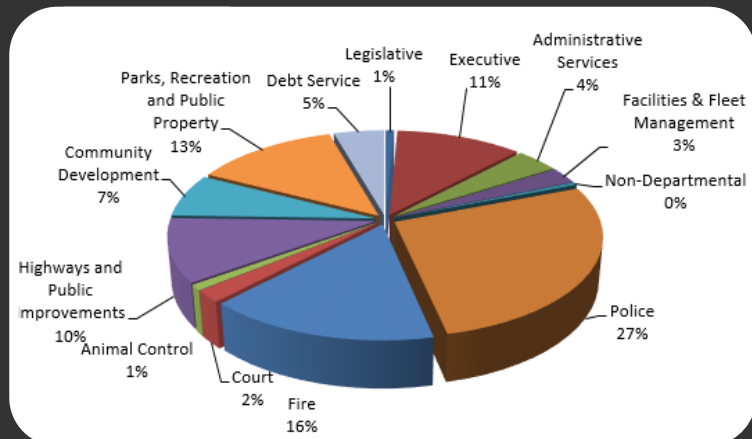
Executive, which is reported under general government increased \$515,538 was partially due to 1.5 additional FTEs for Events and .63 FTEs for Communications.

Fire cost before ambulance services, (see Ambulance Fund) increased \$605,583 over FY22. This cost comes from approved wage increases as well as the addition of a new Battalion Chief position.

Debt Service expenses decreased \$357,994 due to strategic debt service schedule layouts and the refunding of Series 2012C.

Expenditures by Function

Fiscal Year	2022	2023
Legislative	\$246,932	\$272,515
Executive	\$3,602,701	\$4,118,239
Administrative Services	\$1,163,744	\$1,418,800
Facilities & Fleet Management	\$787,383	\$967,249
Non-Departmental	\$349,188	\$172,425
Police	\$8,673,976	\$9,906,498
Fire	\$5,094,731	\$5,700,314
Court	\$617,758	\$719,442
Animal Control	\$316,405	\$331,674
Highways and Public Improvements	\$3,722,148	\$3,722,222
Community Development	\$2,235,002	\$2,532,954
Parks, Recreation and Public Property	\$4,079,591	\$4,704,164
Debt Service	1,996,624	1,638,630
Total with partial transfers	\$32,886,183	\$36,205,126



Visual graphs displayed on this page are adjusted to include the transfer to the Ambulance Fund whereas financial numbers exclude all transfers.

Business-type Financials

Operating Revenues by Service

Fiscal Year	2022	2023
Water Sales	\$5,137,881	\$5,185,361
Storm Water Utility	\$2,682,955	\$2,722,136
Sanitation Sales	\$2,805,360	\$2,835,097
Water Connection Fees	\$33,010	\$26,785
Miscellaneous Income	\$76,148	\$73,496
Ambulance Services	\$1,867,058	\$1,935,495
Total	\$12,602,412	\$12,778,370

Storm Water Fund

Revenues from storm water utility increased \$39,191 as compared to the previous fiscal year. Any increase is due to increased billings. Operating expenses increased \$374,987 in FY23. The storm water fund recognized an operating income of \$650,403. But after capital contributions of \$331,038 and \$404,774 of interest earned the Storm Water Fund had a positive change in net position of \$1,386,215 but only \$1,030,531 in net increases to cash.

The City currently has \$3,482,100 of funds earmarked for future capital projects. Cash was reduced by (\$500,889) in FY23. FY24 also added a new Storm Water Manager position and a rate reduction was done in 2021.

Operating Expenses by Service

Fiscal Year	2022	2023
Salaries and Wages	\$3,920,303	\$5,123,053
Utilities	\$399,069	\$413,942
Water Charges	\$2,160,530	\$2,273,722
Landfill and Sanitation Fees	\$415,483	\$545,740
Claims and Insurance	\$172,800	\$283,700
Supplies and Repairs	\$1,357,510	\$1,680,941
Administration	\$2,019,222	\$1,999,359
Depreciation	\$2,537,455	\$2,585,232
Totals	\$12,982,372	\$14,905,689

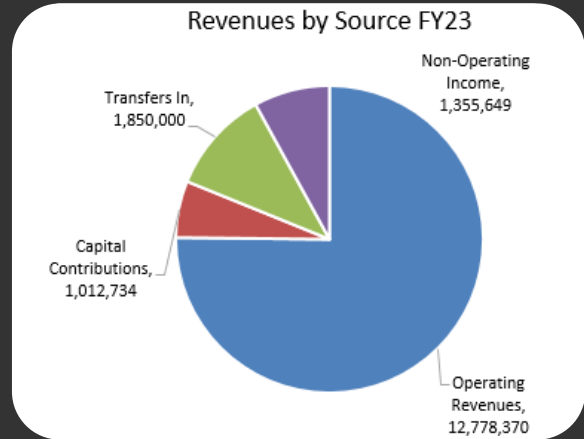
Solid Waste Fund

Revenues from solid waste utility fees increased \$37,068 as compared to the previous fiscal year 2022. Fee increases are due to the increase in the number of new accounts as opposed to a rate increase. Operating expenses showed an increase of \$120,246. The solid waste fund recognized an operating loss of (\$213,379). After non-operating revenues/expenses of \$614,061 the solid waste fund had a positive change in net position of \$400,682. The majority of non-operating revenues are \$345,404 in equity (ownership of the Transjordan Landfill). The cost for supplies increased \$260,472 over FY22 mainly due to inflation and the cost to fix aging trucks due to supply shortages. The net change to cash used was (89,495).

Water Fund

Operating revenues from water activities only increased \$31,415. Operating expenses showed an increase of \$303,436. Some of this increase is from a new FTE during the year. The water fund recognized a (\$440,802) operating loss but after capital contributions and interest earned the fund had a total net position change of \$583,449 for the year. Water charges increased \$113,192 or 5.24%; total water consumption only increased 3.6% over the same period highlighting price increases by Jordan Valley Water that were not passed on through fees. The fund's cash was reduced by (\$4,161,796) during the fiscal year.

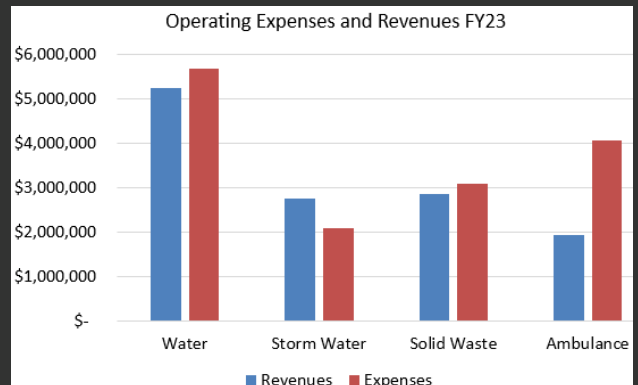
Revenues by Source FY23



Ambulance Fund

Revenues from charges for services was \$1,935,495 which is \$68,437 more than FY22. This was a result of more elective transports during the year. The ambulance fund recognized a loss in operating income of (\$2,123,541) before non-operating revenues/expenses and before capital contributions. The loss for the prior year was (\$1,329,402). The general fund transferred \$1,850,000 to assist in offsetting the cost to administer medical services. The FY22 transfer was \$1,400,000. It is anticipated that the general fund will need to continue to make annual transfers in order to support this service. The fund does not have a cash balance and currently owes \$1,158,993 in cash to the Water Fund.

Operating Expenses and Revenues FY23



Performance Statistics

Performance Measures and Statistics

Fiscal Year	2021	2022	2023
Police			
Calls for service - through dispatch	27,774	26,959	30,847
Citations written	2,087	2,082	2,976
Fire			
Medical Calls	2,972	3,206	3,149
Fire Calls	733	772	1,140
Ambulance Transports	1,571	1,626	1,599
Streets			
Snow plow hours	3,192	3,751	8,605
Tons of salt	4,418	4,373	9,751
Gallons of brine spread	89,483	134,804	237,946
Economic Development			
Business licenses issued	1,594	1,662	1,514
Build permits issues	1,955	2,174	2,279
Garbage & Recycling			
Number of customers	10,814	11,018	11,057
Total annual waste in tons	18,350	17,859	17,625
Total annual recycle in tons	1,526	1,642	1,690
Water			
Number of customers	4,409	4,545	4,577
Average daily use per household (gal)	903	729	750
Parks and Recreation			
Program registrations processed	5,450	5,793	6,718
Recreation participants	7,157	6,611	8,610
Park Reservations processed	2,345	1,411	1,331
Total pickleball courts	8	8	14
Total trails (in miles)	146	147	144



Position

Name

City Manager	David Dobbins
Assistant City Manager	Bret Millburn
City Attorney	Michael Barker
City Recorder	Laura Oscarson
City Treasurer	Lourdes Ramos
Communication Director	Linda Peterson
Community Development Director	Jennifer Jastremsky
Finance Director	John Vuyk
Fire Chief	Clint Smith
Human Resources Director	Malena Murray
Justice Court Judge	Lisa Garner
Parks & Recreation Director	Rhett Ogden
Police Chief	Rich Ferguson
Public Works Director/City Engineer	Scott Cooley

Do you like this report? Would you like to see more information? Please let us know by contacting Jared Zacharias at jared.zacharias@draperutah.gov. For more information on our services, visit us at draperutah.gov.



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